

Resolution 20-27
Bill for Ordinance
Amending Maui County Code
Chapter 19.65
Short-Term Rental Homes

DEPARTMENT OF PLANNING
COUNTY OF MAUI

JUNE 2020

Resolution 20-27

- ▶ County Council proposes to reduce number of short-term rental home permits
- ▶ Chapter 19.65 of the Maui County Code
- ▶ Short-Term Rental Home:
 - ▶ Single-Family Dwellings
 - ▶ Rented out for less than 180 days
 - ▶ Owner does not have to be present

Proposal from County Council

Community Plan District	Current Cap	Existing Permits	Council Proposal
Hana	30	25	23
Kihei-Makena	100	45	100
Makawao-Pukalani-Kula	40	12	11
Paia-Haiku	55	44	55
Wailuku-Kahului	36	6	6
West Maui	88	61	63
Lanai	No Cap	19	20
Total	349	212	278

Some Data about STRH Permits

- ▶ Of the 229 permits issued as of December 31, 2019,
 - ▶ 118 property owners have Hawaii addresses
 - ▶ 111 property owners have mainland or international addresses
- ▶ STRH use was not prohibited until 1991
 - ▶ Some residential properties are “grandfathered” and can be used as vacation rental without a permit but they must comply with Chapter 19.500.110.C, Nonconforming Uses
- ▶ Chapter 19.65 for STRH permits adopted 2012

Vacation Rentals are Allowed in:

- ▶ Hotel District
- ▶ B-2 Community Business District
- ▶ B-3 Central Business District
- ▶ B-R Resort Commercial District
- ▶ Some Planned Development
- ▶ Some older properties in the Apartment Districts (5,575 units)
- ▶ Permitted Bed & Breakfast homes (157 permits)

Data from Real Property Tax

- ▶ Average value of STRH property = \$1.7 million (*Lanai = \$442,105*)
- ▶ Median value of STRH property = \$1.0 million (*Lanai = \$446,600*)
- ▶ Lowest value of STRH property = \$243,000 (*Lanai = \$298,700*)
- ▶ Highest value of STRH property = \$12 million (*Lanai = \$685,000*)
- ▶ Approximate real property tax revenue from STRH properties @ STRH tax class = \$3.9 million (*Lanai = \$97,970*)

2012 Maui Island Plan

ECONOMIC DEVELOPMENT

Chapter 4: Economic Development

*Ata a kuu ka i'a i ka wai'a, mana'o ke ola.
One can think of life after the fish is in the canoe. –Hawaiian 'Olelo No'eau*



Farmers' market, Kahului.

Mauui was the first of the neighbor islands to attract large-scale resort development as the islands transitioned from a plantation-based economy to one based on tourism. Maui's economy has thrived on tourism and it continues as Maui's primary engine. Any economy, however, needs to diversify in order to flourish as times and markets change. Moving forward, Maui must make a fundamental shift to an economy driven by innovation and the creative capacity of its residents. Maui can secure the economic well-being of its residents while protecting the island's scenic beauty, pristine environment, and cultural heritage that residents and visitors cherish.

2012 Maui Island Plan – Policy 4.2.3.a

Policies:

- 4.2.3.a Promote a desirable island population by striving to not exceed an island-wide visitor population of roughly 33 percent of the resident population.
- 4.2.3.b  Use the required General Plan Annual Status Report to monitor trends related to residents and visitors.

2016 Lanai Community Plan

- ▶ Goal: Support the growth of permitted B&Bs, small inns, guest houses and other alternative lodging units.

66,414 visitors/day on Maui island in 2019

Maui visitor numbers hit all-time high

HTA study: More than 3 million came in 2019

LOCAL NEWS

FEB 9, 2020

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Plenty of beachgoers, not much surf in Kihikihi Cove Park last year. A study released by the Hawaii Tourism Authority last week reports that Maui visitor arrivals surpassed the 3-million mark for the first time in 2019. The Maui News / MATTHEW THAYER photo

The number of visitors to Maui in 2019 surpassed the 3 million mark for the first time since record-keeping began three decades ago, a recent report showed.

Hawaii Tourism Authority's visitor statistics released last week said Maui led Neighbor Islands with 3,071,596 visitors in 2019, a 5.4 percent increase from the year prior. It is the highest total since the agency began tracking arrivals in 1990.

The preliminary year-end data also showed the Aloha State for the first time pushed past the 10 million mark — with 10,424,995 visitors to the state last year.

Photo credit: The Maui News 2/3/20

Visitors to Maui County

- ▶ 2019 visitors per day to Maui County = 67,952 (*Lanai visitors/day = 747*)
- ▶ 2018 resident population for Maui County = 154,834
(*Lanai residents = 3,135*)
- ▶ Goal = 33% of resident population
 - ▶ $154,834 \times 33\% = 51,095$ (*33% of Lanai resident pop. = 1,035*)
- ▶ 67,952 visitors per day = 44% of resident population (*Lanai = 24%*)
- ▶ $67,952 - 51,095 = 16,857$ visitors or 11% over Maui Island Plan Policy.

Where do go from here?



Sustainability

- ▶ Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs. *Brundtland Report, 1987*
- ▶ Components of sustainability:
 - ▶ Economy
 - ▶ Environment
 - ▶ Social Equity

Resilience

- ▶ The ability of a system to cope with shocks and keep functioning in much of the same kind of way. *Walker B. & Salt D., 2012, Resilience Practice*

Recent Outreach

- ▶ Community / Interest Group Outreach in February and March:
 - ▶ Maui Vacation Rental Association
 - ▶ Realtors Association of Maui
 - ▶ Alliance of Community Associations
 - ▶ Maui Hotel and Lodging Association
 - ▶ Public Meeting March 6, 2020
- ▶ Options discussed:
 - ▶ Phase-out
 - ▶ Attrition
 - ▶ Reducing cap (Council's proposal)
 - ▶ Broadening / loosening B&B requirements

Department's Proposal

Community Plan District	Current Cap	Existing Permits	Pending Applications	Department Proposal	Council Proposal
Hana	30	25	2	27	23
Kihei-Makena	100	45	5	50	100
Makawao-Pukalani-Kula	40	12	0	12	11
Paia-Haiku	55	44	3	47	55
Wailuku-Kahului	36	6	0	6	6
West Maui *	88	61	8	69	63
Lanai	No Cap	19	2	21	20
Total	349	212	20	232	278

* West Maui Pending Applications revised from 6 to 8

Department Mission

- ▶ The mission of the Department of Planning is to manage growth in a sustainable manner that balances our economy, culture and the environment.