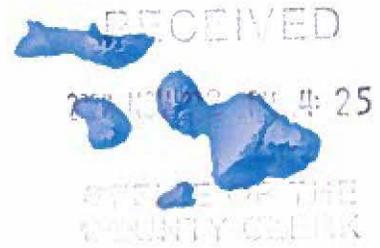
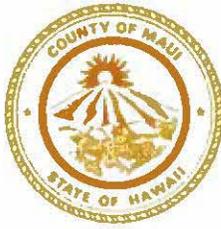


RICHARD T. BISSEN, JR.
Mayor

KATE L. K. BLYSTONE
Director

ANA LILLIS
Deputy Director



DEPARTMENT OF PLANNING
COUNTY OF MAUI
ONE MAIN PLAZA
2200 MAIN STREET, SUITE 315
WAILUKU, MAUI, HAWAII 96793

November 22, 2024

Honorable Richard T. Bissen, Jr.
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Richard Bissen

Mayor Date 11-22-24

For Transmittal to:

Honorable Alice Lee, Chair
and Members of the Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Lee and Council Members:

**SUBJECT: AN ORDINANCE AMENDING CHAPTERS 19.12, 19.32 and 19.37
RELATING TO TRANSIENT VACATION RENTALS IN
APARTMENT DISTRICTS**

On May 2, 2024, the Mayor issued a press release proposing to repeal Transient Vacation Rental (TVR) use in the Apartment Zoning Districts with the intended purpose of expanding the availability of long-term rental units to island residents. As shown in the attached draft bill, the Mayor's proposal is to phase out TVR use in West Maui by July 1, 2025 and throughout the remainder of the County by January 1, 2026. The Mayor subsequently directed the Planning Director to transmit a bill for an ordinance that would remove TVR use from the Apartment Districts to the Planning Commissions for their review and transmittal of their findings and recommendation to the County Council.

Background Information

The attached report to the Planning Commissions was provided by the Department with its analysis. Within that report is a detailed "Background Information" section covering "General Plan Housing Policy Direction," "General Plan Visitor Serving Policy Direction," "TVR Use in the Apartment Districts," "Short-Term Rental Homes," "The Minatoya List" and "Code Changes to Parking Requirements." The report also provides a "Discussion" section on "Issues, Alternatives and Recommendations." Also attached are presentation slides that were prepared by a consultant to the Mayor's office (Mr. Matt Jachowski) that were provided to each Commission. The presentation slides

Honorable Richard T. Bissen, Jr.
For Transmittal to:
Honorable Alice Lee and Members of the Maui County Council
November 22, 2024
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provide data and context to the Mayor's request, and it is anticipated that the same or similar presentation will be provided to the County Council when this item is scheduled for a future agenda.

Planning Commission Recommendations

Public hearings were held by the Maui Planning Commission on June 25, 2024 and July 23, 2024, the Moloka'i Planning Commission on July 10, 2024, and the Lāna'i Planning Commission on July 17, 2024. A significant amount of correspondence was received by the planning commissions and a significant amount of testimony was provided to the Maui Planning Commission during both of their meetings. Hence, all Planning Commission minutes and correspondence are provided in the list of attachments below with links to those specific documents.

While the Department recommends that the Council read all of the planning commissions' meeting minutes, the following is a brief summary and action taken during each commission meeting:

- **Maui Planning Commission Meetings:**

- June 25, 2024: The June 25th meeting began with presentations from the Mayor, the Planning Department, and a consultant to the Mayor's office, Mr. Jachowski. The Commission heard testimony from approximately 150 public speakers, which lasted the entire day. Public testimony was not completed and the Commission continued the public hearing to a future meeting.
- July 23, 2024: The July 23rd meeting continued with public testimony from approximately 140 public speakers. The Commission then closed the public hearing, deliberated on the item, and took the following action with a vote of 5-0:
 - Recommend adoption as requested with an increase in the phase-out time period.
 - Requested that the Council consider the economic impacts of the proposal using the anticipated University of Hawai'i Economic Research Organization (UHERO) study.
 - Requested that the Council consider the social, cultural, environmental, and quality-of-life impacts of the proposal.
 - The Commission discussed a range of changes in the timeline of the phase-out from immediate to 3 years outside of West Maui. The Commission recognized the need for immediacy in West Maui. They also discussed an extended timeline for South Maui of up to 3 years.
 - Requested that the Council consider excluding those properties that are community plan designated for hotel use and those properties that are already partially hotel zoned.

- **Moloka'i Planning Commission Meeting:**

- July 10, 2024: The Commission received a presentation from the Mayor, the Planning Department, and Mr. Jachowski. The Commission heard testimony from seven public

speakers, closed the public hearing, deliberated on the item, and took the following action with a vote of 5-0:

- Recommended adoption of the request, with the following comments:
 - If the countywide request is not approved by the County Council, then the County should move forward with the same request for Moloka‘i only.
 - That the UHERO study include or a separate forecast analysis study be prepared that addresses an island-specific housing strategy that prioritizes and supports the regeneration and surplus of water and other natural resources to collect specific data in order to provide the County with accurate statistics in order to build responsibly.
- **Lāna‘i Planning Commission Meeting:**
 - July 17, 2024: The Commission received a presentation from the Mayor, the Planning Department, and Mr. Jachowski. The Commission heard testimony from 2 public speakers, closed the public hearing, deliberated on the item, and took the following action with a vote of 6-0 and 1 abstention.
 - Recommended that the Maui County Council request the additional studies that were referenced in the Commission’s discussion, and to consider the suggestions that the Commission made on all the issues they found were unaddressed prior to moving forward.

While the Department recommends that the Council review the Commission’s minutes to fully understand the context of their deliberation and issues as noted in the recommendation above, for summary purposes, the Department prepared the following list of issues raised by Commissioners:

- If units are sold, is there any guarantee that they will be purchased by Maui residents?
- If units are rented, will the county be able to cap rents or will there be a rent subsidy so that they are affordable?
- What are fiscal impacts to Transient Accommodations Tax (TAT) and General Excise Tax (GET)?
- Will there be any financial assistance to TVR owners to incentivize them to find long-term tenants?
- Instead of pursuing the request, could the County raise taxes on TVRs to a point where it would be more profitable for the owner to rent long-term instead?
- Should the Commission wait until the UHERO study is completed so it understands the economic impacts before it makes a recommendation to Council?
- What is the specific plan to make sure these units will be made available

Honorable Richard T. Bissen, Jr.
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November 22, 2024
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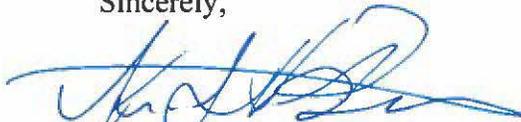
- from the owners and are rented at an affordable level to Maui residents?
- Are the phasing out dates workable since the UHERO study has yet to be released and Council still needs to take action?
 - Are we moving forward with a policy change that ends up not being effective due to the location of existing buildings near shoreline and impacts of sea level rise/climate change?
 - Is it good policy to enact a law/ordinance that may not be realistically implemented since the proposal provides opportunity for units but does not guarantee them?

Additional Information:

UHERO Study Status: As of the preparation of this report, the anticipated UHERO economic analysis on the proposed ordinance has yet to be completed. As last reported it is anticipated that the analysis will be completed in December 2024. Upon receipt, it will be forwarded to the County Council for consideration and posted for public review.

Thank you for your attention and consideration. Should further clarification be necessary, please feel free to contact me.

Sincerely,



KATE L.K. BLYSTONE
Planning Director

Attachments:

- Proposed Ordinance
- Department Transmittal Letter to PC with attachments (with exception to correspondence – see below for link to correspondence)
- Maui PC Minutes, June 25, 2024 – Link: <https://mauicounty.gov/ArchiveCenter/ViewFile/Item/32048>
- Moloka'i PC Minutes, July 10, 2024 – Link: <https://mauicounty.gov/ArchiveCenter/ViewFile/Item/32082>
- Lāna'i PC Minutes, July 17, 2024 – Link: <https://mauicounty.gov/ArchiveCenter/ViewFile/Item/32090>
- Maui PC Minutes, July 23, 2024 – Link: <https://mauicounty.gov/ArchiveCenter/ViewFile/Item/32161>
- Public Correspondence, and June 25, 2024 Presentation by Matt Jachowski – please see the following link to the July 23, 2024 Maui Planning Commission Meeting Agenda that contains individual links to Matt Jachowski's presentation and public correspondence received - <https://mauicounty.gov/ArchiveCenter/ViewFile/Item/32054>

cc: Ana Lillis, Deputy Planning Director (pdf)
Jordan E. Hart, Planning Program Administrator (pdf)
Gregory Pfost, Administrative Planning Officer (pdf)

RICHARD T. BISSEN, JR.
Mayor

KATE L. K. BLYSTONE
Planning Director

ANA LILLIS
Deputy Planning Director



**DEPARTMENT OF PLANNING
COUNTY OF MAUI
ONE MAIN PLAZA
2200 MAIN STREET, SUITE 315
WAILUKU, MAUI, HAWAII 96793**

June 25, 2024

MEMORANDUM

**TO: MAUI PLANNING COMMISSION
MOLOKAI PLANNING COMMISSION
LANAI PLANNING COMMISSION**

FROM: KATE L. K. BLYSTONE, Planning Director 

**SUBJECT: AN ORDINANCE AMENDING CHAPTERS 19.12, 19.32 and 19.37
RELATING TO TRANSIENT VACATION RENTALS IN APARTMENT
DISTRICTS**

It is well known that there is a very limited supply of available housing units in Maui County, and what is available is cost prohibitive for many residents. According to the 2019 Hawai'i Housing Planning Study, in 2019 approximately 14% of Maui households were doubled up, which means having more than two generations in the household, having unrelated individuals in the household or having same-generation relatives in the household. According to the Study's Housing Demand Survey, doubled-up persons are in the household because they cannot afford to live elsewhere. Additionally over the 2020-2025 planning period, the number of new housing units needed to eliminate pent-up demand and accommodate new households in Maui County is approximately 10,404 units. The destruction caused by the wildfires in August 2023 has only exacerbated the issue, and a significant number of residents displaced as a result of the wildfires are currently in search of housing.

On May 2, 2024, the Mayor issued a press release proposing to repeal Transient Vacation Rental (TVR) use in the Apartment Zoning Districts with the intended purpose of expanding the availability of long-term rental units to island residents. The press release notes this being a unified effort with his Lahaina Advisory Team, Lahaina Strong, and Maui County Councilmember Keani Rawlins-Fernandez. As shown in the attached draft bill, the Mayor's proposal is to phase out TVR use in West Maui by July 1, 2025 and throughout the remainder of the County by January 1, 2026. The difference in amortization dates is to accommodate those Lahaina residents affected by the August 2023 wildfire first.

The Mayor subsequently directed the Planning Director to transmit a bill for an ordinance (attached) that would remove TVR use from the Apartment Districts to the Planning Commissions

for their review and transmittal of their findings and recommendation to the County Council. Context for the Mayor's decision is summarized through the following press release statements:

- *"My proposed bill will revert all Apartment District properties to their intended long-term residential use by removing the exception provided to those properties built or approved prior to 1989, and fully discontinue Transient Vacation Rental use in Apartment Districts by July 1, 2025, for West Maui TVRs and all others in Maui County by January 1, 2026,"*
- *"We may rebuild our beloved Lahaina, but if we don't return Lahaina to the people who represent that unique community – if we don't recognize the faces of our friends and family as we repopulate Lahaina, we will have lost this fight for our people, and for my administration and I – even one more family lost is one too many."*

Further, Councilmember Rawlins-Fernandez underscored the urgency of this measure by indicating:

- *"We cannot wait as more families uproot and move away. We must take immediate action now to correct the injustice of commodifying our apartment units the County has attempted to address since the '80s."*

Background Information

Many of the existing Apartment District dwelling units in Maui County are currently available for and are being used as TVR, which according to Maui County Code (MCC) Section 19.04.040, TVR means *"occupancy of a dwelling or lodging unit by transients for any period of less than one hundred eighty days, excluding bed and breakfast homes and short-term rental homes."* The Department's list of "Apartment District Properties Allowed to be Used for Short-Term Occupancy" (aka: "Minatoya List" - see further discussion below) is a list of approximately 7,167 dwelling units within the County's Apartment Zoning Districts, which according to MCC Chapter 19.12 may operate TVR "by-right" provided that certain criteria are met.

By removing TVR use from the Apartment Zoning Districts, there is a potential opportunity to increase the number of units available for long-term rental, which may to some degree address the County's housing needs. As a result, there may also be impacts to the County and its residents associated with the potential loss of a significant number of visitor-serving accommodations. The discussion below provides General Plan Policy direction related to this issue along with additional background information followed by the Department's analysis within the "Discussion" section of this report.

General Plan Housing Policy Direction:

The Countywide Policy Plan, Maui Island Plan and various Community Plans offer policy direction in seeking resolution to the housing issue. Related specifically to the proposed ordinance, some of these policies include:

Countywide Policy Plan:

E. Expand Housing Opportunities for Residents

Goal: Quality, island-appropriate housing will be available to all residents.

Objective: 1. Reduce the affordable housing deficit for residents.

Policy E.1.a. Ensure that an adequate and permanent supply of affordable housing, both new and existing units, is made available for purchase or rental to our resident and/or workforce population, with special emphasis on providing housing for low- to moderate-income families, and ensure that all affordable housing remains affordable in perpetuity.

Policy E.3.a. Recognize housing as a basic human need, and work to fulfill that need.

Policy J.1.c Limit the number of visitor-accommodation units and facilities in Community Plan Areas.

Policy J.1.d. Maintain a sustainable balance between the resident, part-time resident, and visitor populations.

Maui Island Plan:

4.2.2.c Manage impacts from transient vacation rentals, hotels, bed and breakfast units, timeshares, and resort condominiums on residential communities, public infrastructure, and community facilities.

4.2.2.d Discourage supplanting of existing island housing to visitor accommodations that may have a negative impact on long-term rental housing, price of housing, and price of land.

4.2.2-Action 1. Manage transient vacation rentals through permitting in accordance with adopted regulations and community plan policies.

4.2.2-Action 3 Develop programs and/or regulations to: (1) Allow for the development of small, locally-owned inns and B&Bs in the commercial cores of Maui's country towns and business districts if permitted, and as defined in the community plans; (2) Cap the number and type of visitor accommodations that can be permitted; and (3) Manage the number and type of visitor accommodations that can be permitted.

West Maui Community Plan:

2.5.16. Increase the inventory of long-term housing units, whether owner-occupied or long-term rental, and whether single-family or multi-family.

Action 3.05. Propose amendments to the County Historic District Ordinances to allow existing hotels, prohibit new vacation rentals, and phase out existing vacation rentals that are not hotels or inns. Phasing out could be accomplished by counting vacation rentals towards short-term rental home permit caps or by attrition.

Action 5.08. Propose legislation to amortize the short-term occupancy list and phase out short-term rental use to make more housing units available for long-term occupancy.

Action 5.09. Propose revisions to the real property tax structure to incentivize long-term rental and owner-occupancy of housing units, and to discourage short-term rental use.

General Plan Visitor Serving Policy Direction:

The Countywide Policy Plan and Maui Island Plan also provide policy direction related to the economic value of visitor serving uses, which supports County infrastructure and services in addition to providing employment for many island residents. Some of these policies include:

Countywide Policy Plan:

F. Strengthen the Local Economy

Goal: Maui County's economy will be diverse, sustainable, and supportive of community values.

Objective: 3. Support a visitor industry that respects the resident culture and the environment.

n. Recognize the important contributions that the visitor industry makes to the County's economy, and support a healthy and vibrant visitor industry.

Maui Island Plan:

4.2.1.f Recognize the important economic contributions that the visitor industry makes and support a healthy and vibrant visitor industry.

TVR Use in the Apartment Districts:

The use of TVRs within the Apartment Districts has been the subject of various ordinances approved over many years; some ordinances permitting the use, while others attempting to prohibit or decrease the use. The following is a brief history of TVR use in the County.

On June 3, 1960, the County's first Comprehensive Zoning Ordinance (Ordinance No. 286) was adopted, which established various zoning districts, including Residential (R-1, R-2 and R-3), Apartment (A-2 and A-3), and Hotel. The Residential Districts were similar to those of today, which establish zones for single-family dwellings on various lot sizes. In 1960, the Apartment Districts included "Class A-2 Two-family district (duplex district)" and "Class A-3 Apartment house district (multiple family)". The A-2 district allowed for the same uses within the Residential (R-1, R-2, R-3) Districts, in addition to "Two-family dwellings (duplex)". The A-3 district allowed the same uses in the Residential (R-1, R-2 R-3) and A-2 (duplex) districts, but also allowed other uses including "Apartment houses (multi-family dwellings)", "Boarding, rooming and lodging houses", "Bungalow courts", "Court apartments", and importantly for this discussion, "Motels". The Ordinance defined "Motel" as "A group of attached or detached buildings containing dwelling units or apartments, designed for or used temporarily by automobile tourists or transients, with garages attached or parking space conveniently located to each unit, including auto court, tourist court or motor lodge" (emphasis added). "Hotel" was defined as "A building designed for occupancy as the more or less temporary abiding place of transient individuals who

are lodged with or without meals in which there are more than twenty (20) guest rooms, which rooms may be equipped with cooking facilities” (emphasis added).

In 1966, Chapter 8 – Zoning, Maui County Code, was created, which included the same districts and uses permitted as noted above, but provided for additional regulations, including the establishment of historic districts.

In 1968, Ordinance No. 548 amended Chapter 8 by changing the Apartment district’s land use designations. Specifically, all lands that were designated “Class A-2 Two-family district (duplex district)” would thereafter be designated as “D-1 duplex district”, and all lands previously designated as “Class A-3 Apartment house district (multiple family)” would thereafter be designated as “A-2 apartment district”. A new “A-1” apartment district was also created. The new A-1 and A-2 apartment districts would continue to allow the same uses as that established within the former “A-3” district of the 1960 Code (see above), but were distinguished according to differing development standards related to lot area, lot coverage, floor area ratio, and setbacks – in essence, the new A-2 district allowing for larger structures than the new A-1 district. Importantly, the use of “Motel” and its allowance for “transient” use, as defined in 1960, continued to be permitted in both A-1 and A-2 apartment districts.

In 1971, Chapter 8 was amended, and amongst other changes continued to include the changes made in 1968 through Ordinance No. 548 (see above). Namely, the use of “Motel” in the A-1 and A-2 Apartment districts continued, along with the same definition since 1960.

In 1980, Ordinance No. 1113 was adopted, which approved a new Code format wherein the Zoning Ordinance was re-titled from “Chapter 8” to “Title 19”. Subsequently, on April 20, 1981, Ordinance 1134 created Title 19.37, which was the first ordinance to clearly define “TVR” use. At that time, TVRs were defined as rentals for less than 30 days in “multi-unit” buildings. The ordinance allowed TVR use in Apartment and Hotel Districts only.

In 1989, Ordinance 1797 removed TVR as a permissible use in Apartment Districts. Specifically, it removed “Motels” as a permitted use in the A-1 and A-2 Apartment Districts, while adding Section 19.12.010.C, “*Buildings and structures in the Apartment District shall be occupied on a long-term residential basis.*” It also defined “long term residential basis” as structures “*occupied by an owner, lessee or tenant for a continuous period of six months or more per year.*” However, the ordinance recognized that the new law would not apply to Apartment District structures that had received certain development approvals prior to the ordinance’s enactment. This recognition was not codified at that time, but in practice it allowed multi-unit buildings built or approved prior to 1989 in an Apartment District to operate TVR as lawful non-conforming use.

Shortly thereafter, in 1991, Ordinance 1989 amended MCC Title 19.37, striking TVR use in Apartment Districts. Then, in 2014, Ordinance No. 4167 was passed with the purpose of codifying the language of Ordinance 1797. This ordinance explicitly allowed those structures built or approved prior to 1989 to operate TVR in Apartment Districts. This exception was codified in

MCC Section 19.12.020(G), and was modified at least four times since its passage through Ordinance Nos. 5126 (2020), 5301 (2021), 5473 (2022) and 5502 (2023), which all identified additional requirements for qualifying for the exception.

In summary, transient uses, in one form or another, have been permitted within the Apartment Districts since 1960. While there have been ordinances attempting to restrict its use, eventually it was acknowledged that those TVR uses operating prior to 1989 should be permitted to remain. Specifically, and currently, TVR is a permitted use in A-1 and A-2 Apartment Districts provided that the structure was constructed prior to April 21, 1989 and meets other criteria as stated in MCC Section 19.12. In short, owners that meet the specific criteria may lease their unit as TVR provided that they also pay the associated higher Real Property Tax and Transient Accommodations Tax. This is essentially a “by-right” permission to operate TVR in the Apartment Districts. Any structures built in the Apartment Districts after April 20, 1989 are not permitted to accommodate TVR use.

It should also be noted that during the 1960s, 1970s and 1980s, the County adopted many ordinances approving zone changes for individual properties where the zone was changed from either an R-1, R-2, R-3 or Agriculture district to an Apartment District of A-1 or A-2. This is prevalent in West and South Maui areas. While the Department has not confirmed the purpose of these changes in each occurrence, it should be assumed that the intent was to provide multi-family units, which would have also allowed them to operate TVR.

Short-Term Rental Homes:

The Commission may also be familiar with MCC Section 19.65, which regulates Short-Term Rental Homes (STRH), defined through MCC Section 19.04.040 as:

"Short-term rental home" means a residential use in which overnight accommodations are provided to guests for compensation, for periods of less than one hundred eighty days, in no more than two single-family dwelling units, or one single-family dwelling unit and one accessory dwelling unit, excluding bed and breakfast homes. Each short-term rental home shall include bedrooms, one kitchen, and living areas. Each lot containing a short-term rental home shall include no more than two single-family dwelling units, or one single-family dwelling unit and one accessory dwelling unit, used for short-term rental home use, with no more than a total of six bedrooms for short-term rental home use, as specified within the zoning district provisions of this title.

STRH use is regulated differently than TVR use within the Apartment Districts. Specifically, STRH is not a “by-right” use, but may be allowed only through the approval of a STRH Permit (MCC Chapter 19.65) by the Planning Director or Planning Commission. Each permit application is evaluated individually and approval will include conditions that address operational requirements, an expiration date and the ability for extension. MCC Sub-section 19.65.030.R establishes the maximum number of STRH permits allowed to be issued per Community Plan area, as follows:

1. Hāna: 15.
2. Kīhei-Mākena: 46; with no more than five permitted short-term rental homes in the subdivision commonly known as Maui Meadows.
3. Makawao-Pukalani-Kula: 15.
4. Pa'ia-Ha'ikū: 48; except that new permits may not be issued for properties within the special management area to avoid proliferation of this use and subsequent changes in the character of the region's coast.
5. Wailuku-Kahului: 6.
6. West Maui: 50.
7. Moloka'i: 0.
8. Lāna'i: 15.

Thus, while the MCC establishes a maximum number of STRH units permitted in each Community Plan area, TVRs within each Community Plan's Apartment Districts are not subject to the same restriction on maximum number of units.

The "Minatoya List":

The attached list of "Apartment District Properties Allowed to be Used for Short-Term Occupancy", also known as the "Minatoya list" (named after former Deputy Corporation Counsel Richard Minatoya), represents the "known" structures within the Apartment Districts that are permitted to operate TVR "by right" in that they meet the criteria established in MCC Chapter 19.12. The list currently includes a total of 7,167 units. According to the County's Finance Department, in the 2024 assessment year, 6,364 units within the Apartment Districts were assigned a Real Property Tax (RPT) tax classification of STRH-TV. The remaining units had a different RPT classification, such as "Owner-Occupied", "Long-Term Rental" or "Non-Owner Occupied". If the draft bill is approved, all "known" and "unknown" units currently conducting TVR use in the Apartment Districts would be required to cease that use and would no longer have any future opportunity to operate TVR. While each property owner in the Apartment District could apply for a STRH permit after ordinance adoption, by MCC definition, only two units on a subject property may be used for STRH. Further, the cap on issuance of STRH permits has been met or is close to being met for most of the Community Plan areas.

Code Changes to Parking Requirements:

The Department received correspondence from property owners in opposition to the proposed ordinance with notation that they believe their apartment/condominium complex was not originally designed for long-term rental based upon limited number of on-site parking spaces as one example. The following provides some background on related parking requirements and how those requirements have changed since 1960.

- Single-family Residential Parking Requirements:
 - 1960 = 1 space/unit

- 1971 = 1 space/unit
- 1988 = 2 space/unit* (* change to 2 spaces occurred sometime between 1971 and 1988)
- Current – 2 spaces/unit
- Apartment District (Multiple-family) Parking Requirements:
 - 1960 = 1 space/unit
 - 1971 = duplex, apartment house = 1 space/unit
 - Current = 2 spaces/unit
- Motel Parking Requirements:
 - 1960 = 1 space/unit
 - 1971 = 1 space/unit
 - 1988 = 1.5 spaces/unit. With kitchen in room = 2 spaces/unit
 - Current = 1 space/unit
- Hotel Parking Requirements:
 - 1960 = 1 space/3 units
 - 1971 = 1 space/3 units. With kitchen in room = 1 space/2 units
 - 1986 = 1 space/2 units
 - Current = 1 space/unit

As evident in the information above, over time, the amount of required parking spaces has increased for all of the noted zoning districts; reflecting the increased use of the automobile over time. Importantly, in the 1960s and 1970s when many Apartment district buildings were constructed, there was no difference in parking requirements between long-term residential use and transient uses at 1 space/unit, with hotels have a reduced parking rate of 1 space/3 units.

Discussion – Issues, Alternatives and Recommendation

As directed by the Mayor, the attached draft ordinance proposes to remove TVR as an approved use from the Apartment District through various amendments to Chapter 19.12, 19.32 and 19.37. If adopted by Council, only long-term occupancy of the Apartment District would be permitted, with exception to any permits issued for STRH per the requirements of MCC Section 19.65. The draft ordinance also describes the amortization period for when TVR use must cease in the Apartment District.

According to MCC Section 19.12.010, the stated Purpose and Intent of the Apartment District is as follows:

- "A. *The purpose of the apartment districts are to provide higher density housing options than the residential and duplex districts. Multiple-family apartment districts are generally established within or near the urban core of a town to provide residents with access to jobs, services, amenities, and transportation options. Uses within the apartment districts are appropriately located near, and are compatible with, uses in the various business, residential, public/quasi-*

public, and park districts. Apartment districts can provide a transition between residential districts and business districts.

- B. Apartment districts must consist of two types: A-1 apartment district and A-2 apartment district.*
- C. Residential buildings and structures within the apartment district must be occupied on a long term residential basis, except as otherwise allowed by code."*

As noted in the "Background" section above, transient uses in the Apartment Districts have been permitted since 1960 - through the "Motel" land use designation between 1960 and 1989, and then through the TVR designation from 1989 to current date. Specifically, it was not until 1989, that the County removed the formally permitted use of "Motel" from the Apartment Districts and added an abbreviated version of subsection 19.012.010.C above, indicating that "*Buildings and structures in the Apartment District shall be occupied on a long-term residential basis.*". It was also in 1989, that the County recognized that TVR use in the Apartment districts could continue provided that the structures were constructed prior to April 20, 1989 and met certain other criteria. Otherwise, new structures constructed after April 20, 1989 could no longer be used for TVR.

While the information above clarifies that the County has permitted transient use in the Apartment Districts since 1960, it is equally if not more important to also recognize that these districts were also originally intended to accommodate for the County's higher density long-term housing. In addition to the current purpose and intent as noted above, the 1960, 1966 and 1971 Codes also reference multi-family housing as described below:

1960 and 1966 Code: Class A-3 Apartment House (Multiple Family): "*Description and Purpose: There is a trend to provide for multiple family apartment districts generally located outside of the high density core of the central portion of the City or County. It is applicable to areas wherein multiple family apartments are indicated; yet the area has not reached a transitional stage wherein public, semi-public, institutional and other transitional uses are desirable*"

1971 Code: Apartment District. "*Description and purpose. Multiple-family apartment districts are generally established outside of the high density core of the central portion of a town. It is applicable to areas where multiple-family units are indicated; yet, the areas have not reached a transitional stage wherein public, semi-public, institutional and other uses are desirable*"

Most Apartment Districts are located immediately adjacent to or in very close proximity to the shoreline, which are also within the main visitor serving areas of the County. Over time, as the visitor-serving industry continued to grow, their location and value to the visitor-serving industry has contributed to either the development of structures with the intent of serving the visitor

industry through permitted transient use, or due to economic value converted existing long-term rental units to permitted transient use. While the County needs higher density long-term rental units for our residents, it is also important to recognize the importance that visitor-serving uses and visitor serving accommodations play into the economic vitality and employment opportunities within the County. Achieving an appropriate balance between resident needs and visitor-serving uses and accommodations is a delicate endeavor.

The Department and Commission have received numerous correspondence (attached) from the community regarding the draft bill. The correspondence has identified many concerns and issues. While the Department believes that the intent of the proposed ordinance is sound - namely an attempt to address the long-term housing needs of those most recently affected by the August wildfires and the County's residents as a whole – it is recommended that the Planning Commission consider the issues raised by the community and potential alternatives in their deliberation. To that end, the Department offers the following "Issues" discussion.

Issues:

A. Will the proposed ordinance achieve the intended benefit of attainable long-term housing?

The Department believes that the ordinance will result in an increase in available long-term rental and for-sale units in the County. However, there may be issues related to the availability of those units to existing County residents due to their level of affordability.

According to the Finance Department, approximately 46% of the units are oceanfront and have an average assessed value of \$937,300, while the remaining 54% that are not oceanfront but are very near, have an average assessed value of \$1,074,200. As described in the table below provided by the Finance Department, most of the TVR units in the Apartment Districts are located within prominent visitor serving locations and said locations speak highly towards their value:

Location	Projects	Units*	Average Value
Hāna	1	10	\$670,300
Moloka'i	2	246	\$264,900
Pā'ia	1	30	\$484,300
Mā'alaea	8	479	\$823,300
Kapalua	3	488	\$1,677,900
Nāpili/Kahana	20	792	\$1,016,500
Honokōwai/Kā'anapali	10	1,186	\$894,100
Lahaina**	3	109	\$1,011,900
Wailea	6	782	\$1,641,500
Kīhei	36	2,918	\$917,811
Total	90	7,049	
*all classes			
**2 project destroyed (only 10 units built)			

The table above identifies average “assessed” value. In a letter from the Real Property Assessments Division, they determined that they could not predict how changing this use would affect property values for these units.

In the long-term, the influx of available units on the market may eventually result in lower rental and for-sale rates if the units cannot be sold and/or rented at current value in the short-term. Due to the increase in supply there may also be an indirect decrease in long-term rental and for-sale market rates for dwelling units elsewhere in the County. However, it is still unclear if that future reduction will be enough to address the affordability issues that County residents currently face.

The Department does not employ an economist and thus can only raise the issues and theorize upon potential outcomes. To that end, the County is working with the University of Hawai'i Economic Research Organization (UHERO) on a detailed economic analysis to determine the feasibility of these units being made available and affordable for current County residents.

B. Employment. Will there be a loss of employment for those that directly and indirectly support existing TVR units?

There may be some loss of employment for those directly servicing existing TVR units, such as housekeeping and maintenance staff, real estate and accommodation booking professionals, and concierge services. There may also be a loss of employment to those that indirectly service the tourist industry, such as owners, servers and retail sales associates at restaurants, bars, grocery stores, and souvenir shops.

C. Budget. What will be the economic loss to the County's budget?

It should be expected that there will be some economic impact to the County's Budget. Regarding impacts to Real Property Tax (RPT) revenue, based upon 2024-25 RPT classification rates, the Finance Department has estimated the RPT revenue loss to be \$38,359,541. This assumes a change in RPT classification for 6,208 units from an existing “TVR-STRH” classification to a “Non-owner-occupied” classification. If some of these units change to an “Owner-Occupied” or “Long-term Rental” classification, there will be additional revenue loss since those tax classification rates are less than the “Non-owner-occupied” classification. The County may choose to increase taxes in other classifications to off-set the anticipated revenue loss.

In addition to RPT, property owners must also pay Transient Accommodations Tax (TAT) to the County and State for each nightly stay in a TVR unit. The specific amount of TAT loss cannot be determined for those properties affected by the ordinance as the Finance Department does not have the ability to cross-check the State's data base with the specific addresses in the Apartment District.

D. Are the subject units appropriate for long-term rentals? Were they initially built for that purpose?

Many of the units may have been originally designed to accommodate visitors as opposed to be intended for long-term rental by County residents. While the Department has not analyzed each of the existing buildings within all of the Apartment Districts, the Department has been made aware of this issue from correspondence received. For example,

- Most of the units are relatively small (432 with 0 bedrooms, 3,147 with 1 bedroom, 2,420 with 2 bedrooms, and 144 with 3 bedrooms). The number of bedrooms does not, however, indicate whether the building was intended for residential or transient use. There are plenty of individuals and small families that could benefit from a smaller unit.
- Based upon submitted correspondence, many complexes appear to have only one or fewer parking spaces per unit on site (current code-required parking for transient accommodations/hotel/motel is 1 space/unit), compared with the current code requirement of 2 parking spaces per unit for apartments. Additionally, given their predominant coastal location, there are limited public parking spaces available off property assuming that future long-term tenants may have more than one car. The amount of parking allocated per unit does not determine if a property is suitable for residential use. Depending on the location of the building, parking may not be necessary if residents are located within walking distance to their work and services, or if the building is on a bus line.
- According to testimony, some existing buildings do not allow pets nor allow smoking. Further, some do not have storage facilities, other than bedroom closets. Again, these characteristics do not rule out residential use for facilities. The rules for the buildings are set by the owners and can be adjusted at the will of those owners.
- Some existing developments have a Zoning designation of Apartment, but a Community Plan Area designation of Hotel. Buildings with this circumstance may apply for a change in zoning to match their community plan designation. With that change, they would be able to operate as a hotel.

Some correspondence suggested that the proposal should be more selective about which units should convert to long-term rental based upon whether the units were intended to be used for TVR or long-term housing. The Planning Commission may make suggestions to the County Council about this subject in their recommendation if they so choose.

E. Is this proposal legal? Will litigation delay implementation?

Pursuant to Section 46-4(a), Hawai'i Revised Statutes, the County may prohibit a previously lawful use in an Apartment zone, provided that the County provide a reasonable period to amortize or phase out the use. The draft ordinance and its amortization period are

in compliance with State law. It should still be anticipated, however, that property owners who currently operate TVR in the Apartment Districts will submit a legal challenge to an adopted ordinance. It is unclear as to the estimated litigation costs to the County and the subsequent resultant delay.

Furthermore, it should be anticipated that some property owners may decide to submit application to change their property's Zoning and Community Plan designation from Apartment to Hotel. Each application would be evaluated upon its merits by the Planning Commission and County Council. These efforts may also delay implementation.

F. Other issues brought up in correspondence received:

The issues below were also identified in correspondence from the public on this proposed bill. The Department offers the following responses:

- Current owners may not rent long-term as they will want to still use the unit for themselves and hence the unit becomes vacant for portions of the year. This is certainly a possible outcome. The County would apply the appropriate taxing designation to these units and tax them as second homes.
- What is the urgency if units rented by FEMA cannot be filled? FEMA has indicated to the County that they are not able to find enough units for fire survivors in the West Maui Community Plan Area. Many survivors still have children in schools on the west side and are employed on the west side of the island. Furthermore, this proposed bill will address a pre-August 8, county-wide housing shortage.
- Is there a need for 7,000 units, or should only a portion of the Minatoya list be changed? Are there 7,000 tenants ready to occupy these units? As was discussed earlier in this report, our County is experiencing a significant housing shortage estimated at more than 10,000 units. That number was determined before the August 8 fire destroyed more than 2,000 residential properties. Clearly these 7,000 units, if they all became long-term rentals or owner-occupied would improve the housing situation for local residents.
- How will the new ordinance be enforced by existing staff? The County Planning Department has an enforcement section within the Zoning Administration and Enforcement Division. This section will enforce this ordinance should it be adopted.
- The County should address affordable housing problem by building new units. Use the current revenue amount from taxes (RPT, TAT, GET), estimated to be lost as a result of this ordinance and instead of passing this ordinance, spend the estimated revenue loss on building new affordable workforce housing. The County will not be able to build our way out of our housing crisis. The demand for housing in Hawai'i is insatiable and infrastructure capacity and resources are finite. Both south and west Maui have water source availability issues that have plagued housing

production for decades. As such, it is logical to explore methods to shift existing units in the Apartment Districts that could be used for local residents away from transient use.

Alternatives:

Based upon the background information and issue discussion provided in this report, along with the attached correspondence, the Department recommends that the Planning Commission consider one or more of the following alternatives:

- 1. Recommend that the County Council adopt the attached draft ordinance as requested by the Mayor.**
- 2. Recommend the County Council request additional studies and/or suggest amendments to the proposed bill.**
- 3. Recommend that the County Council not pursue the attached draft bill.**

Additional Information:

Review by Maui Planning Commission Advisory Committees?

In the attached May 23, 2024 letter, Councilmember Sinenci has requested that the Planning Director forward the proposed ordinance to the Hāna Advisory Committee and that the Committee's findings and recommendations be included in the Department of Planning's report to the Council. The Department also received correspondence from the Maui Chamber of Commerce requesting that the South Maui Advisory Committee review the proposed ordinance.

Per MCC 2.28.050, only the Maui Planning Commission shall determine if a matter shall be reviewed by the Hāna, South Maui, or Pā'ia-Ha'ikū Advisory Committees to the Maui Planning Commission. Thus, the Department seeks the Maui Planning Commission's direction on this matter. If the Planning Commission directs as such, then after the Advisory Committees provide their input, that input must be considered by the Maui Planning Commission as part of their deliberation and final recommendation to the County Council. Furthermore, if the Maui Planning Commission directs as such, then at the end of their June 25, 2024 meeting, the Maui Planning Commission should continue their deliberation on this matter to a future date uncertain so as to receive input from the Advisory Committees.

Recommendation and Options:

The Commission has the following options:

1. Recommend approval of the proposed ordinance to the Maui County Council.
2. Recommend approval of the proposed ordinance with amendments and/or alternatives to the Maui County Council.
3. Recommend denial of the proposed ordinance to the Maui County Council.
4. Vote to defer action on the proposed bill in order to gather specific additional information.

Attachments:

- Draft Ordinance
- List of "Apartment District Properties Allowed to be Used for Short-Term Occupancy" (aka: "Minatoya List")
- List of Short-Term Rental Homes (STRHs)
- Correspondence from the Department of Finance
- Correspondence from Council Member Sinenci
- Correspondence Received as of the Posting of this Report

cc: Jordan Hart, Planning Program Administrator – ZAED (pdf)
Jacky Takakura, Planning Program Administrator – Long Range Planning (pdf)
Danny Dias, Planning Program Administrator – Current Planning (pdf)
Scott Forsythe, Interim Program Planning Administrator – Plan Implementation (pdf)
Gregory Pfost, Administrative Planning Officer (pdf)

ORDINANCE NO. _____

BILL NO. _____ (2024)

A BILL FOR AN ORDINANCE AMENDING CHAPTERS 19.12, 19.32, AND 19.37
MAUI COUNTY CODE, RELATING TO TRANSIENT VACATION RENTALS IN
APARTMENT DISTRICTS

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Findings and purpose. In 1980, Ordinance 1134 (1980) created Title 19.37, Maui County Code, which was the first ordinance to clearly define Transient Vacation Rental use. Transient Vacation Rentals were defined as rentals for less than 30 days in “multi-unit” buildings. The ordinance allowed Transient Vacation Rentals in Apartment and Hotel Districts only.

In 1989, Ordinance 1797 (1989) amended Title 19.12.010(C), Maui County Code, and removed Transient Vacation Rentals as a permissible use in Apartment Districts. Specifically, Ordinance 1797 directed that “buildings and structures in the apartment district shall be occupied on a long term residential basis.” It defined “long term residential basis” as structures “occupied by an owner, lessee or tenant for a continuous period of six months or more per year.” The ordinance also recognized, in Section 11, that the new law would not apply to Apartment District structures that had received certain development approvals prior to the ordinance’s enactment.

This recognition, provided in Ordinance 1797, Section 11, was not codified at that time, but in practice it allowed multi-unit buildings built or approved prior to 1989 in an Apartment District to operate Transient Vacation Rentals as

lawful non-conforming uses. Shortly thereafter, Ordinance 1989 (1991) amended Title 19.37, Maui County Code, striking Transient Vacation Rental use in Apartment Districts.

In 2014, Ordinance No. 4167 (2014) was passed with the purpose of codifying the language of Ordinance 1797, Section 11. This ordinance explicitly allowed those structures built or approved prior to 1989 to operate Transient Vacation Rentals in Apartment Districts. This exception was codified in section 19.12.020(G), Maui County Code. This Section was modified at least four times since its passage in Ordinance Nos. 5126 (2020), 5301 (2021), 5473 (2022) and 5502 (2023), which all identified additional requirements for qualifying for the exception.

The County is in a housing crisis which has become increasingly severe over time. The August 2023 Wildfires magnified and exacerbated that crisis when more than 5,400 households were destroyed, displacing approximately 12,000 people for an indefinite time.

Apartment Districts are, among other things, intended to provide higher density, long-term housing to residents. See 19.12.010(A), Maui County Code. The purpose of this ordinance is to revert all Apartment District properties to their intended long-term residential use; remove the exception provided to those properties built or approved prior to 1989; and fully discontinue Transient Vacation Rental use in Apartment Districts.

SECTION 2. Section 19.12.020, Maui County Code, is amended to read as follows:

"19.12.020 Permitted Uses. Within the A-1 and A-2 districts, the following uses are permitted:

- A. Any use permitted in the residential and duplex districts.
- B. Apartment houses.
- C. Boarding houses, rooming houses, and lodging houses.
- D. Bungalow courts.
- E. Apartment courts.
- F. Townhouses.

[G. Transient vacation rentals in buildings and structures meeting all of the following criteria:

1. The building or structure received a building permit, special management area use permit, or planned development approval that was lawfully issued by and was valid, or is otherwise confirmed to have been lawfully existing, on April 20, 1989.

2. Transient vacation rental use was legally conducted in any lawfully existing dwelling unit within the building or structure prior to September 24, 2020 as determined by real property tax class or payment of general excise tax and transient accommodations tax.

3. The number of rooms or units allowed for transient vacation rental use may not increase beyond those allowed for such use as of January 7, 2022. Existing transient vacation rentals may be reconstructed, renovated, or expanded if no new rooms or transient vacation rental units are added.

4. The property owner or operator holds general excise tax and transient accommodations tax licenses and is current in payment of State and County taxes, fines, or penalties assessed in relation to the transient vacation rental.

5. The planning director and director of finance must maintain a publicly available list of all transient vacation rental units allowed under this section to the best of the departments' knowledge at the time the list is posted. The list is informational only and is not a confirmation of zoning or allowable uses. Inclusion of a property on the list does not establish any right to operate a transient vacation rental unit, and no person may rely upon the list to establish the right to operate as a transient vacation rental unit. Any interested person must consult the department with respect to any specific property's ability to operate as a transient vacation rental unit.

6. Advertisements for transient vacation rental use must include the subject property's registration number, which is the subject property's tax map key number, without punctuation marks.

7. A declaration in accordance with section 19.12.025 must not have been filed.]

[H.] G. Bed and breakfast homes, subject to the provisions of chapter 19.64.

[I.] H. Short-term rental homes, subject to the provisions of chapter 19.65.”

SECTION 3. Section 19.32.040, Maui County Code, is amended by amending Section I to read as follows:

“I. Transient vacation rentals are permitted in planned developments, except for developments that have been publicly funded, if:

[1. The planned development received a planned development site plan approval that was lawfully issued by and valid on April 20, 1989, and the land is zoned A-1 or A-2 apartment district; or]

[2.] 1. The planned development meets all of the following:

a. The planned development received final approval as provided in this chapter, and at least one unit in the planned development was operating as a vacation rental on or before April 20, 1981.

b. The planned development is located on parcels with at least some residential district zoning.

c. The planned development consists of only:

i. Duplexes or multi-family dwelling units; or

ii. A combination of single-family dwelling units and duplexes or multi-family dwelling units.

[3.] 2. Existing transient vacation rentals may be reconstructed, renovated, or expanded if no new rooms or transient vacation rental units are added.”

SECTION 4. Section 19.37.010, Maui County Code, is amended by amending Sections A and B to read as follows:

“A. Except as provided in this chapter, time share units and time share plans are prohibited in all zoning districts. Transient vacation rentals are prohibited in all zoning districts, excluding bed and breakfast homes permitted under chapter 19.64, short-term rental homes permitted under chapter 19.65, transient vacation

rental units permitted by a conditional permit under chapter 19.40, transient vacation rentals permitted under chapters [19.12,] 19.14, 19.15, 19.18, 19.22, and 19.32, and hotels that are permitted based on the applicable zoning in the comprehensive zoning ordinance.

B. Existing time share units[,] and time share plans[, and transient vacation rentals] that were operating in accordance with and under law and were registered in accordance with chapter 514E of the Hawaii Revised Statutes as of the effective date of the ordinance codified in this section, must not be impaired by the provisions of this section; provided that, any time share project operating under law that records in the bureau of conveyances by May 3, 1991, a declaration in a form prescribed by the director will be deemed exempt from this section as long as the project [or apartment unit] identified by the declaration continues to operate under a lawful time share plan or registration.

SECTION 5. Section 19.12.025, Maui County Code, is repealed:

"[19.12.025 Conversion of real property from transient vacation rental use to long term residential use. A. Owners of property where transient vacation rental use is allowed under subsection 19.12.020(G) may permanently discontinue the use by filing a declaration with the State of Hawaii bureau of conveyances in a form prescribed by the department in accordance with this section.

B. The declaration must apply to the entire parcel and must be executed by the percentage of property owners as follows:

1. Island of Lānaʻi: 100 percent.
2. Island of Maui: 100 percent.
3. Island of Molokai: 100 percent.

C. The declaration must state that the owners must use the property for long-term residential use only.

D. A copy of the draft declaration must be filed with the director by September 1 of any calendar year. Within forty-five days of receipt, the director must review the declaration and determine whether it is complete.

E. Prior to recording the declaration, property owners are solely responsible for and must update and record any applicable bylaws and covenants, conditions, and restrictions associated with the property consistent with the complete declaration.

F. After the director determines the draft declaration to be complete, the property owners must file the declaration with the State of Hawaiʻi bureau of conveyances on or before December 31 immediately preceding the assessment year in order to be reclassified for real property tax purposes.

G. Recordation of the declaration constitutes a permanent forfeiture on the part of the owners, and all successors and assigns, of any right to transient vacation rental, bed and breakfast, or short-term rental home use on the applicable parcel.

H. The director must notify the department of finance, real property assessment division of the recordation of a declaration permanently converting property from transient vacation rental use to long-term residential use that is determined to be complete.

I. The director must not accept an application for a short-term rental home permit, bed and breakfast home permit, or conditional permit for transient vacation rental use.

J. Whenever the provisions or application of this title impose greater restrictions upon the use of land, buildings, or structures than are imposed by any such covenants, conditions, limitations, or restrictions, the provisions and application of this title govern the use of that land, building, or structure.

K. The director must enforce the failure to abide by the declaration as a violation of this title.]”

SECTION 6. Section 19.500.110, Maui County Code is amended by amending Section C as follows:

C. Nonconforming Uses.

1. The County maintains the power to phase out certain nonconforming uses as outlined in Section 46-4(a), Hawaii Revised Statutes. Accordingly, this section shall not apply to any nonconforming use that has been amortized or phased out pursuant to Section 46-4(a), Hawaii Revised Statutes.

[1.] 2. A nonconforming use shall not extend to any part of the structure or lot that was not arranged or designed for such use at the time the use became nonconforming.

[2.] 3. Any nonconforming use that is discontinued for twelve consecutive months shall not be resumed.

[3.] 4. Work may be done on any structure devoted in whole or in part to any nonconforming use if the work is limited to ordinary repairs, including repair or replacement of walls, fixtures, wiring, or plumbing. Further, the work shall not exceed 50 percent of the current replacement cost of the structure within a twelve-month period, and the floor area of the structure, as it existed at the time the nonconforming use was created, shall not be increased.

[4.] 5. No nonconforming use shall be changed to another nonconforming use.

SECTION 7. Effect. Pursuant to 46-4(a), Hawaii Revised Statutes, should the County prohibit a previously lawful use in an apartment zone, the County must provide a reasonable period to amortize or phase out the use. This Council deems that approximately six months for West Maui and one year for the remainder of the County, is a reasonable phase-out period due to the pre-existing long-term housing shortage, which was exacerbated by the August 2023 wildfires. Accordingly, this ordinance shall not take effect until July 1, 2025 for the West Maui Community Plan area, as it is defined on the date this ordinance is passed, and for all remaining areas in the County, on January 1, 2026. All Transient Vacation Rentals in the Apartment District of the West Maui Community Plan Area must cease operating no later than July 1, 2025. All other Transient Vacation Rentals in Apartment Districts in the County must cease operations by January 1, 2026. Section 11 of Ordinance 1797 is expressly stricken and inapplicable herein, as this ordinance is applicable to all Transient Vacation Rental uses in the Apartment District. Chapter 19.500.110 of this code shall not apply to the removal of Transient Vacation Rental Use in Apartment Districts after July 1, 2025 for the West Maui Community Plan Area and January 1, 2026 for all remaining areas in the County, the effective dates of this ordinance, in accordance with the powers granted the County in 46-4(a), Hawaii Revised Statutes.

SECTION 8. Material to be repealed is bracketed. New material is underscored. In printing this bill, the County Clerk need not include the brackets, the bracketed material, or the underscoring.

APPROVED AS TO FORM AND LEGALITY:

KRISTIN K. TARNSTROM
Deputy Corporation Counsel
Department of the Corporation Counsel
County of Maui
2024-04-09 Ord Amd Ch 19.12.docx

Apartment District Properties Allowed to be Used for Short-Term Occupancy

PROJECT PROPERTY	MASTER TMK	ADDRESS	YR BLT	COUNTY ZONING	COMMUNITY PLAN DESIGNATION	NUMBER OF UNITS
HANA KAI-MAUI	140050400000	4865 Uakea Rd	1974	A1	MF	19
WAILEA EKAHI II	210080600000	3300 Wailea Alanui Dr	1976	A1	MF/PUD	92
WAILEA EKAHI I	210080640000	3300 Wailea Alanui Dr	1976	A1/BR/OS/PUD	MF/OS	100
WAILEA EKAHI III	210080650000	3300 Wailea Alanui Dr	1976	A1/H1/OS/PUD	MF/OS	104
WAILEA EKOLU	210080770000	10 Wailea Ekolu Pl	1979	A1/OS-GC/PUD	MF	148
PALMS AT WAILEA I	210080820000	3200 Wailea Alanui Dr	1990	A1	MF/OS/PD	150
GRND CHAMP VILLAS	210081040000	155 Wailea Ike Pl	1989	A2	MF/OS/PD	188
KUAU PLAZA	260120500000	777 Hana Hwy	1973	A2	MF	30
MAKANI A KAI	380140010000	300 Hauoli St	1974	A1	MF	24
HONO KAI	380140020000	280 Hauoli St	1972	A2/A1	MF	46
KANAI A NALU	380140040000	250 Hauoli St	1977	A2	MF	80
MAALAEA BANYANS	380140110000	190 Hauoli St	1987	A2	MF	78
ISLAND SANDS	380140150000	150 Hauoli St	1975	A2	MF	83
LAULOA MAALAEA	380140160000	100 Hauoli St	1979	A2	MF	47
MAALAEA KAI	380140210000	70 Hauoli St	1974	A2	MF	79
MILOWAI-MAALAEA	380140220000	50 Hauoli St	1977	A2/M1	LI	42
MAUI SUNSET	390010020000	1032 S Kihei Rd	1974	A2	MF	225
MAUI SCHOONER	390010040000	980 S Kihei Rd	1980	A2	MF	58
LUANA KAI	390010060000	940 S Kihei Rd	1979	A2	MF	113
WAIPUILANI	390010570000	1002 S Kihei Rd	1975	A2	MF	42
KAUHALE MAKAI	390010750000	938 S Kihei Rd	1976	A2	MF	169
KIHEI BAY SURF	390011070000	715 S Kihei Rd	1980	A1	MF	118
LEINAALA	390011100000	998 S Kihei Rd	1975	A2	MF	24
KOA RESORT II	390011340000	811 S Kihei Rd	1980	A1	MF	54
KIHEI RESORT	390011360000	777 S Kihei Rd	1981	A1	MF	64
KIHEI BAY VISTA	390011430000	679 S Kihei Rd	1989	A1	MF	60
KAMAOLE SANDS	390040040000	2695 S Kihei Rd	1983	A2	MF	440
MAUI HILL	390040810000	2881 S Kihei Rd	1981	A1	MF	140
MAUI KAMAOLE III	390040820000	2777 S Kihei Rd	1994	A1	MF	240
HALE KAMAOLE	390040840000	2737 S Kihei Rd	1974	A1/A2	MF	188
HALEKALA SHORES	390040970000	2619 S Kihei Rd	1974	A2	MF	76
MAUI PARKSHORE	390040980000	2653 S Kihei Rd	1974	A2	MF	64
KEAWAKAPU	390041390000	2895 S Kihei Rd	1976	A1	MF	18
MAUI KAMAOLE	390041430000	2777 S Kihei Rd	1988	A1	MF	28
MAUI KAMAOLE II	390041440000	2777 S Kihei Rd	1989	A1	MF	48
MY WAIL BEACH COTTAGE	390050120000	2128 Iliili Rd	1970	A1	MF	1
WAILEA INN	390050130000	2141 Iliili Rd	1985	A1	MF	6

3/22/2024 This list does not grant any entitlement that is not allowed by zoning or any other provisions of the Maui County Code. This list is subject to error; to determine if short-term occupancy is allowed on any property, confirmation should be obtained from the Department of Planning. 1 of 4

Apartment District Properties Allowed to be Used for Short-Term Occupancy

PROJECT PROPERTY	MASTER TMK	ADDRESS	YR BLT	COUNTY ZONING	COMMUNITY PLAN DESIGNATION	NUMBER OF UNITS
LIHIKAI APTS	390050170000	2173 Iliili Rd	1963	A1	MF	8
KIHEI COVE	390050180000	2181 Iliili Rd	1980	A1	MF	6
HALE MAHALANI	390050210000	7 Kaiu Pl	1976	A1	MF	7
INDO LOTUS BEACH HSE	390050220000	2216 S Kihei Rd	1970	A1	MF	1
KAMAOLE ONE	390050230000	2230 S Kihei Rd	1973	A1	MF	12
HALE ILIILI	390050350000	2172 Iliili Rd	1978	A1	MF	4
PUNAHOA BEACH APTS	390050380000	2142 Iliili Rd	1970	A1	MF	15
2131 ILIILI RD	390050390000	2131 Iliili Rd	1946	A-1	MF	1
1194 ULUNIU RD	390070010000	1194 Uluniu Rd	1964, 1979	A-1	MF	2
1178 ULUNIU RD	390070020000	1178 Uluniu Rd	1935	A-1	MF	1
MOANA VILLA	390070250000	1158 Uluniu Rd	1973	A1	MF	1
HALE KAI O'KIHEI	390080030000	1310 Uluniu Rd	1969	A1	MF	59
LEILANI KAI	390080090000	1226 Uluniu Rd	1974	A1	MF	9
KIHEI GARDEN ESTATES	390080110000	1299 Uluniu Rd	1979	A1	MF	84
ALOHA VILLAS	390080310000	1338 Uluniu Rd	1980	A-1	MF	4
1444 HALAMA ST	390090020000	1444 Halama St	1968	A-1	MF	4
1440 HALAMA ST	390090030000	1440 Halama St	1946	A-1	MF	1
KAPU TOWNHOUSE	390090050000	69 Kapu Pl	1980	A1	SF	2
WAIOHULI BCH DUPLEX	390090100000	64 W Lipoa St	1977	A1	MF	2
1470 HALAMA ST	390090250000	1470 Halama St	1960	A-1	MF	1
WAIOHULI BEACH HALE	390090290000	49 W Lipoa St	1979	A1/PU	MF	52
KIHEI VILLA	390160200000	2135 S Kihei Rd	1973	A2	MF	24
KALAMA TERRACE	390160270000	35 Walaka St	1972	A2	MF	61
SHORES OF MAUI	390170030000	2075 S Kihei Rd	1975	A1	MF	50
KIHEI PARKSHORE	390170100000	2037 S Kihei Rd	1974	A1	MF	16
KANOE APTS	390170170000	2050 Kanoa St	1982	A-1	MF	18
PACIFIC SHORES	390180020000	2219 S Kihei Rd	1979	A2	MF	136
MAUI VISTA	390180030000	2191 S Kihei Rd	1980	A2	MF	280
KAPALUA BAY VILLAS	420010240000	500 Bay Dr	1977	A2	MF	141
KAPALUA GOLF VILLAS	420010280000	500 Kapalua Dr	1979	A2/AG/OS/GC	MF	186
THE RIDGE	420010320000	100 Ridge Road	1979	A2/PK-4	MF	161
KAHANA REEF	430050090000	4471 Lower Honoapiilani Rd	1974	A2	MF	88
KAHANA OUTRIGGER	430050200000	4521 Lower Honoapiilani Rd	1981	A1	MF	8
KAHANA OUTRIGGER	430050210000	4521 Lower Honoapiilani Rd	1981	A1	MF	4
KAHANA VILLAGE	430050290000	4531 Lower Honoapiilani Rd	1978	A1	MF/OS	42
KAHANA OUTRIGGER	430050310000	4521 Lower Honoapiilani Rd	1981	A1	MF	4
LAHAINA BEACH CLUB	430060060000	3711 Lower Honoapiilani Rd	1971	A2	MF	12

Apartment District Properties Allowed to be Used for Short-Term Occupancy

PROJECT PROPERTY	MASTER TMK	ADDRESS	YR BLT	COUNTY ZONING	COMMUNITY PLAN DESIGNATION	NUMBER OF UNITS
NOHONANI	430060070000	3723 Lower Honoapiilani Rd	1974	A2	MF	28
MAKANI SANDS	430060120000	3765 Lower Honoapiilani Rd	1974	A2	MF	30
KALEIALOHA	430060130000	3785 Lower Honoapiilani Rd	1973	A2	MF	67
HONO KOA	430060140000	3801 Lower Honoapiilani Rd	1980	A2	MF	28
LOKELANI	430060160000	3833 Lower Honoapiilani Rd	1971	A2	MF/OS	36
HALE MAHINA BEACH	430060410000	3875 Lower Honoapiilani Rd	1981	A2	MF	53
HALE ONO LOA	430060440000	3823 Lower Honoapiilani Rd	1969	A2	MF	67
PIKAKE	430060630000	3701 Lower Honoapiilani Rd	1966	A2	MF	12
MAHINAHINA BEACH	430080010000	4007 Lower Honoapiilani Rd	1979	A1	MF	32
POLYNESIAN SHORES	430080020000	3975 Lower Honoapiilani Rd	1972	A1	MF	52
KULEANA	430080040000	3959 Lower Honoapiilani Rd	1972	A1	MF	18
KULEANA	430080050000	3959 Lower Honoapiilani Rd	1974	A1	MF/OS	100
HOYOCHI NIKKO	430080060000	3901 Lower Honoapiilani Rd	1973	A1	MF	17
NOELANI	430090020000	4095 Lower Honoapiilani Rd	1974	A2	MF	50
MAHINA SURF	430090050000	4057 Lower Honoapiilani Rd	1969	A1	MF	44
HONOKOWAI PALMS	440010410000	3666 Lower Honoapiilani Rd	1965	A2	MF	30
HALE KAI I	440010420000	3691 Lower Honoapiilani Rd	1967	A2	MF	40
PAKI MAUI III	440010500000	3615 Lower Honoapiilani Rd	1978	A2	MF/OS	28
PAKI MAUI I & II	440010510000	3601 Lower Honoapiilani Rd	1975	A2	MF/OS	80
MAUI SANDS I	440010520000	3559 Lower Honoapiilani Rd	1966	A2	MF	56
PAPAKEA	440010550000	3543 Lower Honoapiilani Rd	1977	A2/H2	MF/H2/OS2	364
MAUI SANDS II	440010710000	3559 Lower Honoapiilani Rd	1969	A2	MF	20
HALE KAA NAPALI	440060110000	45 Kai Ala Dr	1967	A2/H/OS	H	258
MAUI ELDORADO	440080210000	2661 Kekaa Dr	1968	A2	H	205
KAA NAPALI ROYAL	440080230000	2560 Kekaa Dr	1980	A2	MF/OS	105
PUUNOA BEACH ESTATES	450040020000	45 Kai Pali Pl	1984	A1	MF	10
LAHAINA ROADS	450130270000	1403 Front St	1969	A2	MF	41
THE SPINNAKER	460100020000	760 Waivee St	1979	A-1	MF	57
KENANI KAI	510030130000	50 Kepuhi Pl	1983	A-1	MF	120
WAVECREST	560040550000	7142 Kamehameha V Hwy	1975	A2/Interim	MF	126

104

Total Apartment District Vacation Rental Units:

7167

Legend:

<u>Zoning</u>	<u>Community Plan</u>
A1 or A2: Apartment	B: Business
AG: Agriculture	H: Hotel
B2: Community Business	LI: Light Industrial

3/22/2024 This list does not grant any entitlement that is not allowed by zoning or any other provisions of the Maui County Code. This list is subject to error; to determine if short-term occupancy is allowed on any property, confirmation should be obtained from the Department of Planning.

Apartment District Properties Allowed to be Used for Short-Term Occupancy

PROJECT PROPERTY	MASTER TMK	ADDRESS	YR BLT	COUNTY ZONING	COMMUNITY PLAN DESIGNATION	NUMBER OF UNITS
BR: Business Resort	MF: Multi-Family					
H, H1 or H2: Hotel	OS: Open Space					
HD1: Historic District 1	P/QP: Public/Quasi-Public					
Interim: Interim	PD: Project District					
M1: Light Industrial	PK: Park					
OS: Open Space	SF: Single-Family					
GC: Golf Course						
PK: Park						
PU: Public Use						
PUD: Planned Development						
R2 or R3: Residential						

Maui County Code Chapter 19.12.020 Apartment Districts Permitted Uses

This list does not grant any entitlement that is not allowed by zoning or any other provisions of the Maui County Code. This list is subject to error; to determine if short-term occupancy is allowed on any property, confirmation should be obtained from the Department of Planning.



Short-Term Rental Homes (STRHs)

Single Family Residences operated by designated managers

Issue/Renew Dates through 04/03/2024

Maui

There are more than 16,000 units (i.e., apartments, condos, houses) that are legally eligible to operate as short-term (less than six months) rentals without requiring a short-term rental permit. These units are generally located in districts zoned for hotel use, but some are also located in apartment districts, or are covered by other pre-existing situations. The operation of short-term rentals in these zoning districts is consistent with current County of Maui zoning ordinances, Community Plans, General Plan, and State law. All short-term rentals are also required to pay State of Hawaii General Excise Tax (GET) and Transient Accommodation Tax (TAT). It is recommended that you inquire with the owner as to whether they are operating in compliance with all current laws.

Outside of the above zoning districts, there are short-term rentals that have received approval to operate with either a Short-Term Rental Home Permit, Bed & Breakfast Permit or Conditional Permit. Each of these permits has specific operating requirements. All short-term rental home (STRH) operations are required to have a designated manager who is available by telephone at all times and can arrive onsite within one (1) hour in case they are called, all parking is required to be onsite (no parking on the street), and all advertising must include the short-term rental home permit number indicated below. Short-Term Rental Home operations may have up to a total six (6) bedrooms distributed over two (2) licensed STRH dwellings. According to the Maui County Code, the County Council will review the community plan short-term rental home restrictions when the number of approved short-term rental homes exceeds 90% of the restriction number. Transient vacation rentals operating with a conditional permit are included in the number of permitted short-term rental homes. The County's permit database (which may not be fully complete) includes the list below of Short-Term Rental Home Permits approved for operation by the County of Maui.

Hana Community Plan Region - Limited to 15 permits

Permit Number	Name	TMK	Address	Town	Rooms	Dwellings
1. STHA20130001	KOALI RANCH COTTAGE	2150070020000-1365	46014 HANA HWY	HANA	1	1
2. STHA20130003	HANA'S HEAVEN	2140110050000-61892	355 WAIHONU RD	HANA	2	1
3. STHA20130006	HALE NOA	2130090910000-799	175 ULAINO RD 8E	HANA	2	1
4. STHA20150005	HANA BAY VIEW	2140140300000-1239	4875 HANA HWY	HANA	4	2
5. STHA20160001	EKENA	2130090130000-723	290 KALO RD	HANA	3	1
6. STHA20160003	LUANA COTTAGE	2130050190000-616	36 WAINAPANAPA RD	HANA	2	1
7. STHA20160004	HAMOA BAY HOUSE	2140100020000-1050	6463 HANA HWY	HANA	3	2
8. STHA20160005	HAMOA BEACH HOUSE	2140080060000-1012	487 HANEEO RD 8D	HANA	3	1
9. STHA20160006	GUESTHOUSES AT MALAN	2140100240000-1071	6776 HANA HWY	HANA	3	2
10. STHA20170001	HANA COUNTRY COTTAGE	2150040180000-1325	46852 HANA HWY	HANA	2	1
11. STHA20170002	FISHER'S HANA HALE	2140140160000-1225	4816 UAKEA RD	HANA	2	1
12. STHA20180001	HANA'S TRADEWIND COT	2130091070000-85080	143 ALALELE PL	HANA	4	1
13. STHA20180004	HANA OCEAN VIEW PARA	2140030400000-857	HANA HANA HWY	HANA	3	1
14. STHA20180005	THE HANA HOMESTEAD	2140130340000-1175	77 KEANINI DR	HANA	3	1
15. STHA20190002	HANA COASTAL COTTAGE	2140050230000-915	4893 UAKEA RD	HANA	3	2
16. STHA20190003	HANA OCEAN PALMS	2140120140000-1135	6892 HANA HWY	HANA	2	1
17. STHA20200001	HANA NAUTILUS	2130030150001-88684	2575 HANA HWY	HANA	3	1
18. STHA20200002	HANA HARVEST	2120030040000-434	800 HANA HWY	HANA	1	1
19. STHA20210001	JJ'S HANA HALE	2130090840000-792	215 MAIA RD 8E	HANA	1	1
Sub Total: 19						

(continued from previous page)

Kahului-Wailuku Community Plan Region - Limited to 6 permits						
Permit Number	Name	TMK	Address	Town	Rooms	Dwellings
1. STWK20130001	KUNEA PLACE	2380780450000-89354	30 NONOHE PL	PAIA	4	1
2. STWK20130002	NONOHE PLACE	2380010370000-23855	44 NONOHE PL	PAIA	4	1
3. STWK20160001	BANANA PLANTATION	2380020690000-24351	588 SPRECKLESVILLE BEACH RD	PAIA	3	1
4. STWK20170001	WAIEHU BEACH HOUSE	2320150050000-17383	202 LOWER WAIEHU BEACH RD	WAILUKU	4	1
5. STWK20170002	FLEISCHER, WILLIAM	2380020210000-24319	580 STABLE RD	PAIA	4	1
Sub Total: 5						
83% of Cap						

(continued from previous page)

Kihei-Makena Community Plan Region - Limited to 46 permits

Permit Number	Name	TMK	Address	Town	Rooms	Dwellings
1. STKM20120001	HALE ALANA VAC B&B	2210170400000-4059	3378 KEHA DRIVE 5K	KIHEI	3	1
2. STKM20120002	MAKENA COTTAGE	2210070060000-2123	5232 MAKENA RD	KIHEI	3	2
3. STKM20120003	MAKENA MAKAI	2210070740000-2144	5260 MAKENA RD	KIHEI	3	1
4. STKM20130002	MAUI DOLPHIN HOUSE	2210140330000-3751	3365 AKALA DR 5K	KIHEI	4	1
5. STKM20130003	MAUI BEACH COTTAGE	2210070610000-2134	174 MAKENA RD	KIHEI	2	1
6. STKM20130004	SUNNY SOUTH MAUI	2210170500000-4069	563 KALEO PL	KIHEI	3	1
7. STKM20130006	SLOANE RESIDENCE	2210141160000-3834	736 MILILANI PL 5K	KIHEI	3	1
8. STKM20130011	HALE MAKENA	2210070870000-2156	5110 MAKENA RD	KIHEI	4	1
9. STKM20130014	KIHEI OASIS	2390390670000-38173	482 KAIOLA PL	KIHEI	3	1
10. STKM20130017	MOANA HIDEAWAY	2390100180000-35104	1484 HALAMA ST SE	KIHEI	4	2
11. STKM20130018	CAJUDOY'S HALE	2390030690000-72320	40 HALELANI PL	KIHEI	3	1
12. STKM20140001	KIHEI GARDEN OASIS	2390320310000-37643	1825 MALAMA ST 5F	KIHEI	5	2
13. STKM20140004	HALE LANUI	2390120100000-35233	1821 HALAMA ST 5F	KIHEI	4	1
14. STKM20150003	HALE MA KE KAI	2390060080000-34603	209 S KIHEI RD 5B	KIHEI	5	2
15. STKM20150004	KAPU BEACHFRONT	2390090050001-34882	69 KAPU PL	KIHEI	6	1
16. STKM20150005	MANGO COTTAGE	2390040730000-33330	45 KILOHANA DR 5G	KIHEI	5	2
17. STKM20160005	MANGO SURF STRH	2390100170000-35103	1490 HALAMA ST SE	KIHEI	3	1
18. STKM20160006	HONU HALE	2390110420000-35204	1667 S ALANIU PL 5F	KIHEI	4	2
19. STKM20160007	HALAMA SUNSET HALE	2390100040000-35090	1590 HALAMA ST SE	KIHEI	3	1
20. STKM20160009	CLOUD 9 BEACH HOUSE	2390380020000-38061	206 MAHIE PL	KIHEI	3	1
21. STKM20170003	HALE MAKAI	2390460190000-38746	20 KAIKANE PL	KIHEI	4	1
22. STKM20170004	SOUTH KIHEI VILLA STRH	2390130300000-35284	2608 LIOHOLO PL 5G	KIHEI	5	1
23. STKM20170005	HOALOHA HALE	2390100800000-35183	1505 HALAMA ST SE	KIHEI	6	2
24. STKM20180002	MANA HALE	2210150500000-3893	3101 MAPU PL 5K	KIHEI	2	1
25. STKM20180003	DUPREEZ, MARC	2390360240000-37898	276 PALIMA PL 5G	KIHEI	3	1
26. STKM20180004	CRAIG, KELLY & DANIE	2390370400000-37986	2837 UMALU PL 5G	KIHEI	3	1
27. STKM20180005	KIHEI BEACH HOUSE	2390180520000-36265	2155 WAI MAKAI PL 5G	KIHEI	4	1
28. STKM20180006	THERE MAUI	2390390530000-38159	176 AHAAINA WAY	KIHEI	3	2
29. STKM20190001	MAUI SLEEPOVER	2390440170000-38526	21 WAIKALANI PL 5B	KIHEI	4	2
30. STKM20190002	KIHEI BEACH RENTAL	2390170540000-35783	205 AUHANA RD 5F	KIHEI	4	2
31. STKM20190003	SUNSET BEACH HOUSE	2390080050001-64821	1292 ULUNI RD	KIHEI	3	1
32. STKM20200001	SOUTH BEACH VILLA	2390080080001-73312	1240 ULUNI RD	KIHEI	5	1

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33. STKM20200002	BEACH PARADISE	2390080050002-65091	1290 ULUNI RD 5M	KIHEI	6	1
34. STKM20200003	HALE ANUENUE	2390060370000-34628	15 OHUKAI RD 5B	KIHEI	3	1
35. STKM20200004	MAKENA KAI	2210060070000-2070	7421 MAKENA RD	KIHEI	4	1
36. STKM20200005	HALE NAPUA	2390320740000-37685	21 KUPUNA ST	KIHEI	4	1
37. STKM20210002	KIHEI VACATION	2390280070000-37379	22 KOKI PL 5B	KIHEI	3	1
38. STRH2023-00001	Hale Luana	2390030650000-68717	65 ALAHELE PL	KIHEI	4	1
Sub Total: 38						
83% of Cap						

Makawao-Pukalani-Kula Community Plan Region - Limited to 15 permits

Permit Number	Name	TMK	Address	Town	Rooms	Dwellings
1. STMP20130001	MAUI UPCOUNTRY HOME	2240320690000-12002	110 APAU PL 6B	MAKAWAO	4	1
2. STMP20150001	SACRED GARDEN RETREA	2270010190000-13689	470 KALUANUI RD	HAIKU	6	2
3. STMP20150002	ISLAND SUNSET VILLA	2230600540000-10031	676 HOLOPUNI RD	KULA	3	1
4. STMP20160001	KULA VILLA	2220140050002-83347	444 CALASA RD	KULA	1	1
5. STMP20170001	PAMELA POLLAND	2230221120000-7616	214 KULALANI DR	KULA	2	1
6. STMP20180001	JEWEL OF KEOKEA	2220030710000-5248	16 HOOKANO PL	KULA	1	1
7. STMP20180002	HALE OLA A ULULANI	2220100460000-5599	19 ULULANI ST	KULA	2	1
8. STMP20190001	UHANE OLINDA	2240130270000-10821	800 OLINDA RD	MAKAWAO	3	1
Sub Total: 8						
53% of Cap						

(continued from previous page)

Paia-Haiku Community Plan Region - Limited to 48 permits

Permit Number	Name	TMK	Address	Town	Rooms	Dwellings
1. STPH20130002	PAIA PLACE	2260020220000-13149	95 HANA HWY 95B	PAIA	3	1
2. STPH20130003	PAIA HOUSE	2260050700000-13300	30 KUPONO ST 7A	PAIA	3	1
3. STPH20130004	PAIA HALE	2260070110002-86582	209 BALDWIN AVE	PAIA	3	2
4. STPH20130005	BEACHCOMBER	2260020190000-13146	23 NALU PL 7A	PAIA	3	1
5. STPH20130007	PAIA PAD	2260020290000-66278	40 AE PL	PAIA	3	1
6. STPH20130008	MAKANI AKAU	2260040080000-13216	55 LOIO PL 7A	PAIA	6	1
7. STPH20130010	MENEHUNE COTTAGE	2260120340000-13588	40 AU PL	PAIA	5	2
8. STPH20130011	MAUI CHALET	2290050540001-84779	45 E WAIPIO RD	HAIKU	2	1
9. STPH20130013	PAIA BAY	2260040250000-13233	47 LOIO PL 7A	PAIA	4	1
10. STPH20130014	HAIKU NANI	2270122640000-66129	1642 W KUIAHA RD	HAIKU	2	1
11. STPH20130016	PILILANI	2270121170000-14552	110 KANE RD	HAIKU	5	1
12. STPH20130017	HALE MAKAI	2260120080000-13564	134 ALEIKI PL	PAIA	6	1
13. STPH20130018	NELLIES OCEANFRONT	2260040150000-13223	127 HANA HWY	PAIA	6	2
14. STPH20130019	MAUI WINDS	2260120080000-13562	60 LANA ST 7A	PAIA	2	1
15. STPH20130020	LEILANI	2270160320000-14932	2590 ALOHIA PL	HAIKU	5	2
16. STPH20130023	HALE HO'OKIPA KAI	2260090130000-13479	535 HANA HWY	PAIA	4	2
17. STPH20130024	PINNACLE	2270031060000-13946	2356 UMI PL	HAIKU	5	2
18. STPH20130026	PAIA BAY SUITES	2260040070000-13215	45 LOIO PL 7A	PAIA	4	2
19. STPH20140001	HALE MALI'O	2270020260000-77347	2550 KAUPAKALUA RD	HAIKU	4	2
20. STPH20140003	HALE AKA'ULA	2270031170000-13957	311 WAIAMA WAY 7G	HAIKU	4	1
21. STPH20140004	SEAVIEW	2270031100000-13950	295 WAIAMA WAY	HAIKU	5	1
22. STPH20140006	HALE POLA'I	2270360050000-61458	75 PIIALII ST	HAIKU	3	1
23. STPH20150001	MALIKO COFFEE COTTAGE	2270021200000-13880	585 KALUANUI RD	MAKAWAO	3	2
24. STPH20150002	PAIA KO	2250060060000-12717	42 PUAKOU PL 7A	PAIA	3	1
25. STPH20150003	BANANA LEAF	2260080240000-13457	32 LAE PL 7A	PAIA	2	1
26. STPH20150004	HUNTER HALES	2270031350000-74304	24 HUNTER LN	HAIKU	2	2
27. STPH20150006	HAIKU MAUI COTTAGE	2270200130000-67944	765 HAIKU RD	HAIKU	4	2
28. STPH20160001	HALE MEHA	2260130040000-13653	8 MEHA PL	PAIA	2	1
29. STPH20160002	LANI PARADISE	2260090090000-13475	525 HANA HWY 7G	PAIA	6	2
30. STPH20160003	VINTAGE VOYAGER	2270340080000-15484	10 KOIKOI PL 7E	HAIKU	4	2
31. STPH20170001	GINGERBREAD&GRTURTLE	2260100060000-13494	19 AOLANI PL 7A	PAIA	3	2
32. STPH20170002	HALE ROSELANI	2270310150000-15373	3232 LUAHINE PL	HAIKU	3	1

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33. STPH20170003	PALI ULI GARDENS	2290070570001-67995	150 DOOR OF FAITH RD	HAIKU	5	2
34. STPH20180002	PAIA FAMILY HOUSE	2250060170000-12728	267 BALDWIN AVE	PAIA	6	2
35. STPH20180003	KUAU BEACH HOUSE	2260090240001-67886	101 KUAU BEACH APT. A PL	PAIA	4	1
36. STPH20180004	HALE HAIKU	2270160520000-14952	50 LIHIWAI PL	HAIKU	3	1
37. STPH20190001	KIHAU GARDENS	2270090300002-85116	786 KIHAU PL	HAIKU	4	1
38. STPH20200001	HALE NALU	2260020230000-13150	33 NALU PL 7A	PAIA	3	1
39. STPH20200003	PAUWELA NIGHTS	2270070230000-14164	HAIKU HAIKU RD	HAIKU	2	1
40. STPH20210001	Haiku Hale LLC	2270340240000-15500	22 MANUAHI PL 7E	HAIKU	3	1
Sub Total: 40						
83% of Cap						

(continued from previous page)

West Maui Community Plan Region - Limited to 50 permits

Permit Number	Name	TMK	Address	Town	Rooms	Dwellings
1. STWM20130001	MAUI SANDY BEACH	2460020020000-49477	409 FRONT ST 3C	LAHAINA	6	1
2. STWM20130003	NO KA OI HALE	2450030170000-47927	29 KAMAKA CIR	LAHAINA	3	1
3. STWM20130007	LAHAINA BABY BEACH P	2450040550000-47998	10 KAI PALI PL 3C	LAHAINA	3	1
4. STWM20130011	OPAL SEAS AT BABYBCH	2450040500000-47994	41 KAI PALI PL 3C	LAHAINA	3	1
5. STWM20130013	HALE KOHALA	2440060210000-46305	2810 KOLEPA PL 3D	LAHAINA	4	1
6. STWM20130014	ALII HALE	2450030030000-47817	1023 FRONT ST 3C	LAHAINA	4	1
7. STWM20130015	PRINCESS HALE	2450030040000-47818	1029 FRONT ST 3C	LAHAINA	3	1
8. STWM20130018	HALE ALAULA	2430070130000-41929	15 PAPAUA PL 3E	LAHAINA	5	1
9. STWM20130020	HALE O KA HONU	2430070210000-41937	20 PAPAUA PL 3E	LAHAINA	3	1
10. STWM20130022	KALAPANA	2470100490001-79706	15 E HUAPALA PL	LAHAINA	3	1
11. STWM20140002	BLUE SKY VILLA	2460030080000-49695	321 FRONT ST 3C	LAHAINA	5	1
12. STWM20140003	PAPAUA PARADISE	2430070180000-41934	43 PAPAUA PL 3E	LAHAINA	5	1
13. STWM20140004	HALE EVANS	2440090270000-47532	16 HOLOMAKANI PL 3D	LAHAINA	4	1
14. STWM20140005	35 KAI PALI PLACE STRH	2450040490000-47993	35 KAI PALI PL 3C	LAHAINA	5	1
15. STWM20150001	WOODROSE PLACE	2420030930000-40009	112 WOODROSE PL 3F	LAHAINA	4	1
16. STWM20150002	SILVERSWORD	2420030270000-39943	622 SILVERSWORD DR 3F	LAHAINA	4	1
17. STWM20150003	PACIFIC PARADISE	2440090170000-47522	147 HALELO ST 3D	LAHAINA	4	1
18. STWM20150004	LAHAINA PINK VILLA	2450120220000-48160	1327 KEAO ST 3C	LAHAINA	6	1
19. STWM20150005	RAINBOW HALE ESTATE	2440200010000-81069	275 OKA KOPE ST	LAHAINA	4	1
20. STWM20150007	MAKENA ALOHA	2470090050000-77846	89 AWAIKU ST	LAHAINA	5	2
21. STWM20150009	LAHAINA HISTORIC	2460100060000-50150	208 LAHAINALUNA RD	LAHAINA	4	1
22. STWM20150012	HOLOMAKANI RETREAT	2440090280000-47533	34 HOLOMAKANI PL 3D	LAHAINA	4	1
23. STWM20150013	NAPILI SUNSET HALE	2430070110000-41928	5205 HONOAPIILANI HWY 3E	LAHAINA	4	2
24. STWM20160003	PACIFIC VIEW	2470120130000-83275	78 N LAUHOE PL	LAHAINA	6	2
25. STWM20160024	LAHAINA GREEN VILLA	2460050210000-49768	328 FRONT ST	LAHAINA	6	1
26. STWM20160025	MCNEILL, MICHAEL	2440060350000-46352	2827 KOLEPA PL 3D	LAHAINA	5	1
27. STWM20170001	KAHANA BEACH HOUSE	2430050610000-41230	40 KEPOLA PL	LAHAINA	4	1
28. STWM20170002	LAHAINA OCEAN VIEW	2430030190000-40844	5029 LOWER HONOAPIILANI RD	LAHAINA	6	2
29. STWM20170004	LAHAINA OCEANFRONT	2450130040000-48241	1423 FRONT ST 3C	LAHAINA	6	2
30. STWM20170006	NAPILI HALE	2430020770001-84832	5460 L HONOAPIILANI HWY	LAHAINA	4	1
31. STWM20170007	HALE HOLOKAI	2440090070000-47512	106 HALELO ST 3D	LAHAINA	6	1
32. STWM20170008	KALAPU BEACH HOUSE	2440060180000-46302	161 KALAPU DR 3D	LAHAINA	3	1

(continued from previous page)

33. STWM20170009	SUMMIT RESIDENCE AT	2440090300000-47535	41 HOLOMAKANI PL 3D	LAHAINA	4	1
34. STWM20170013	LAHAINA GATE HOUSE	2460060390000-49855	451 ILIKAHI ST 3C	LAHAINA	4	1
35. STWM20170016	ALEXANDRA'S	2450020040000-47810	972 FRONT ST 3C	LAHAINA	4	2
36. STWM20170017	ALOHA HONU HALE	2430070230000-41939	34 PAPAUA PL 3E	LAHAINA	4	1
37. STWM20170018	LAHAINA SUN VILLA	2460090480000-50075	162 PANAWEA ST	LAHAINA	5	1
38. STWM20170019	BERMAN,ALAN	2470100630001-86023	682 KAI HELE KU ST	LAHAINA	3	1
39. STWM20180001	WILLIAMS, KEVIN SCOT	2460260050000-50342	520 LAHAINALUNA RD 3C	LAHAINA	3	1
40. STWM20180002	ALOHA SPIRIT MAUI	2470100260002-78941	915 KAI HELE KU ST	LAHAINA	2	1
41. STWM20180003	HUAKA MAHINA	2440060390000-46356	2773 KOLEPA PL 3D	LAHAINA	4	1
42. STWM20180004	LAHAINA SUNRISE STRH	2460060250000-49842	166 SHAW ST 3C	LAHAINA	5	2
43. STWM20190001	LAHAINA BLUE VILLA	2460100190000-50162	211 PANAWEA PL	LAHAINA	3	1
44. STWM20190002	KAANAPALI-HINI	2440090010000-47506	40 HALELO ST 3D	LAHAINA	3	1
45. STWM20190003	MAUI BEACH HOUSE	2430190470000-66577	4605 L HONOAPIILANI HWY	LAHAINA	4	1
46. STWM20190004	HAUOLI KEIKI SEASIDE	2450030370000-47945	25 KAI PALI PL 3C	LAHAINA	4	2
47. STWM20200001	TURTLE COVE	2430070150000-41931	31 PAPAUA PL 3E	LAHAINA	3	1
48. STWM20200002	KAANAPALI HALE	2440090190000-47524	129 HALELO ST 3D	LAHAINA	5	1
49. STWM20210001	HONU HALE	2430070070000-41926	5187 LOWER HONOAPIILANI RD	LAHAINA	6	1
50. STWM20220001	HAPPINESS HOUSE	2450030010000-47815	1003 FRONT ST 3C	LAHAINA	3	1
51. STWM20220002	FRONT STREET VILLA	2450130190000-48254	1418 FRONT ST 3C	LAHAINA	4	1
Sub Total: 51						
102% of Cap						
Island Total: 161						

(continued from previous page)



Short-Term Rental Homes (STRHs)

Single Family Residences operated by designated managers

Issue/Renew Dates through 04/03/2024

Lanai

There are more than 16,000 units (i.e., apartments, condos, houses) that are legally eligible to operate as short-term (less than six months) rentals without requiring a short-term rental permit. These units are generally located in districts zoned for hotel use, but some are also located in apartment districts, or are covered by other pre-existing situations. The operation of short-term rentals in these zoning districts is consistent with current County of Maui zoning ordinances, Community Plans, General Plan, and State law. All short-term rentals are also required to pay State of Hawaii General Excise Tax (GET) and Transient Accommodation Tax (TAT). It is recommended that you inquire with the owner as to whether they are operating in compliance with all current laws.

Outside of the above zoning districts, there are short-term rentals that have received approval to operate using one of the: Short-Term Rental Home Permit, Bed & Breakfast Permit or Conditional Permits. Each of these permits has specific operating requirements. All short-term rental home (STRH) operations are required to have a designated manager who is available by telephone at all times and can arrive onsite within one (1) hour in case they are called, all parking is required to be onsite (no parking on the street), and all advertising must include the short-term rental home permit number indicated below. Short-Term Rental Home operations may have up to a total six (6) bedrooms distributed over two (2) licensed STRH dwellings.

The County's permit database (which may not be fully complete) includes the list below of Short-Term Rental Home Permits approved for operation by the County of Maui.

Lanai Community Plan Region - Limited to 15 permits						
Permit Number	Name	TMK	Address	Town	Rooms	Dwellings
1. STLA20160001	HALE OHANA	2490040030000-50856	1344 FRASER AVE	LANAI CITY	2	1
2. STLA20160002	DREAMS COME TRUE	2490130270000-51324	1168 LANAI AVE	LANAI CITY	4	1
3. STLA20160003	LANAI HALE	2490071220000-51104	405 LANAI AVE	LANAI CITY	2	1
4. STLA20170002	THE ARTISTS HOUSE	2490130600000-51353	1243 QUEENS ST 2C	LANAI CITY	2	1
5. STLA20170003	LANAI OASIS	2490100070000-51217	524 FIFTH ST	LANAI CITY	3	1
6. STLA20170004	JASMINE HOUSE	2490040840000-70997	1215 JASMINE DR	LANAI CITY	3	1
7. STLA20170005	HAPPY CAMPERS HALE	2490070280000-51026	317 HOUSTON ST	LANAI CITY	3	1
8. STLA20170008	HALE O LANAI	2490190060000-51627	255 NAU PL 2C	LANAI CITY	3	1
9. STLA20180001	LANAI HOUSE	2490050330000-50941	904 FRASER AVE 2C	LANAI CITY	2	1
10. STLA20180002	MALAMA LANA'I HALE	2490090140000-51158	303 CALDWELL AVE	LANAI CITY	3	1
11. STLA20190001	444 LANAI	2490100140000-51223	444 LANAI AVE	LANAI CITY	3	1
12. STLA20190003	HALE O LANA'I	2490070390000-51035	436 GAY ST 2C	LANAI CITY	3	1
Sub Total: 12						
80% of Cap						
Island Total: 12						

(continued from previous page)



Short-Term Rental Homes (STRHs)

Single Family Residences operated by designated managers

Issue/Renew Dates through 04/03/2024

Molokai

No STRH permits are permitted nor are being processed for Molokai Community Plan area as of 04/03/2024.

Molokai Community Plan Region - No STRH permits allowed

Permit Number	Name	TMK	Address	Town	Rooms	Dwellings
0.	STRH homes are not allowed on the island of Molokai					
Sub Total: 0						
Island Total: 0						

Grand Total: 173

RICHARD T. BISSEN, JR.
Mayor

MARIA ZIELINSKI
Acting Director



DEPARTMENT OF FINANCE
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.maui-county.gov

May 29, 2024

Ms. Kate L. K. Blystone
Director of Planning
Planning Department
County of Maui
One Main Plaza, 2200 Main St Suite 315
Wailuku, Maui, Hawaii 96793

Re: Requests for Information Related to RPT and TAT Records for Properties in Apartment Districts

Dear Ms. Blystone:

This transmission is in response to your letter dated May 9, 2024, requesting the following information:

1. Attached is the Planning Department's list (sometimes referred to as the "Minatoya List") of properties within the Apartment District that are currently permitted TVR use. The master TMK for each property is shown on the table. Can your Department please provide a list of properties that are owned by the same individual owner?

Response: Attached is a 68-page list titled "Owns more than 1 Apt zoned TVR condominium." All of the owners on this list own more than one parcel on the list. Some of these parcels have more than one owner. The owners may own other properties that are not on Planning's list. The list has 1,946 parcels with 926 owners. Some of the owners are not grouped due to spelling differences in the RPAD database. Many owners, with five or more parcels, are either time share, multi-owners or leased fee owners.

2. The Planning Department is aware that property tax classifications are established at highest and best use, which in this case would be the TVR-STRH for all properties on the attached list. The Department is also aware that there are exemptions and alternative tax classes for Owner-Occupied, Long-Term Rental, and Time Share units. For the properties on the attached list, can your Department please provide the number of units that have an RPT classification of TVR-STRH, Time Share, Owner Occupied, Non-owner Occupied, or Long-Term Rental? If there are other RPT classifications that I have not listed, can you please indicate the number of those as well?

Response: Parcel breakdown by class: TVR-STRH – 6,208, Time Share – 307, Non-owner-occupied – 19 (Kihei Villa-new to list in 2024), Long-term Rental – 140, Owner-occupied – 481, Commercialized Residential – 6, Hotel – 2, Commercial – 8. Total Parcel Count – 7,171.

3. The Department would like to provide the Planning Commission and County Council with an estimate of the potential economic loss to the County by removing the use of TVR from the units on the attached list as it relates to RPT and TAT revenue. As such, can your Department please provide responses to the following:

a. What is the total amount of revenue received for all of the units on the attached list?

Response: It is estimated that the parcels will produce \$82,115,696 in real property tax revenue for FY 2024-25. Refer to Exhibit A.

At this time, MCTAT does not have a way to match the TMK/property with the TA numbers to make a revenue calculation.

b. What is the total amount of revenue received for only the units with a TVR-STRH or Time Share classification on the attached list?

Response: For FY 2024-25, it is estimated that the time share properties on this list will produce \$4,218,169 in real property tax revenue. For FY 2024-25, it is estimated that the TVR-STRH properties will produce \$76,985,134 in real property tax revenue. Refer to Exhibit A.

At this time, MCTAT does not have a way to match the TMK/property with the TA numbers to make a revenue calculation.

c. Can you please provide an estimate of the total loss in revenue if the units on the attached list with a TVR-STRH classification were changed to a classification of Non-Owner Occupied, Owner-occupied or Long-Term Rental using the current tax rates? If possible, please estimate an adjustment for the reduced assessed value due to loss of TVR use.

Response: The Real Property Assessment Division cannot predict if there will be a reduction in assessed value due to the loss of TVR use. An example is Palms at Wailea Phase I and II. Phase I allows TVR use and Phase II does not. The 2024 assessed values in the two projects are similar when you consider unit size. Assessed values are based upon sales from the prior fiscal year. There are areas on Maui that chose to not allow TVR use in an effort to preserve the desirability of their neighborhoods. Other factors to consider are financing and down payments which are usually more favorable to owner occupants. Currently, these projects have very few units for sale at any one point in time. If the proposed ordinance dramatically increased sales activity for a few years, it could create downward price pressure due to increased inventory for sale.

For a revenue impact estimate, refer to Exhibit A. It should be noted that time share revenue will not change. Time share properties will still be time share properties used by the owners. Initially it is expected that properties will move to the non-owner-occupied class. As they transition to owner-

occupied and long-term rental, revenue will decrease slightly. However, the intent of the tax relief programs, to incentivize resident housing, will be realized.

It should be noted that \$38.4 million is 6.5% of FY 24-25 real property tax revenue at \$587.3 million. It also should be noted, that the assessed value of the 6,208 TVR-STRH units is over \$6 billion.

At this time, MCTAT does not have a way to match the TMK/property with the TA numbers to make a revenue calculation.

- d. Does your Department have the opportunity to cross-reference the specific addresses of where TAT is received with addresses of those properties on the attached list that have a TVR-STRH or Time Share classification? If so, can you please provide the total revenue amount of TAT for those specific properties with a TVR-STRH or Time Share classification? Or, if that information cannot be provided specific to property location, then is it possible to at least obtain the amount of TAT received from all of the properties identified on the list?

Response: At this time, MCTAT does not have a way to match the TMK/property with the TA numbers.

4. Is there any additional information that your Department would believe relevant to determining the potential economic impacts related to the proposed ordinance?

Response: There are a variety of property types on the list in a variety of locations. Pacific Shores is an example of lost resident housing. It was constructed in 1989. Pacific Shores is located in Kihei and has 136 units. In 1995, the project had 60 home exemptions, 76 long-term rentals/second homes and 110 Hawaii mailing addresses. In 2005, there were 51 home exemptions, 20 TVR's and 99 Hawaii mailing addresses. In 2015, there were 36 home exemptions, 45 TVR's and 79 Hawaii mailing addresses. In 2024, there are 22 home exemptions, 7 long-term-rental exemptions and 55 Hawaii mailing addresses.

Twelve of the condominium projects on the "Apartment District Properties Allowed to be used for Short-term Occupancy" list are 20% or more resident occupied (home or long-term rental exemption).

Thirty-six of the condominium projects on the "Apartment District Properties Allowed to be used for Short-term Occupancy" list are located in Lahaina with around 200 resident occupied units. Two of the Lahaina projects were destroyed by the wildfire.

All of the projects are located in the SMA. 49 of the condominium projects are located on the ocean. The oceanfront projects contain 3,216 units.

*There are 46 condominium projects, with 1,770 units, that are zoned apartment and were built before 1990 that are **not** on the "Apartment District Properties Allowed to be used for Short-Term Occupancy" list. Some of these projects may qualify to be on the list given the current criteria in the code. For example, in March of 2024, Kihei Villa, with 24 units, was added to the list. Four of these 46 projects were destroyed in the August wildfire. Seven of these projects are located in Lahaina.*

Should you have any questions, please feel free to contact Marcy Martin, AAS at (808) 463-3155 or at marcy.martin@co.maui.hi.us or Kari Stockwell, AAS at (808) 270-7291 or at kari.stockwell@co.maui.hi.us.

Sincerely,

A handwritten signature in cursive script, appearing to read "Maria Zielinski".

MARIA E. ZIELINSKI
Acting Director of Finance

Attachments

Exhibit A

FY 2024-2025 Projected Minatoya Real Property Tax Loss*

Tax Rate Class	Parcel Count	CURRENT TAX CLASS			MAYOR'S PROPOSED BILL			
		Net Taxable Value	Council's Proposed Tax Rates	Estimated Revenue	Net Taxable Value	New Tax Rate For New Class*	Estimated Revenue	Estimated RPT Revenue Change
Time share	307	\$288,915,700	\$14.60	\$4,218,169	\$288,915,700		\$4,218,169	\$0
Non-Owner-Occupied	19	5,781,800		\$33,939	5,781,800		\$33,939	\$0
Tier 1 - up to \$1,000,000	19	5,781,800	\$5.87	\$33,939	5,781,800		\$33,939	
Tier 2 - \$1,000,001 to \$3,000,000	0	0	\$8.50	\$0	0		\$0	
Tier 3 - more than \$3,000,000	0	0	\$14.00	\$0	0		\$0	
TVR-STRH	6,208	6,067,903,400		\$76,985,134	6,067,903,400		\$38,625,592	\$38,359,541
Tier 1 - up to \$1,000,000	3,480	4,949,332,800	\$12.50	\$61,866,660	4,949,332,800	\$5.87	\$29,052,584	
Tier 2 - \$1,000,001 to \$3,000,000	2,718	1,106,723,600	\$13.50	\$14,940,769	1,106,723,600	\$8.50	\$9,407,151	
Tier 3 - more than \$3,000,000	10	11,847,000	\$15.00	\$177,705	11,847,000	\$14.00	\$165,858	
Long-Term Rental	140	86,055,200		\$270,108	86,055,200		\$270,108	\$0
Tier 1 - up to \$1,000,000	118	80,084,000	\$3.00	\$240,252	80,084,000		\$240,252	
Tier 2 - \$1,000,001 to \$3,000,000	22	5,971,200	\$5.00	\$29,856	5,971,200		\$29,856	
Tier 3 - more than \$3,000,000	0	0	\$8.00	\$0	0		\$0	
Owner-Occupied	481	297,365,800		\$541,538	297,365,800		\$541,538	\$0
Tier 1 - up to \$1,000,000	401	265,967,900	\$1.80	\$478,742	265,967,900		\$478,742	
Tier 2 - \$1,000,001 to \$3,000,000	80	31,397,900	\$2.00	\$62,796	31,397,900		\$62,796	
Tier 3 - more than \$3,000,000	0	0	\$3.25	\$0	0		\$0	
Commercialized Residential	6	10,425,200		\$49,565	6,825,200		\$13,318	\$36,247
Tier 1 - up to \$1,000,000	2	5,746,400	\$4.00	\$22,986	4,546,400	\$1.80	\$8,184	
Tier 2 - \$1,000,001 to \$3,000,000	3	3,617,000	\$5.00	\$18,085	1,817,000	\$2.00	\$3,634	
Tier 3 - more than \$3,000,000	1	1,061,800	\$8.00	\$8,494	461,800	\$3.25	\$1,501	
Hotel/Resort	2	9,900	\$11.75	\$600	9,900		\$600	\$0
Commercial	8	2,796,000	\$6.05	\$16,916	2,796,000		\$16,916	\$0
Total	7,171	\$6,759,253,000		\$82,115,969	\$6,755,653,000		\$43,720,181	\$38,395,788

*Assumes TVR properties go to Non-owner-occupied initially.

**Minatoya (Apartment Zoned) TVR Statistics from RPAD as of 4/29/24
(2024 assessment year)**

1. Percent of TVR inventory and count (does not include OO, LTR, Time Share)

Number of TVR parcels with dwellings	13,421
Number of TVR parcels with dwellings zoned apartment no permit	6,365
Percent	47%

318 Time shares are zoned Apartment. This is 11% of the time share parcel inventory. The 318 are not included in the 6,365 number.

2. Revenue impact estimate from a change in class TVR to Non-Owner-Occupied

Zoning	No. TMK	No. Dwellings	Net Taxable Assessed Value	2024-25 TVR Effective Tax Rate	TVR Taxes	2024-25 NOO Effective Tax Rate	NOO Taxes	Revenue Loss
Apartment	6,364	6,364	6,194,979,300	\$13.17	\$81,587,877	\$8.01	\$49,621,784	-\$31,966,093

Does not include LTR, TS and OO.

3. Address statistics:

- 1,006 parcels have 823 mailing addresses in the State. Owning multiple units is not uncommon.
- 16% have a Hawaii mailing address.
- About 85% of the in-state addresses are County of Maui.
- Some of the in-state addresses are to institutions, probably property management companies.
- 8% of the in-state addresses are from Honolulu (1% of total).

4. 9% have foreign mailing addresses with most being from CANADA.

5. 13% appear to be corporate owned (LLC, CORP)

6. It is estimated that 2% of the units are used as long-term rentals. 2% of grand total including time share/oo etc.

7. It is estimated that 7% of the Minatoya condominium units are owner-occupied.

8. All of the Minatoya condos are located in the SMA.

9. About 46% of the Minatoya condominiums are oceanfront with an average assessed value of \$937,300 for 840 SF of living area with an average bedroom and bath count of 1.6.

10. The 54% that are not oceanfront have an average assessed value of \$1,074,200 and an average of 1.6 bedrooms and bathrooms. *1.6 bedrooms implies half are 2 bedroom and half are 1 bedroom.

11. The condominium units range in size from 447 SF studios to 2,000 SF 3-bedroom oceanfront villas. On average, units are 864 SF with 1.6 bedrooms and bathrooms. The median size is 767 SF with 1.7 bedrooms and bathrooms.

12. Average values range from \$500,800 for a 1 bedroom in Kihei to \$2,100,000 for an oceanfront unit in Kihei. Some of the lower value projects are leasehold. Molokai has the two lowest valued projects. About 600 units have an average assessed value less than \$500,000 (6 projects). About 652 units have an average assessed value more than \$500,000 and less than \$600,000 (7 projects). About 18% and assessed less than \$600,000. About 711 units have assessed values between \$600,000 and \$800,000 in 13 projects.

13. Unit locations:

Location	Projects	Units*	Average Value
Hana	1	19	670,300
Moloaki	2	246	264,900
Paia	1	30	484,300
Maalaea	8	479	823,300
Kapalua	3	488	1,677,900
Napili/Kahana	20	792	1,016,500
Honokowai/Kaanapali	10	1186	894,100
Lahaina**	3	109	1,011,900
Wailea	6	782	1,641,500
Kihei	36	2918	917,811
	90	7049	

*All classes

**2 projects destroyed (only 10 units built)

14. Palms at Wailea has two phases. Phase I is subject to the Minatoya rule allowing TVR use with a year built of 1990. Phase II does not allow TVR use with a year built of 1992. As shown below, phase II has a higher percent of resident use with 31 units as opposed to phase I at 4 units. However, the predominate use (74%) of phase II is second home. The assessed value per SF of living area is very similar for both phases. The second homes in phase II are slightly larger and are assessed slightly more. In this case, it appears that not allowing TVR use did not significantly increase housing opportunities for locals. Location, building quality, amenities and living unit size are also factors that contributed to the second home use of phase II.

Project	Zoning	Allows TVR	Units Occupied	Owner Occupied	Long-term rental	TVR	Percent Resident use	Year Blt	Average Assessed Value	Average SF	Assessed Value per SF
Palms at Wailea I	A1	Yes	150	3	1	146	3%	1990	1,547,709	1,149	\$1,347
Palms at Wailea II	A1	No	120	27	4	0	26%	1992	1,835,477	1,308	\$1,403

15. 17 of the 90 projects have no resident occupants. 20 of the 90 projects have no owner-occupants. 38 of the 90 projects have no long-term rentals.

16. Seven of the projects are more than 25% resident occupied. Of these 166 units, 58 are owner occupied and 22 are long-term rentals.

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Tom Cook
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Nohelani U'u-Hodgins



Director of Council Services
David M. Raatz, Jr., Esq.

Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

May 23, 2024

Ms. Kate Blystone, Director
Department of Planning
County of Maui
Wailuku, Hawai'i 96793

Dear Ms. Blystone:

**SUBJECT: TRANSIENT VACATION RENTALS IN APARTMENT
DISTRICTS (PAF 24-117)**

I understand the Council Chamber has been reserved for a Maui Planning Commission meeting on June 25, 2024, to discuss the Mayor's proposal to phase out Transient Vacation Rentals in the Apartment Districts. May I please request that the proposal also be sent to the Hāna Advisory Committee and that the Committee's findings and recommendations be included in the Department of Planning's report to the Council.

May I please request that you respond before June 25, 2024, to county.council@mauicounty.us and paige.greco@mauicounty.us, including the PAF number in the subject line.

Should you have any questions, please contact me or Legislative Analyst Paige Greco at ext. 7660.

Sincerely,

A handwritten signature in black ink, appearing to read "Shane M. Sinenci".

SHANE M. SINENCI
Councilmember

paf:pmg:24-117c

cc: Mayor Richard T. Bissen, Jr.
Kimberly Thayer, Chair, Maui Planning Commission
Ward Mardfin, Chair, Hana Advisory Committee