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**COUNTY COUNCIL**  
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July 24, 2024

TO: Housing and Land Use Committee  
HLU Committee Chair Tasha Kama  
Council Chair Alice Lee

FROM: Councilmember Keani Rawlins-Fernandez 

**SUBJECT: Maui County Council's Request for Proposals on a study of the phase-out of Transient Vacation Rentals in the A-1 and A-2 Apartment Districts**

I urge us to not be myopic in studying the potential economic impacts to TVR owners, realtors, property managers, and those with a significant interest, as the current list of studies the chair's draft RFP would provide. We already have two studies that provide this information for the investors: 2022 analysis performed by Mr. Brewbaker, for the Realtors Association of Maui and the 2024 analysis performed by Kloninger & Sims Consulting LLC for Travel Tech. Replicating these these two studies and not ensure we are examining impacts and benefits that provide a holistic analysis would produce zero value to Council's decision-making process.

Including a description on what specific type of entity we are looking to conduct this study from a lens of those most significantly impacted, who have historically shouldered the majority of the burden and externalized costs, would provide us the critical perspective needed to the understand impacts *and* benefits this decision.

Solicitation Description

Proposed language: "RFP requests proposals from registered and compliant non-profits with a social equity lens to complete the study as requested.

Priority will be given to nonprofits that have published reports demonstrating a social equity lens in determining a cost benefit analysis on legislative actions.

An example of this RFP language can be found here:

<https://hands.ehawaii.gov/hands/opportunities/opportunity-details/24331>

We must analyze the economic benefit of phasing out TVRs in A1/A2 zoning districts as well, in order to fully understand the comprehensive impact and benefit the proposed action would have. Below, I have listed additional reports for the contractor to review for a more well-rounded understanding of the proposed action, as well as factors to include in their report.

1a. Review the following documents:

iv. UHERO's Hawai'i Housing Factbook 2024

<https://uhero.hawaii.edu/wp-content/uploads/2024/05/HawaiiHousingFactbook2024.pdf>

v. UHERO's forthcoming report on the A1/A2 TVR Phase-Out

vi. Priced Out of Paradise - November 2018

<https://hiappleseed.org/publications/priced-out-of-paradise>

vii. Hawai'i Vacation Rentals: Impact on Housing & Hawai'i's Economy - March 2018

<https://hiappleseed.org/publications/hawaii-vacation-rental-impact-study>

viii. Short-term cities: Airbnb's impact on Canadian housing markets

<https://upgo.lab.mcgill.ca/publication/short-term-cities/>

ix. A new method for tourism carrying capacity assessment

<https://www.witpress.com/Secure/elibrary/papers/ECO07/ECO07034FU1.pdf>

x. Do short-term rental platforms affect housing markets? Evidence from Airbnb in Barcelona

<https://www.sciencedirect.com/science/article/pii/S0094119020300498>

c. Describe the characteristics of an ideal rental unit based on physical layout, location, and potential rent cost, and identify which units impacted by the proposed bill fit the criteria for a rental unit that studies have suggested is requested by the community.

d. Identify how many units impacted by the proposed bill will become owner-occupied or long-term rentals, respectively, including any assumptions made in identifying the units and specific policies should council consider to maximize owner occupied units.

g. Describe the loss of revenue and impact to employees in the following categories, specifying all assumptions made in determining impacts.

i. Describe the vacancies currently in Maui County and the number of vacancies and shorten hours of operations as a result of the housing shortage and cost of housing. And the economic benefit for these small businesses as a result of more housing inventory.

Workforce and Labor Market Analysis - Evaluate the impact on the local labor market, including potential labor shortages and changes in employment patterns.

j. The organic growth of visitors, hotel and resort availability and occupancy rate.

k. Cost benefit analysis. Social, environmental, and cultural impact of not passing legislation  
Community Network Impact - Analyze the effects on community cohesion and social networks.  
Assess the long-term social and cultural impacts of population loss and consider strategies for  
rebuilding community ties.

l. Identify the decrease in demand for investment properties.

m. Project how the increase of housing supply will reduce the cost of housing.  
Omission of Second-Order Effects - It utilizes a fixed-price input-output model which fails to  
account for price changes or second-order effects, such as the potential reduction in housing  
prices due to increased availability. Without dynamic modeling to account for price changes and  
second order effects, the report fails to provide an accurate representation of economic impacts.

n. Water availability for housing in each district.

o. GDP and Economic Growth Analysis - Estimate the impact of population loss on local GDP  
and overall economic growth. Consider both direct and indirect effects on economic activity and  
long-term growth potential. Should be controlled for the infusion of temporary work of  
government contractors who often are not local businesses and our economy will or is  
experiencing the law of diminishing returns as a result.

p. Determine number of units owners or property managers that pay workers misclassified as  
independent contractors or fail to report workers' wages to the State and Federal government,  
number of workers that do not receive healthcare benefits and social security, and the amount of  
government-funded social services required to supplement these workers and how this compares  
to comparable unionized workers for hotel and resorts.

q. Identify the impact of realtors commission has had on increasing the cost of housing.

## HLU Committee

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**From:** Keani N. Rawlins  
**Sent:** Wednesday, July 24, 2024 1:18 PM  
**To:** HLU Committee  
**Subject:** RFP Sections for Inclusion  
**Attachments:** RFP Scope of Work - CM KRF.pdf

Aloha HLU Committee,

Please find attached my memo to both HLU Committee Chair Kama and Council Chair Lee describing the necessary inclusions to the RFP.

Mahalo!



*Keani Rawlins-Fernandez (she/her)*  
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