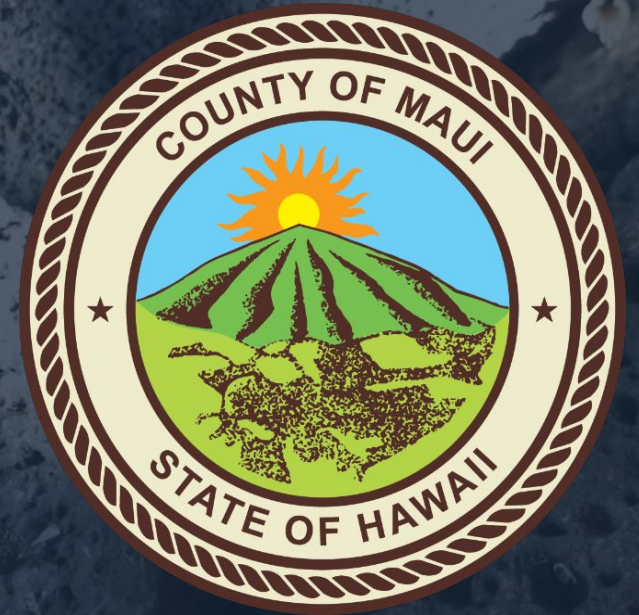


COUNTY OF MAUI | BILL 9, CD1

# HOUSING FOR LOCAL FAMILIES FIRST

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*Navigating the Impacts of Phasing-out Transient  
Vacation Rentals (TVRs) in Apartment Districts*





# Potential Economic Impact

## *Concern vs. Reality*

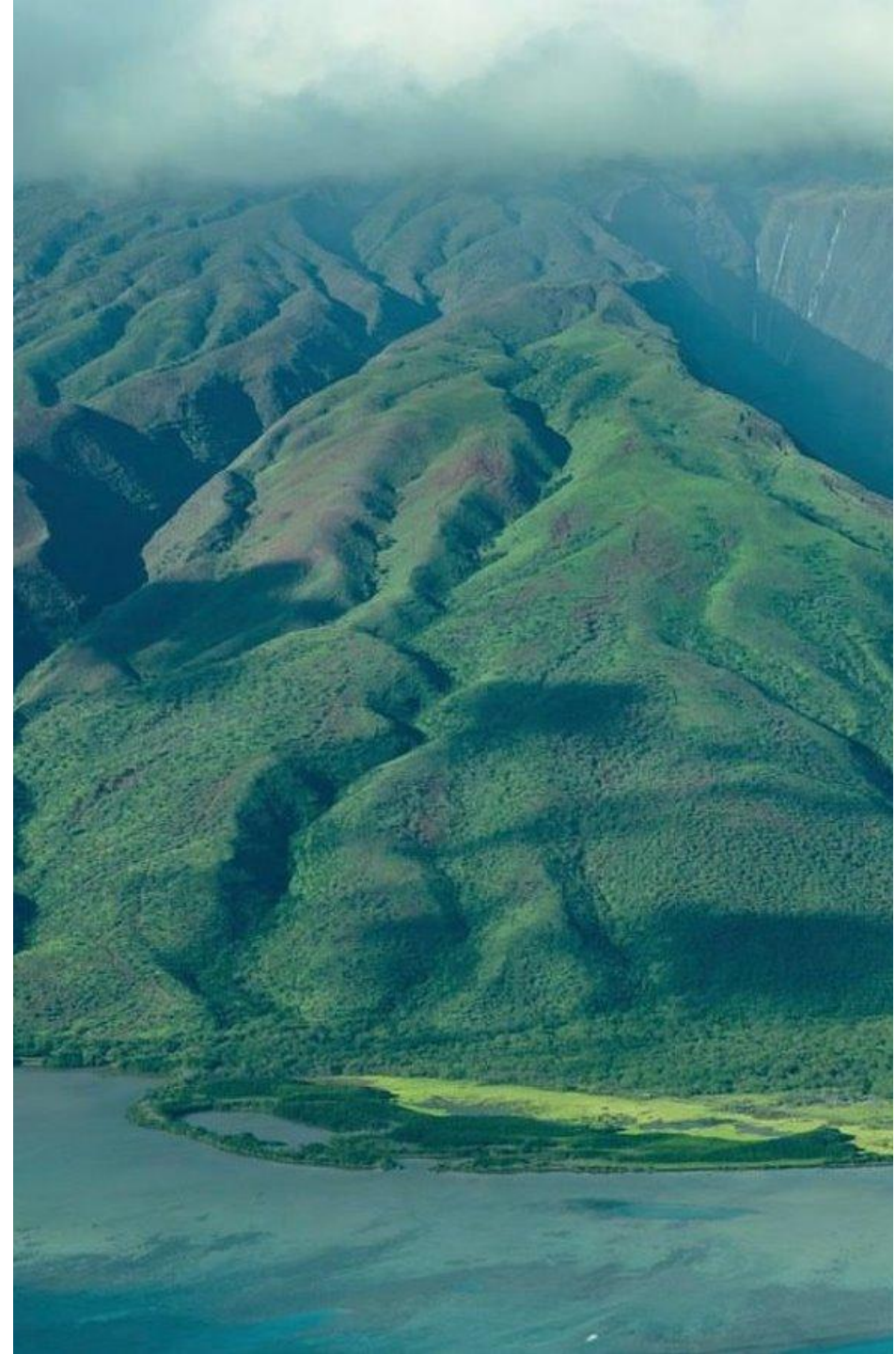
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### **Concern**

- Nearly 1,900 jobs lost
- \$900 million drop in visitor spending
- \$60 million decline in property tax revenue

### **Reality**

- Tax policy adjustments (e.g., rate shifts) can significantly offset revenue loss.
- Job displacement does not equal job destruction.
- Tourism is historically resilient.
- Over 8,000 legal STRs and hotels will remain available for visitors.
- A diversified economy that prioritizes resident housing will be more sustainable in the long run.



# Potential Housing Impact

## *Concern vs. Reality*

---

### Concern

- Units are not suitable for long-term housing
- Monthly carrying costs are too high for locals
- Owners won't convert to long-term rentals or sell to residents

### Reality

- Local families and individuals are already living in many of these complexes.
- High current costs reflect inflated TVR-driven structure. A rebalancing of the market will lower prices and rents over time.
- Strategic tax policy that favors long-term rentals can dictate market behavior.





# Potential Risk to Small Businesses

## *Concern vs. Reality*

---

### Concern

- TVRs distribute visitor spending across communities
- Removing them may consolidate tourism dollars into fewer hands

### Reality

- TVRs have displaced residents in those same communities. Distributed tourism has come at the cost of distributed housing.
- Local-serving businesses benefit from residents too. A restored residential population will support small businesses in the absence of tourists.
- Tourism can support small businesses countywide without hollowing out residential communities.





# Call for Alternative Solutions

## *Concern vs. Reality*

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### Concern

- Enforce illegal TVR laws
- Build more housing

### Reality

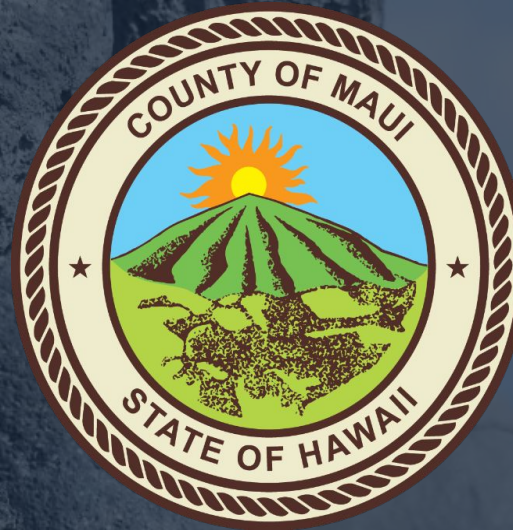
- These steps are already underway—Bill 9 is one part of a broader housing strategy.
- County enforcement for illegal STRs is effective and ongoing.
- We cannot build ourselves out of this crisis.
  - Reclaiming existing units is faster and more cost-effective than building new inventory.
  - Limited water and sewer resources cannot support the inventory we need now.





COUNTY OF MAUI | BILL 9, CD1

# TAX REVENUE IMPACTS



*Revenue estimates and strategies*



# TVR Properties Impacted by Bill 9



RPT Classification	Count	Percent of Total
TVR-STRH	5,987	83.5%
Commercialized Residential	5	0.1%
Time Share	307	4.3%
Long-term-rental	359	5.0%
Owner-Occupied	508	7.1%
Parcels	7,166	100.0%





# Real Property Tax Revenue Impact

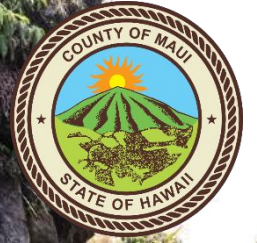
---

If no changes were made to the FY 26 tax rates, RPT would decrease between:

**\$40 and \$75 million**

(-6% to -11%)

*County and UHERO estimate RPT impact at approximately:  
\$61 million*





# TAT and GET Revenue Impact

---

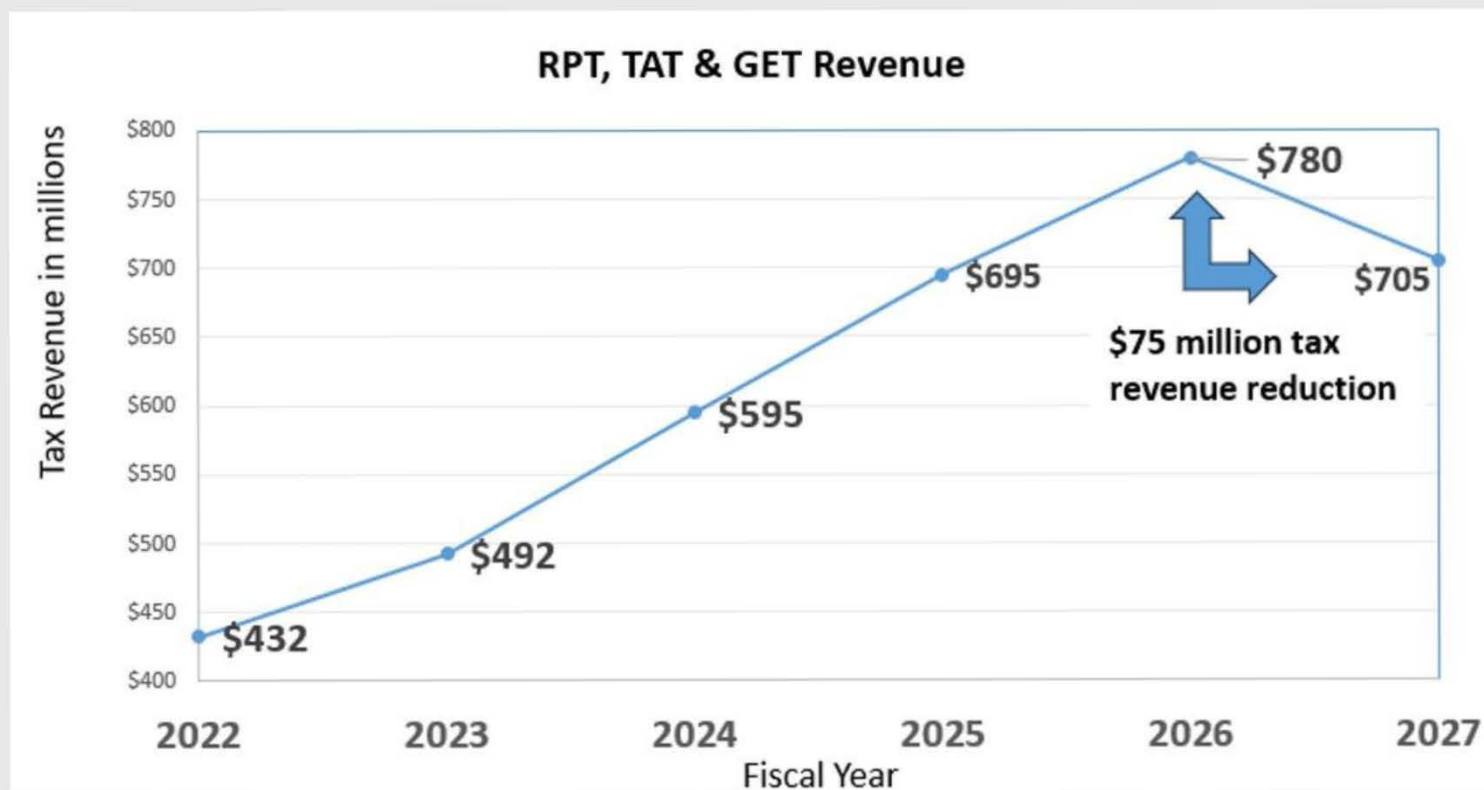
UHERO estimates GET and TAT  
(combined) will fall about:

**\$15 million annually**





# Tax Revenue Strategy





# Tax Revenue Strategy

---



**Real property tax rates and tiers can be adjusted each fiscal year to meet budgetary needs.**

- Increasing tax rates in the Non-owner-occupied class can incentivize all vacant/second homes to convert to long-term residential use
- Continue to offer tax relief for the long-term rental and owner-occupied classifications





# Housing Stability: A Stronger Return on Investment

---

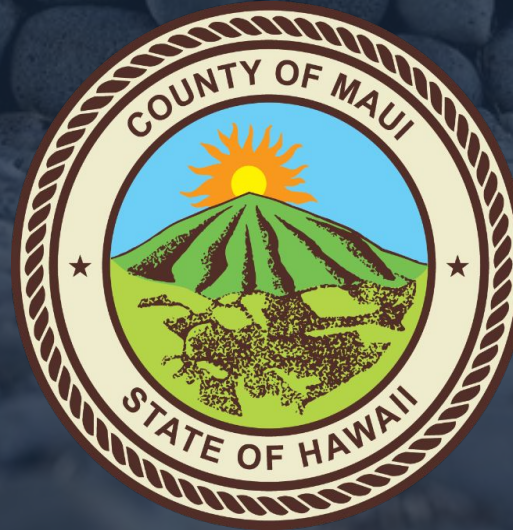
- Even with a potential drop in revenue—the gain in housing inventory offers a far more meaningful return.
- 5-year Affordable Housing Fund appropriation \$207 million





COUNTY OF MAUI | BILL 9

# ENFORCEMENT OF ILLEGAL TVRs





# Enforcement as an alternative

---

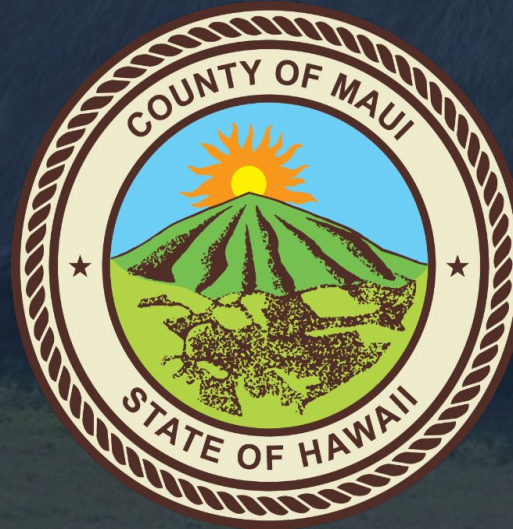
- Since July 1, 2023: ZAED and vendor GovOS verified approximately 30 unpermitted transient vacation rental units.
- Since January of 2025, only one new TVR enforcement case was opened.
- Seven TVR cases remain pending at different stages of enforcement.
- Continuous monitoring of TVR advertisements remains a high priority and is working, but has not led to a great deal of enforcement cases.





COUNTY OF MAUI | BILL 9

# HOUSING AFFORDABILITY, HOME CONSTRUCTION & TRANSIENT VACATION RENTALS



**In 2024, single family home sale  
prices were at all-time highs**



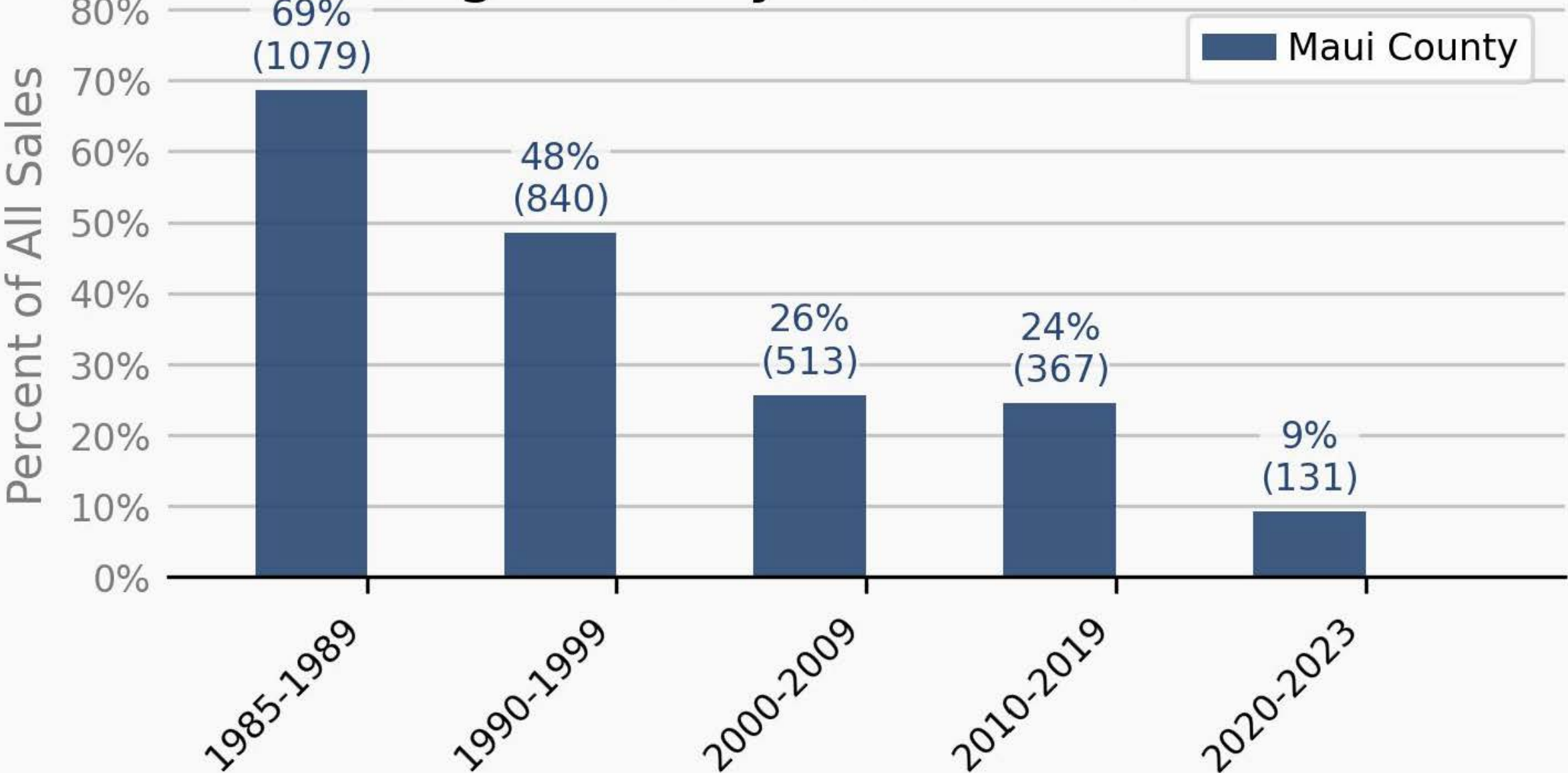
<b>West Maui</b>	<b>\$1.9M</b>
<b>South Maui</b>	<b>\$1.6M</b>
<b>Upcountry</b>	<b>\$1.2M</b>
<b>Central Maui</b>	<b>\$1.1M</b>

**This is not new...**



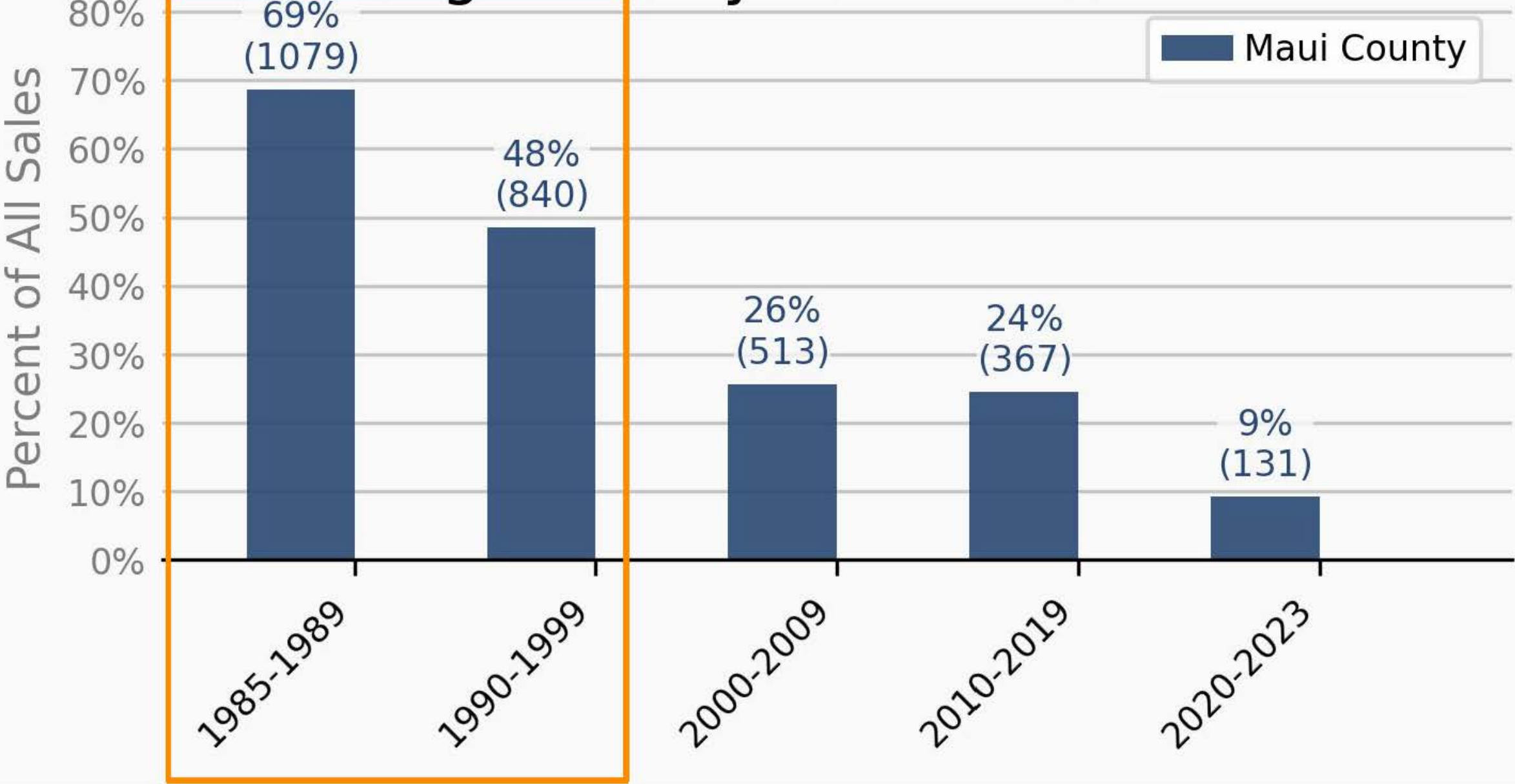
Housing has been unaffordable  
for an *entire generation*

# Affordable Single-Family Home Sales

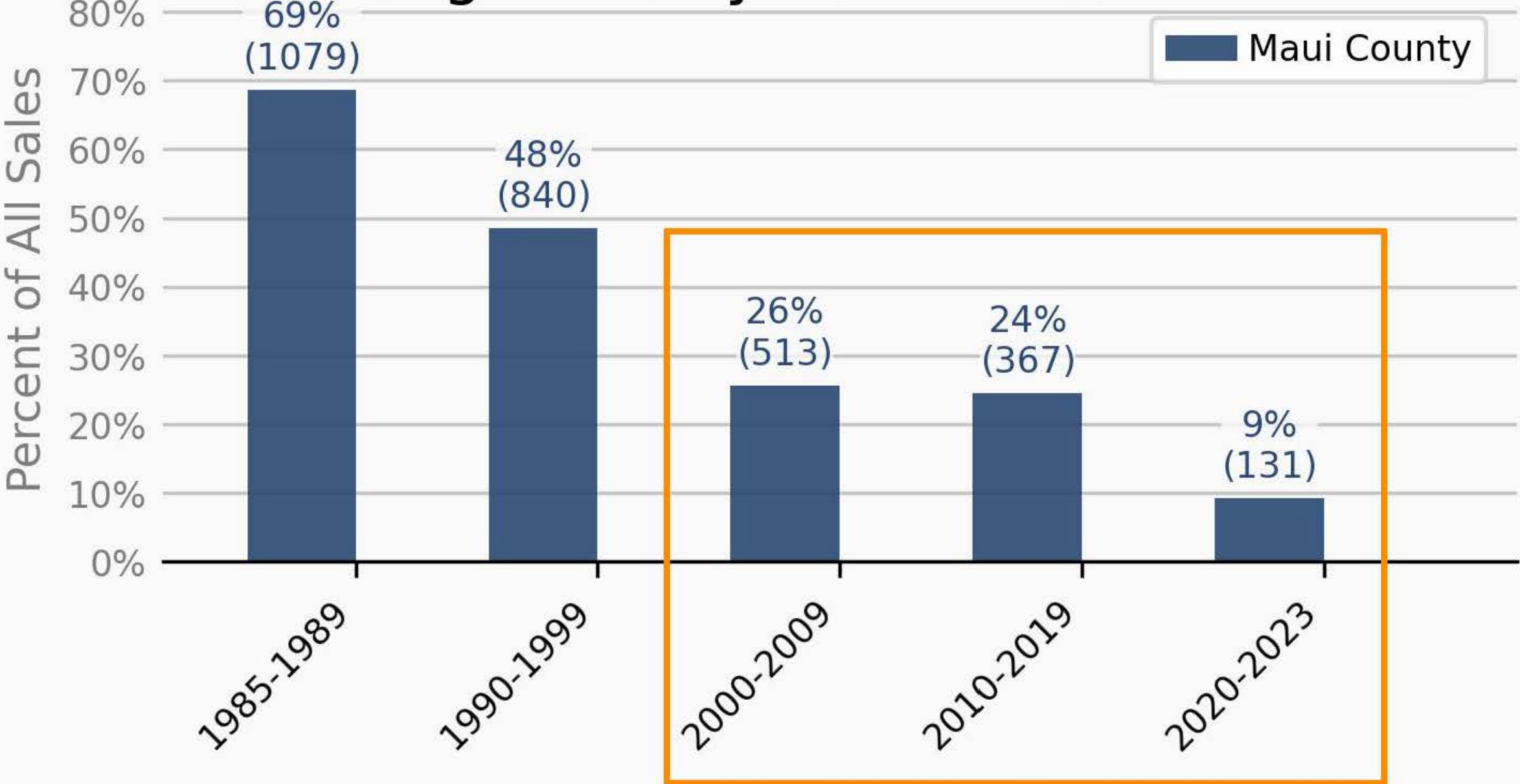




# Affordable Single-Family Home Sales

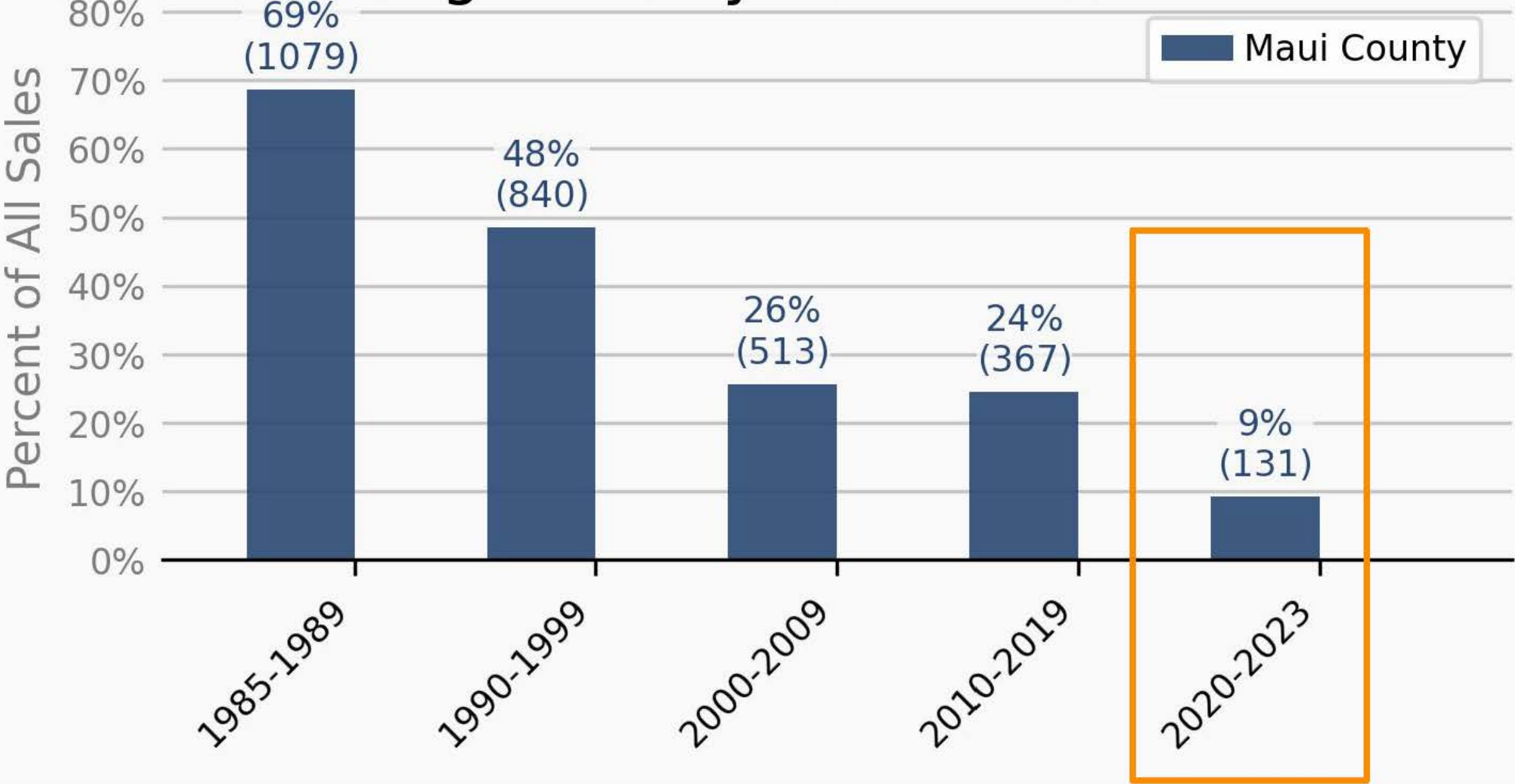


# Affordable Single-Family Home Sales

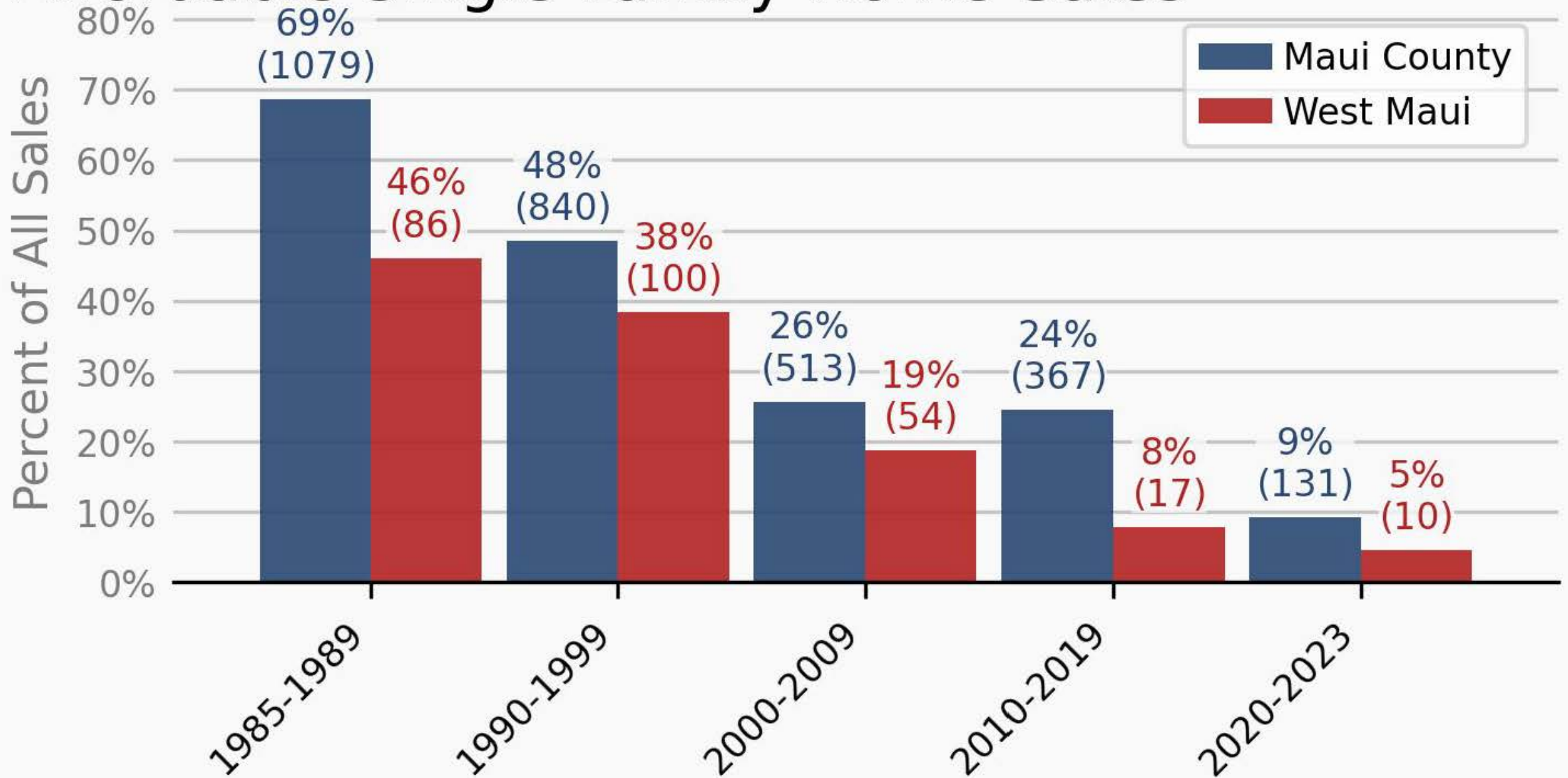




# Affordable Single-Family Home Sales

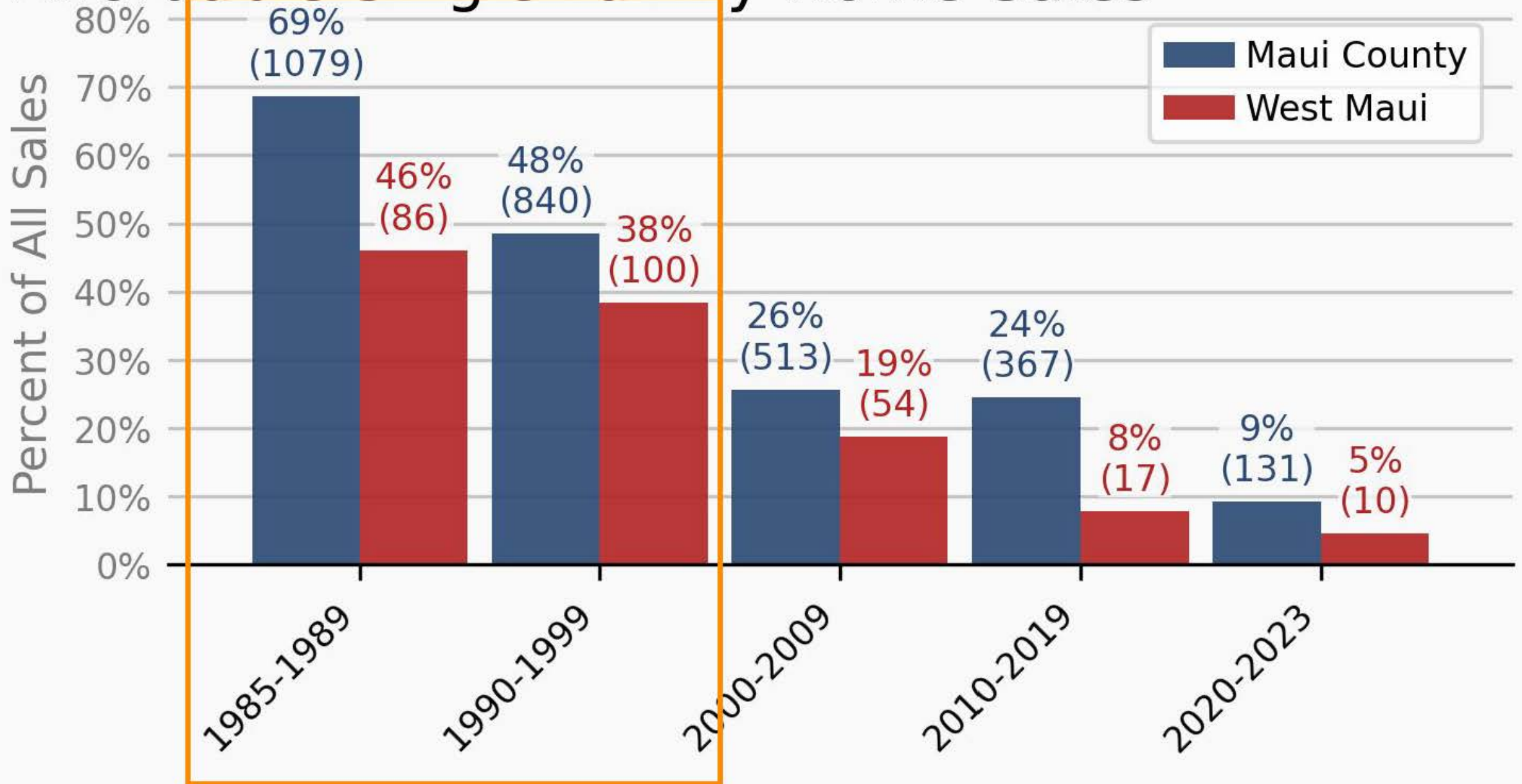


# Affordable Single-Family Home Sales

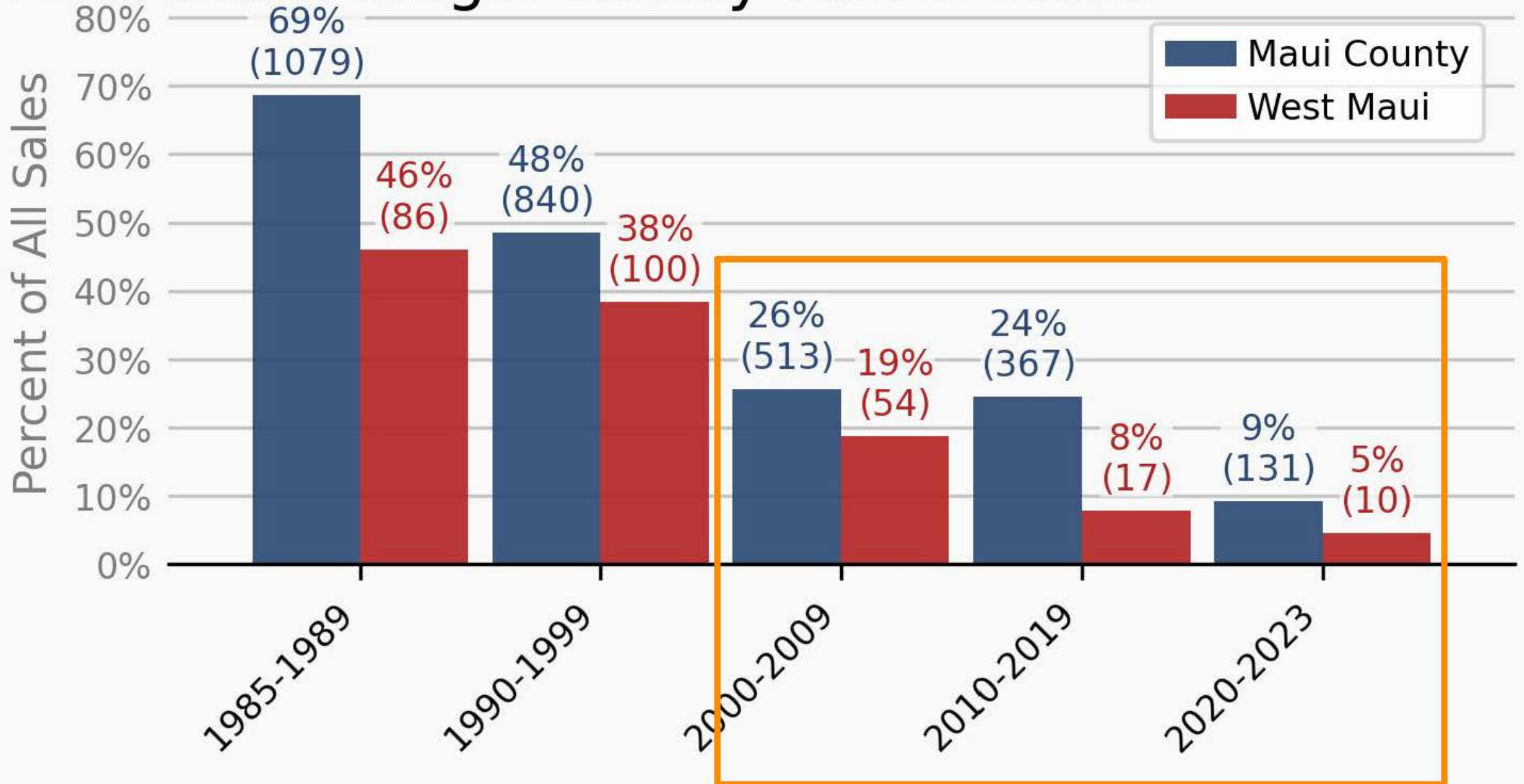




# Affordable Single-Family Home Sales

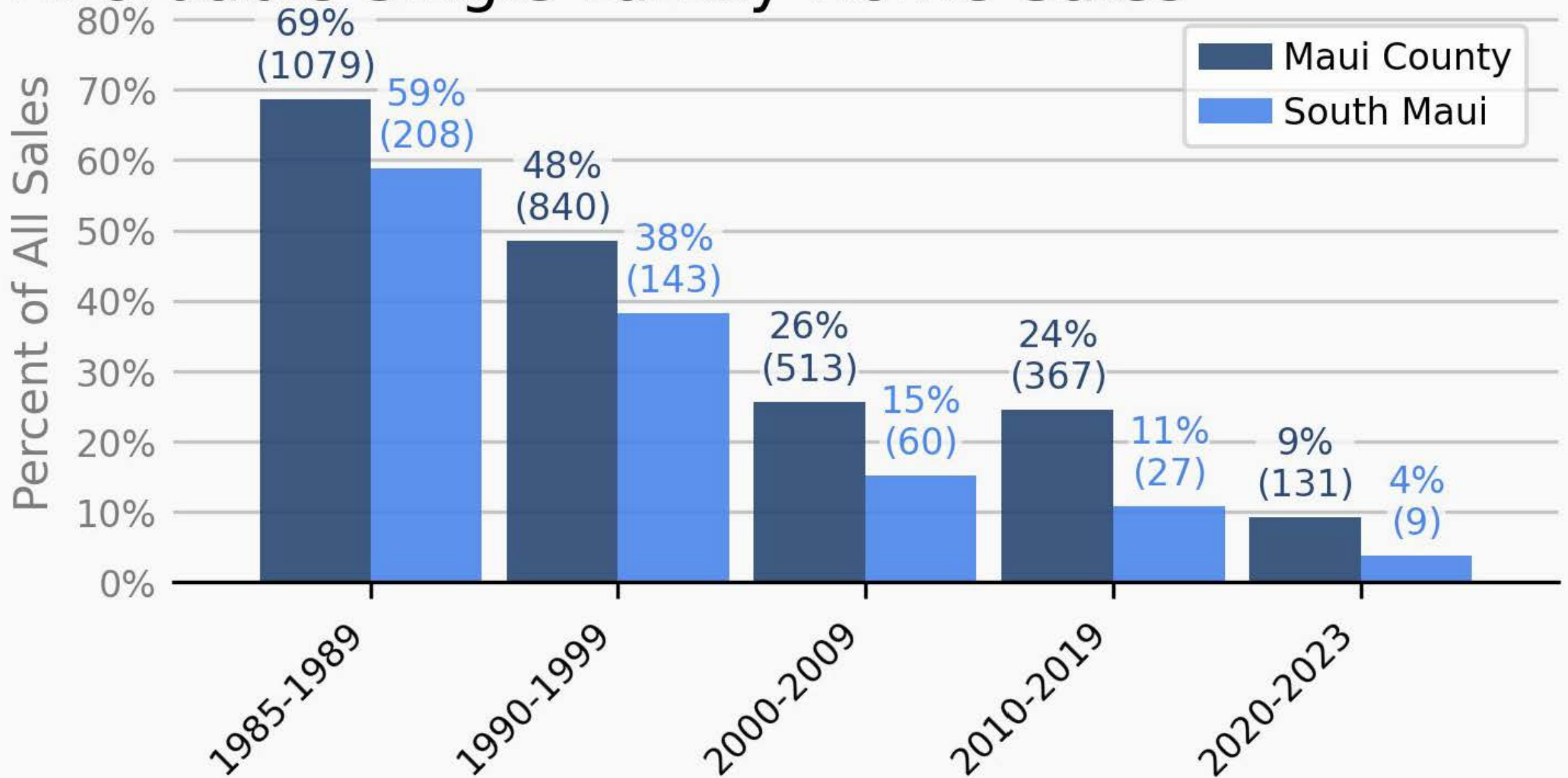


# Affordable Single-Family Home Sales

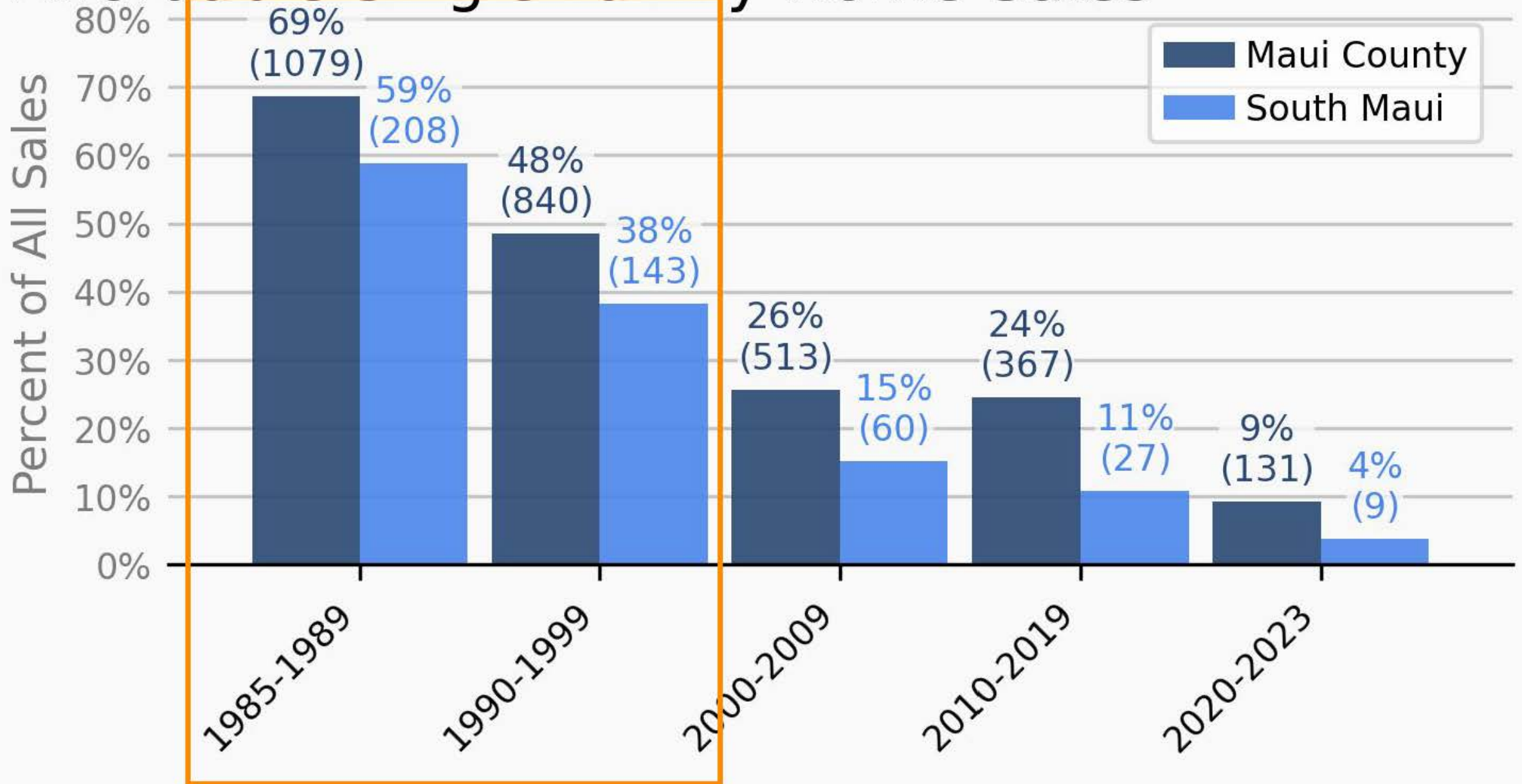




# Affordable Single-Family Home Sales

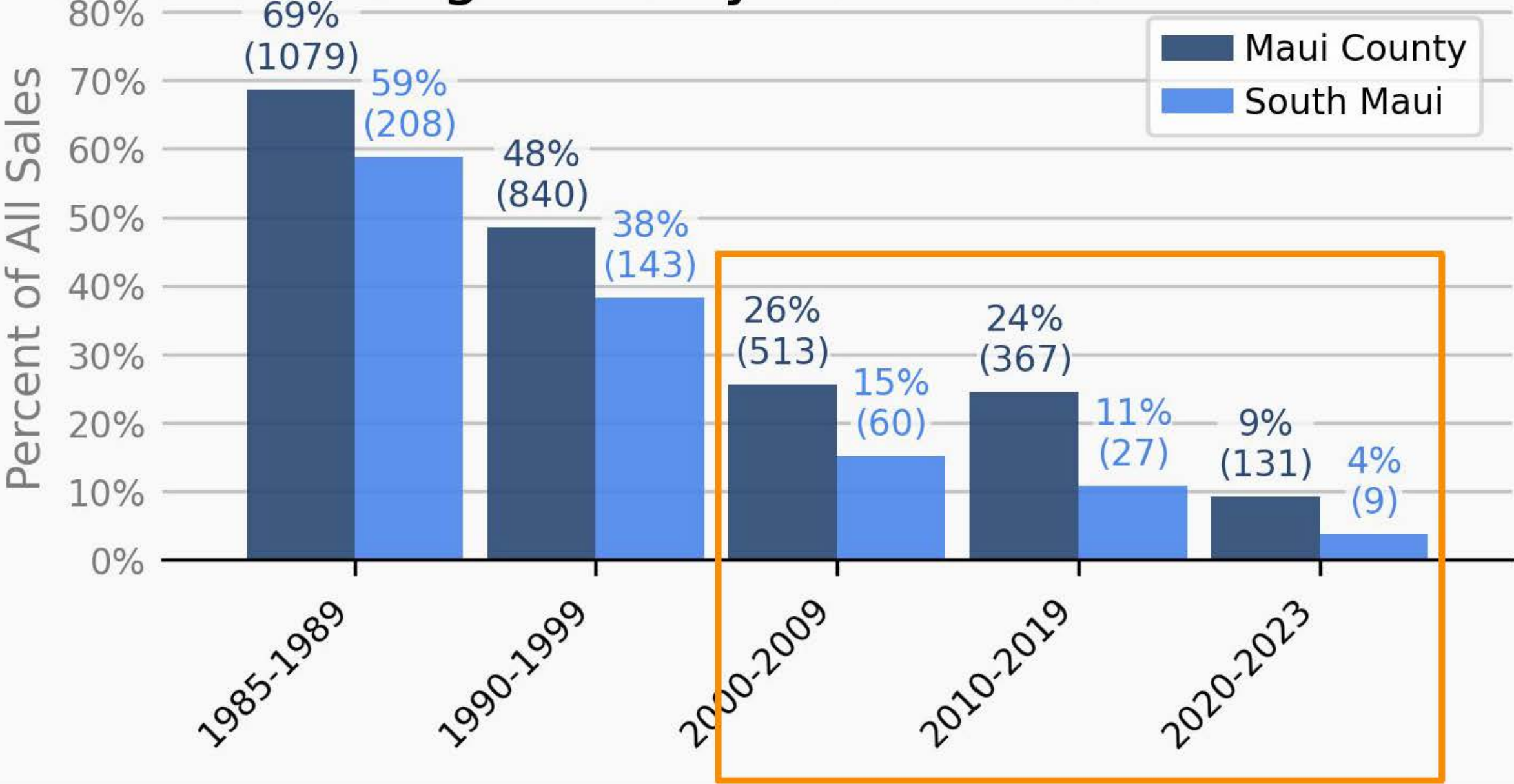


# Affordable Single-Family Home Sales





# Affordable Single-Family Home Sales



# Possible Solutions

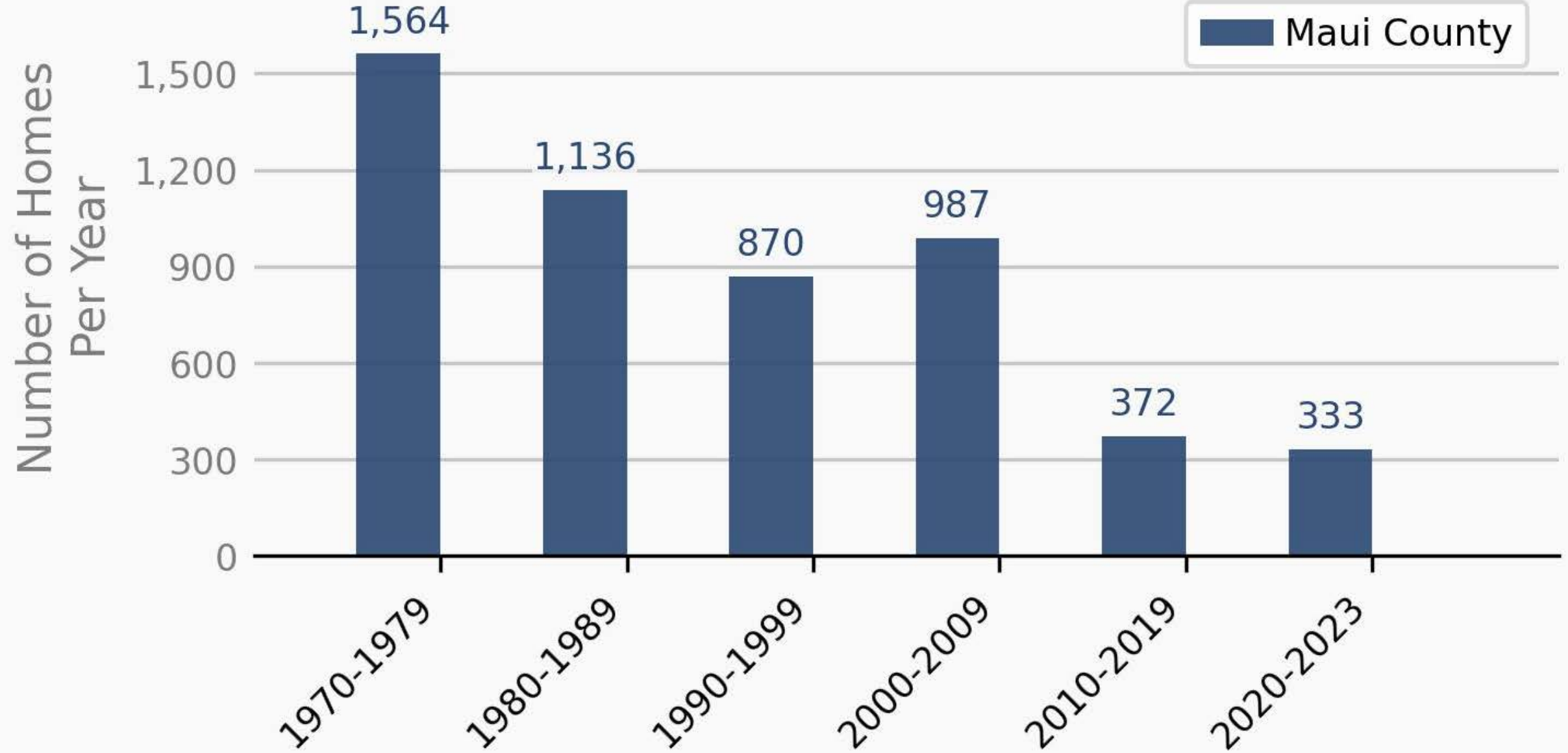


# Construction

**Construction**

*A solution for our grandchildren*

# Home Construction (Single Family + Condos)

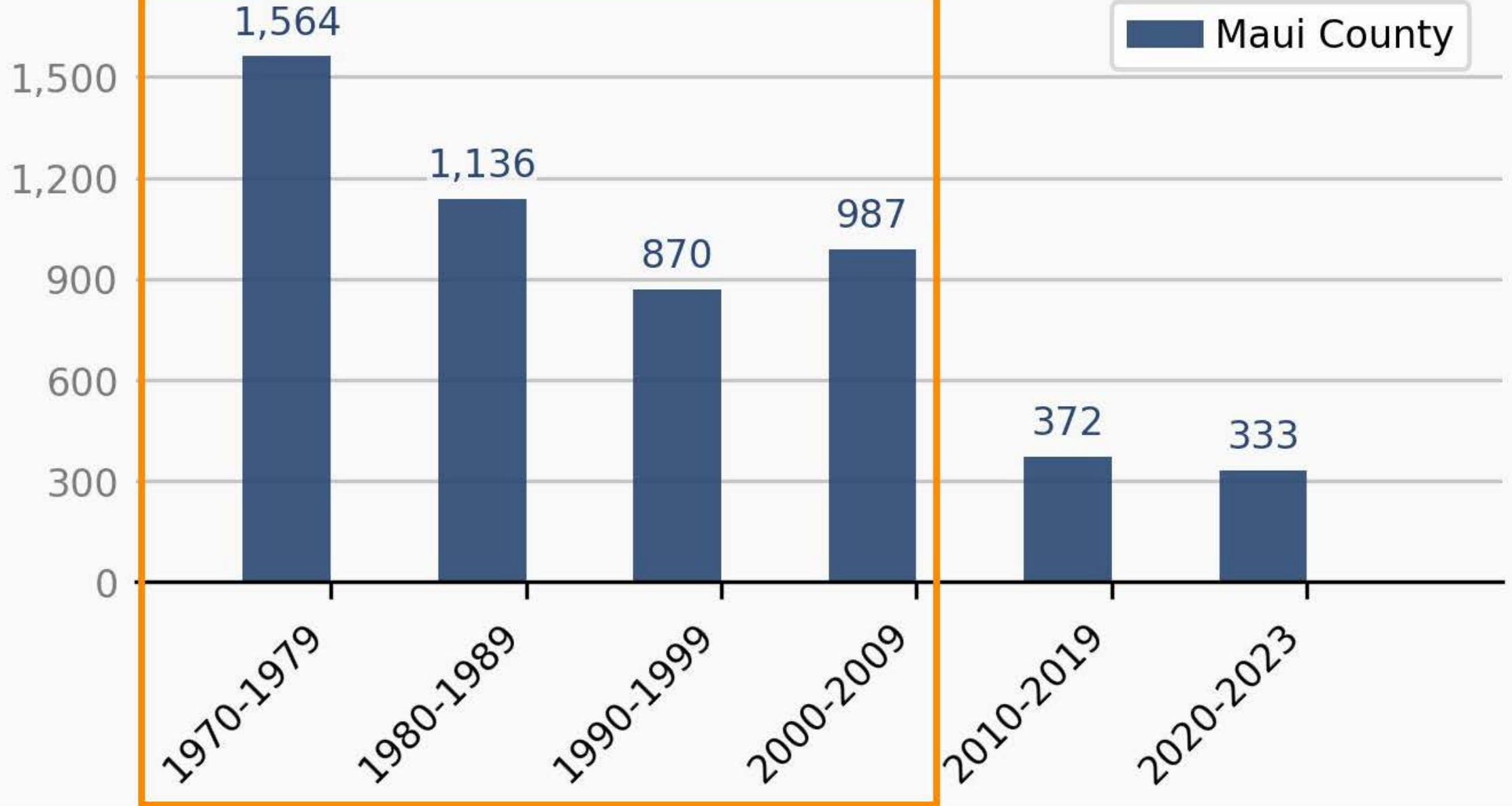




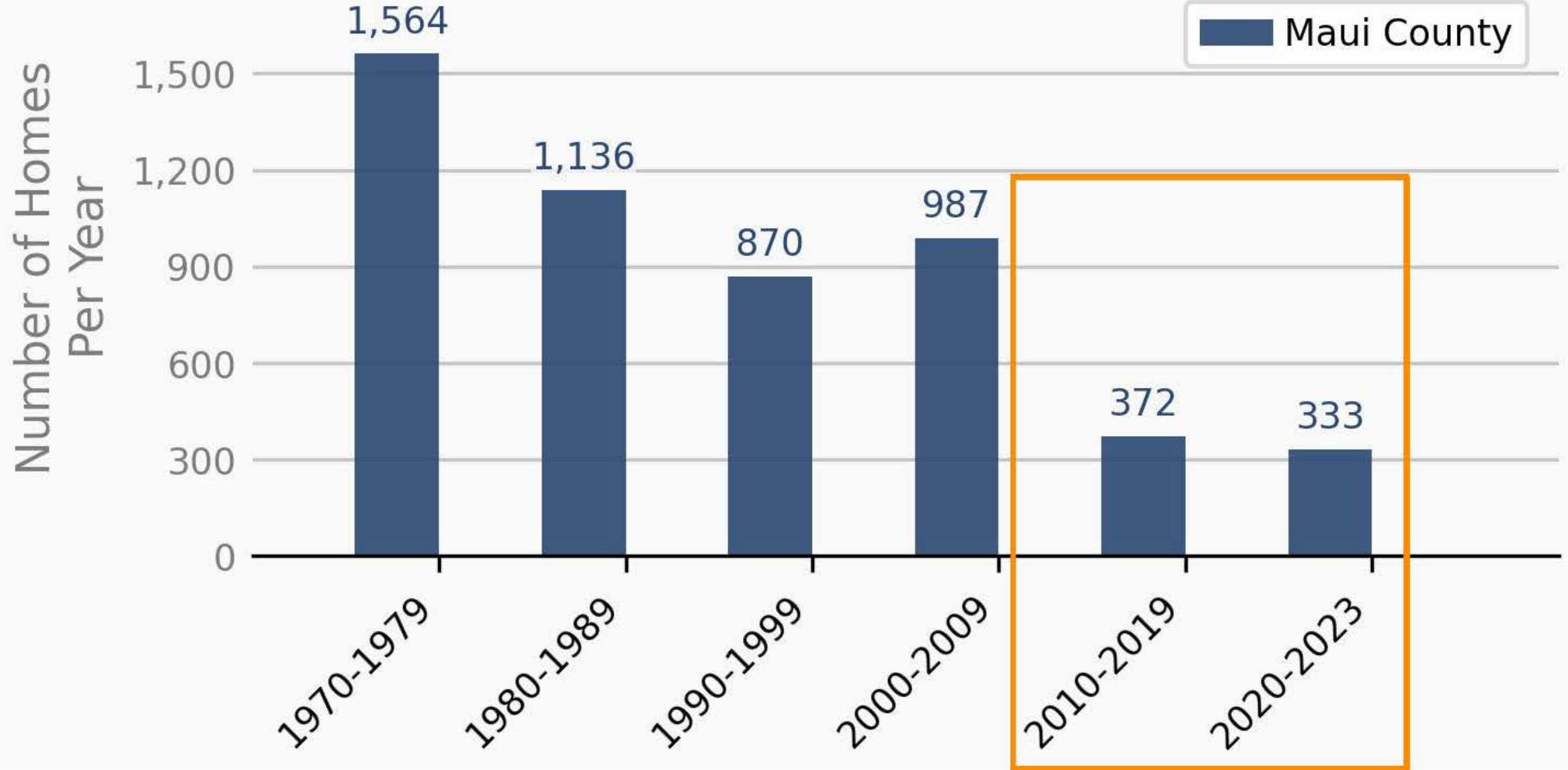
# Home Construction (Single Family + Condos)

Number of Homes  
Per Year

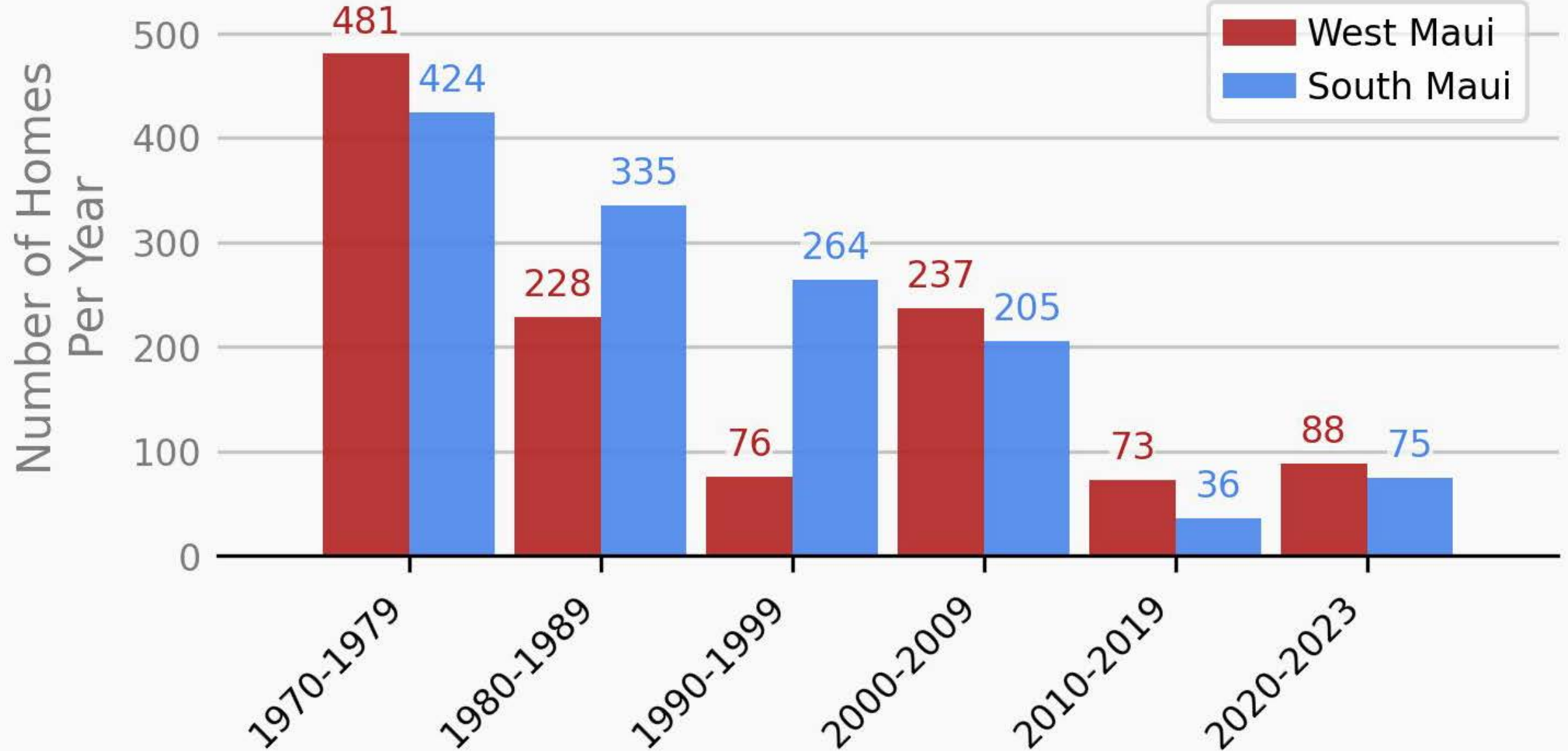
Maui County



# Home Construction (Single Family + Condos)

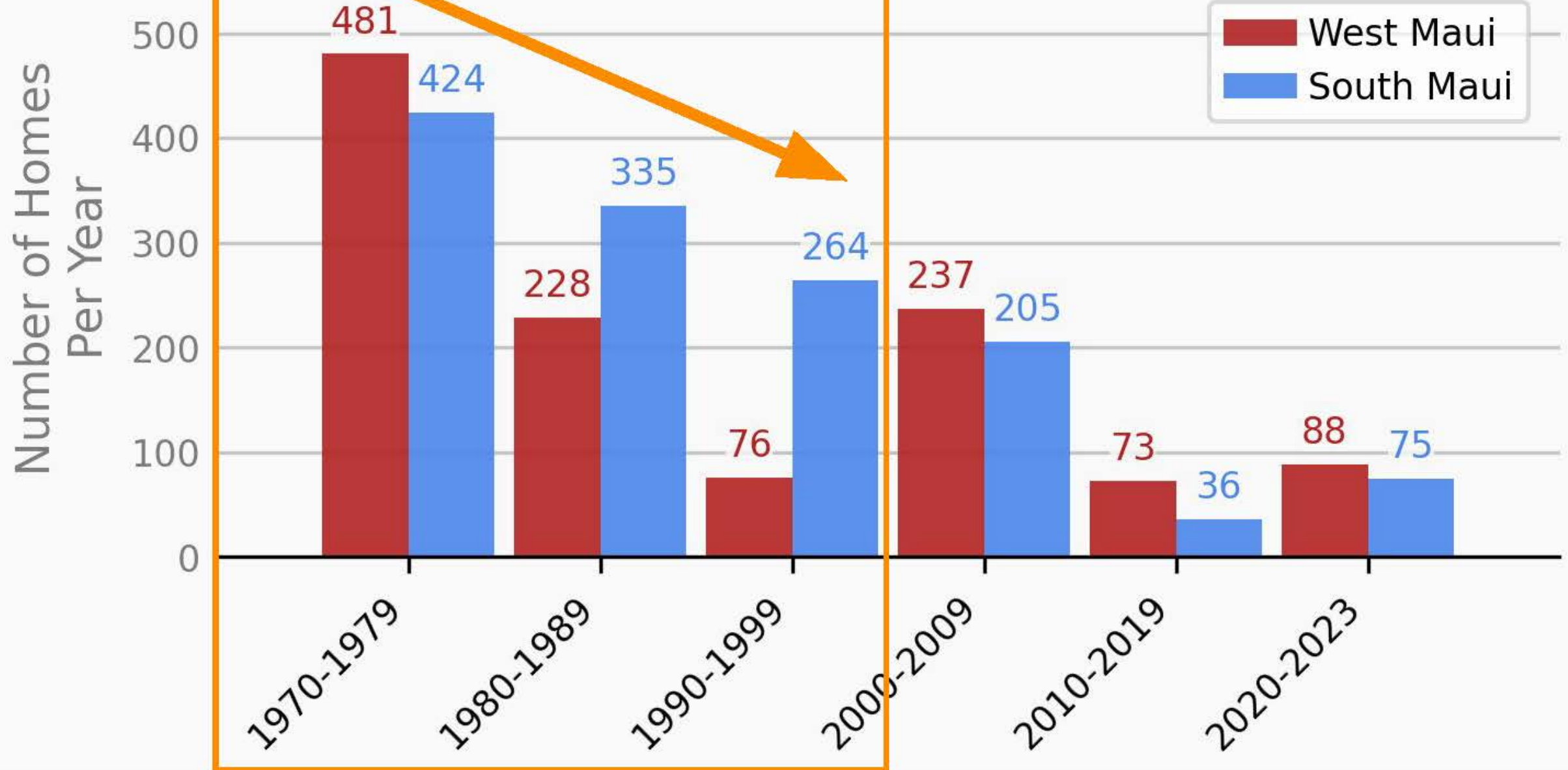


# Home Construction (Single Family + Condos)

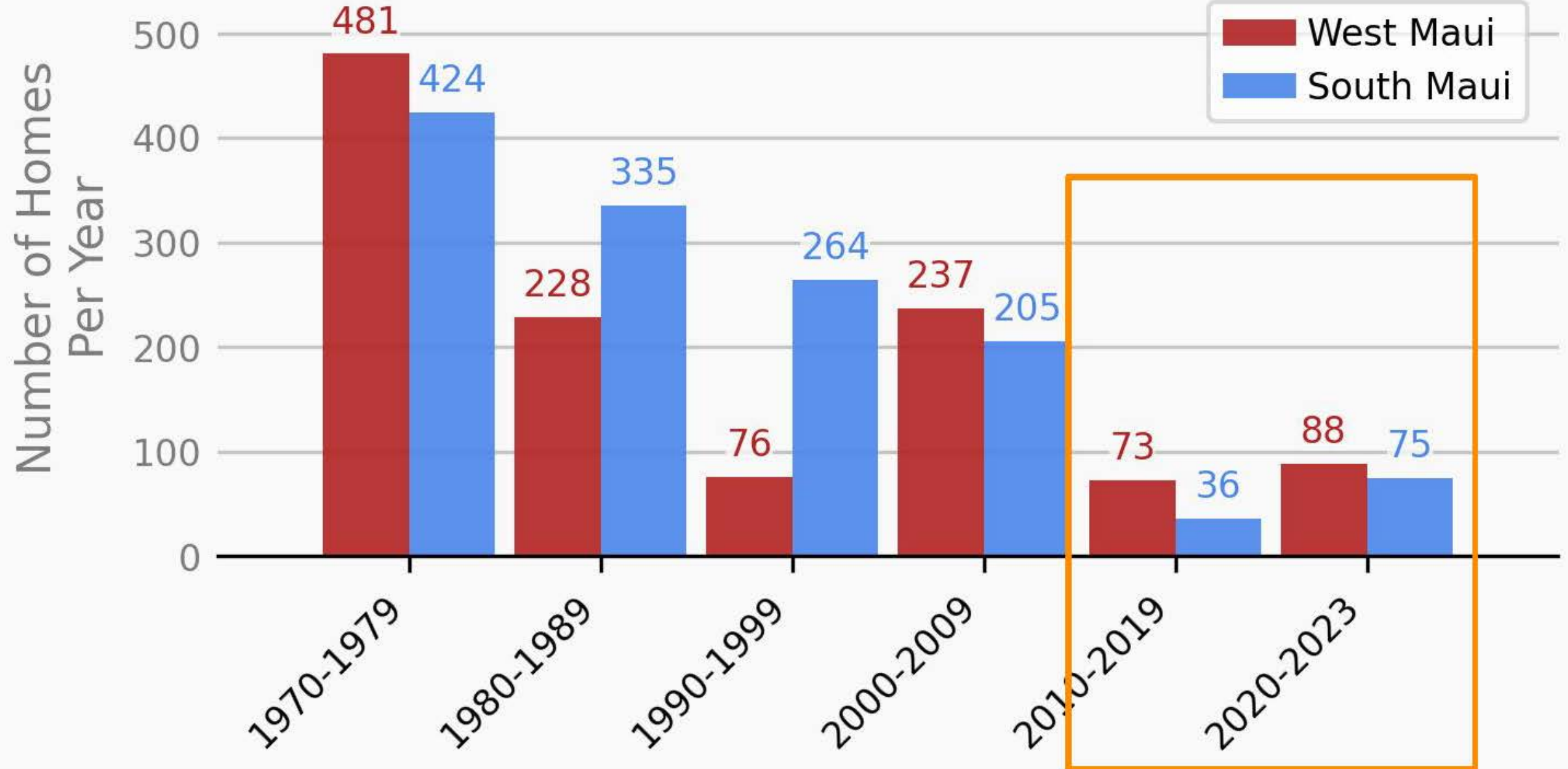




# Home Construction (Single Family + Condos)

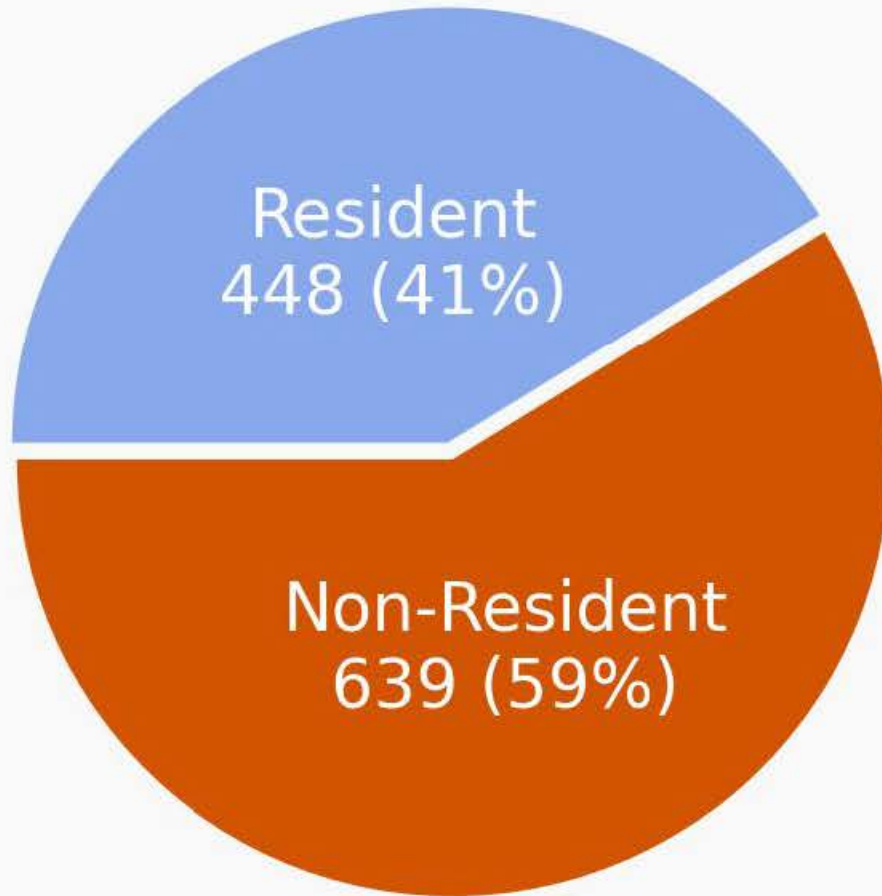


# Home Construction (Single Family + Condos)

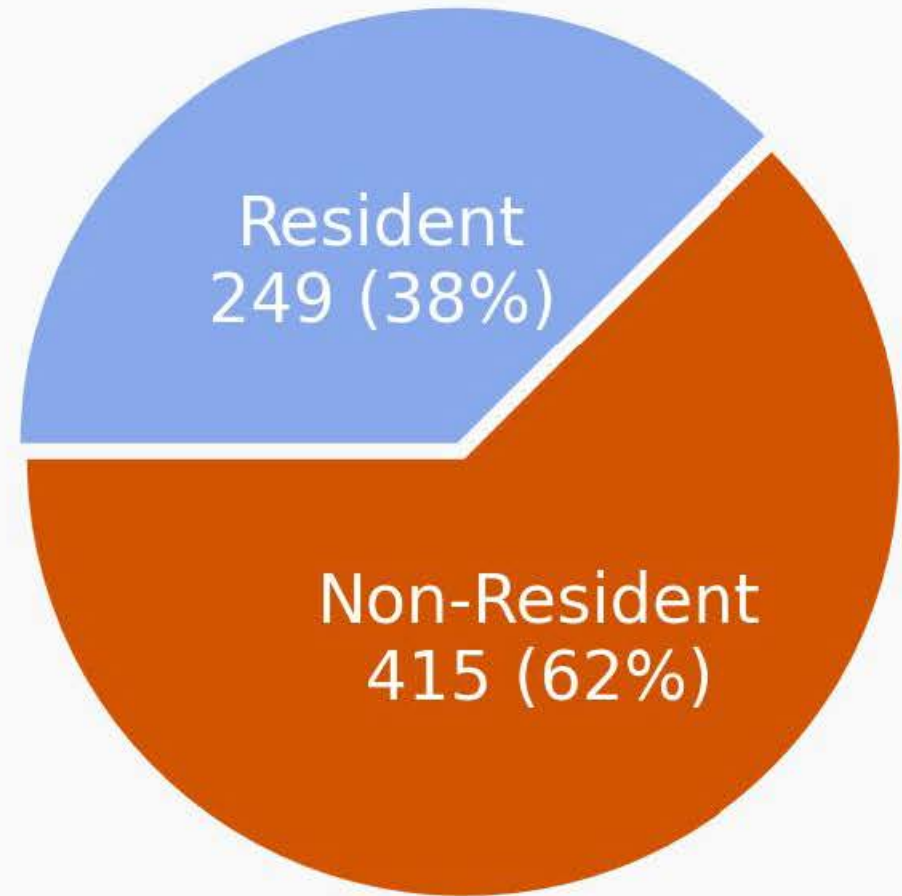


# Residents of Homes Built 2010-2023

## West Maui



## South Maui





**In West Maui & South Maui,  
just 4 out of 10 of new  
homes house our residents**

To build **2,275 homes**  
in West Maui:  
**30 years**

To build **2,275 resident homes**  
in West Maui:

**73 years**



To build **3,694 homes**  
in South Maui:

**79 years**

To build 3,694 resident homes  
in South Maui:

208 years

# **TVR Phaseout**

**TVR Phaseout**

*Actually makes progress*



**Maui has ~13,000  
transient vacation rentals**

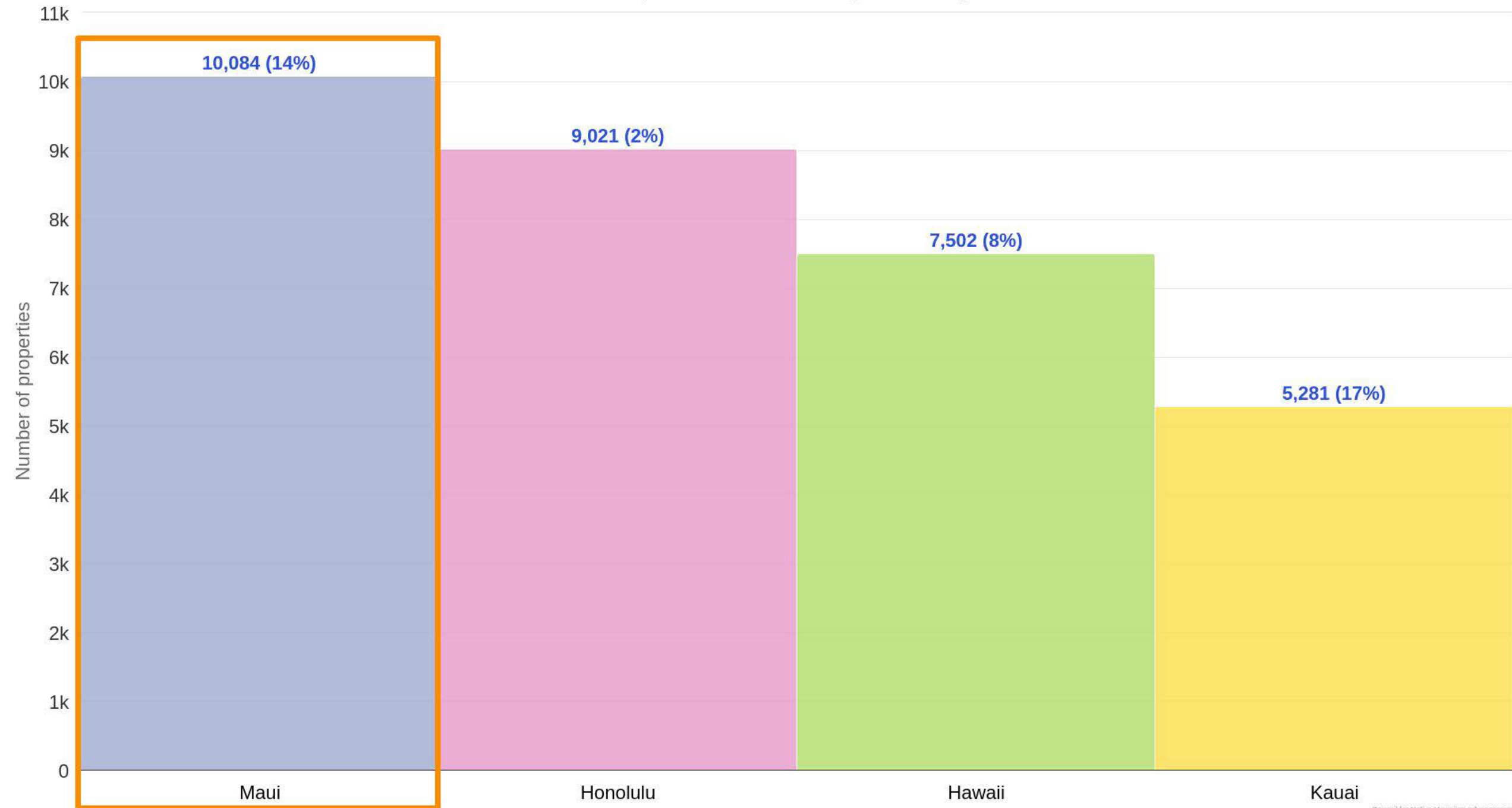
# TVRs as Percent of All Housing

<b>Los Angeles</b>	<b>0.9%</b>
<b>Boston</b>	<b>1.1%</b>
<b>Barcelona</b>	<b>2.6%</b>
<b>London</b>	<b>3.0%</b>

# TVRs as Percent of All Housing

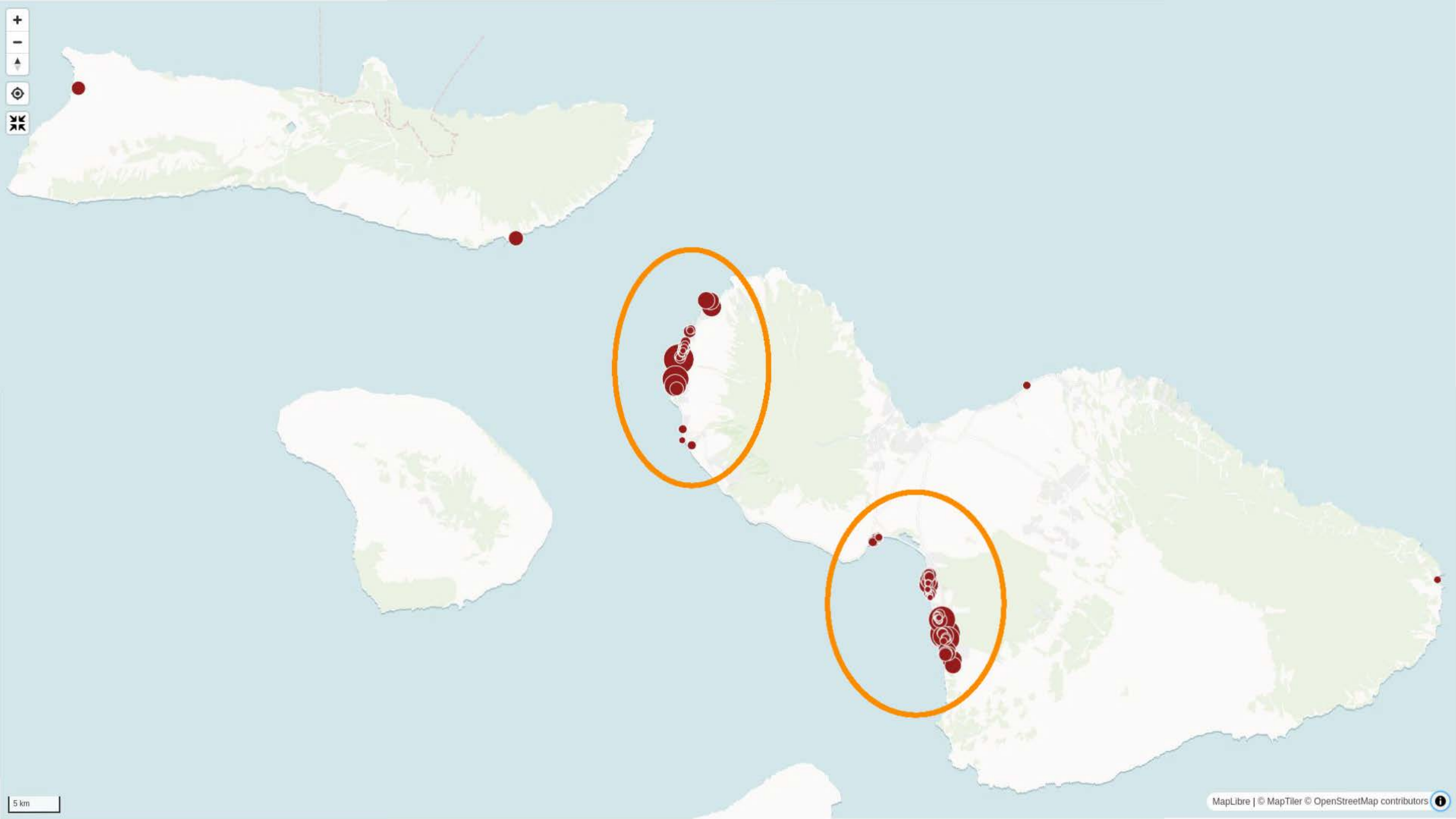
<b>Los Angeles</b>	<b>0.9%</b>
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<b>Barcelona</b>	<b>2.6%</b>
<b>London</b>	<b>3.0%</b>
<b>Maui County</b>	<b>21%</b>

# Actively Listed STRs by County



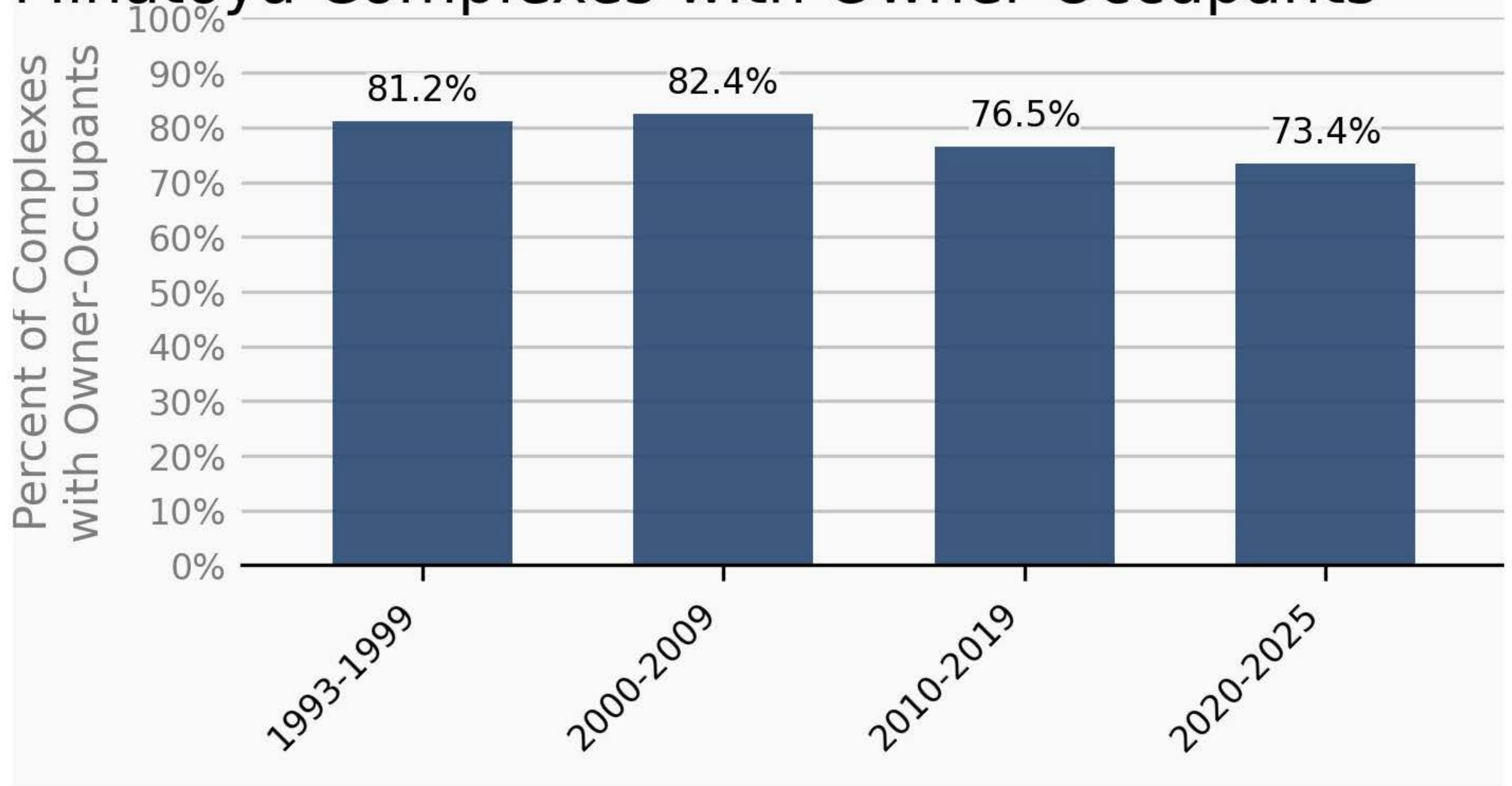


**Units are located where  
housing crisis is worst**



**Units have a history  
of resident occupancy**

# Minatoya Complexes with Owner-Occupants





**Units are appropriately sized**

**1-2 bedroom housing  
is in highest demand\***

\* FEMA, CNHA, Maui Hale Match

**1-3 person households are  
72% of all Maui households\***

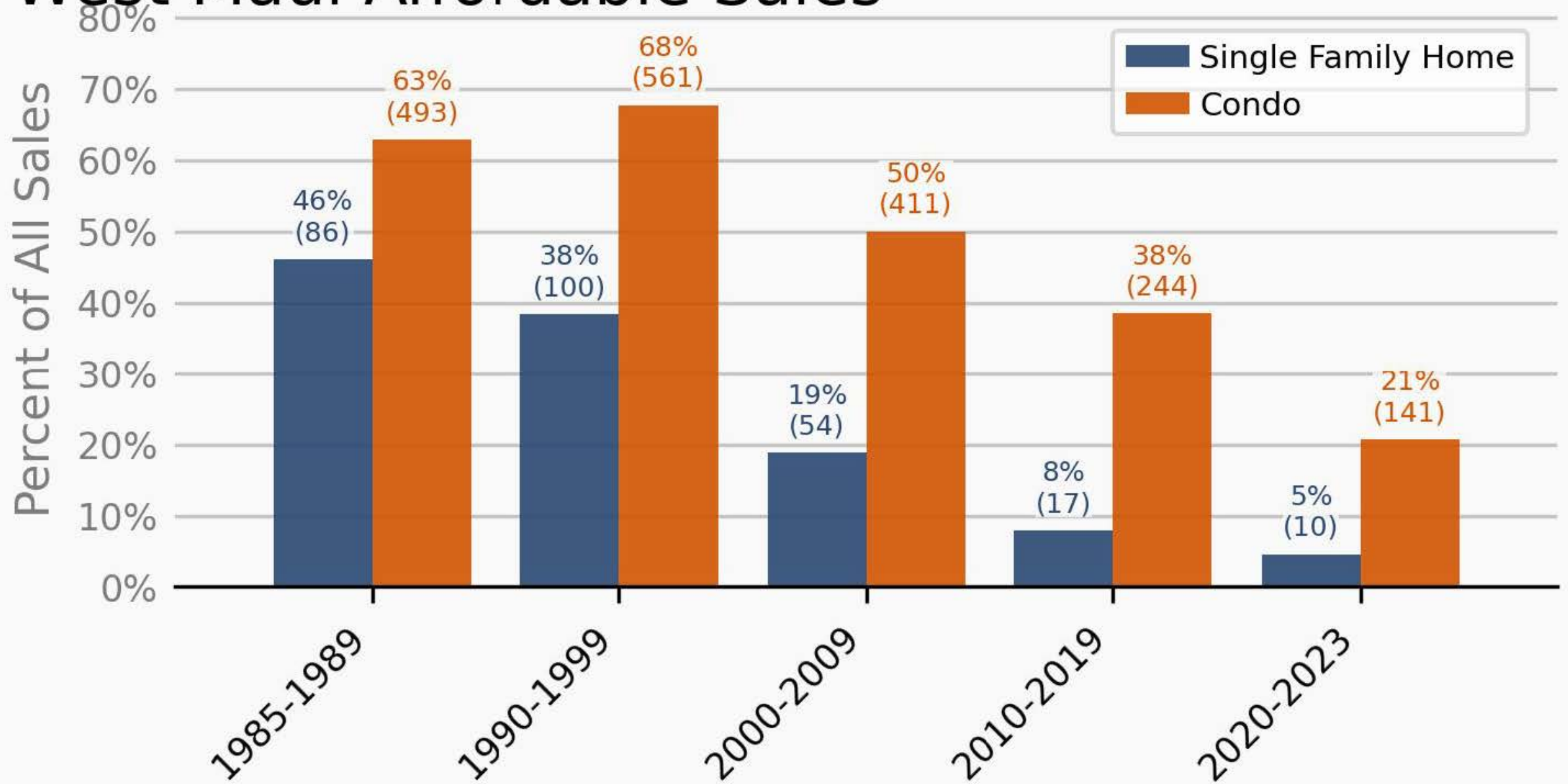
\* 2023 American Community Survey  
5-Year Estimates (US Census Bureau)

**Improves  
condo affordability**

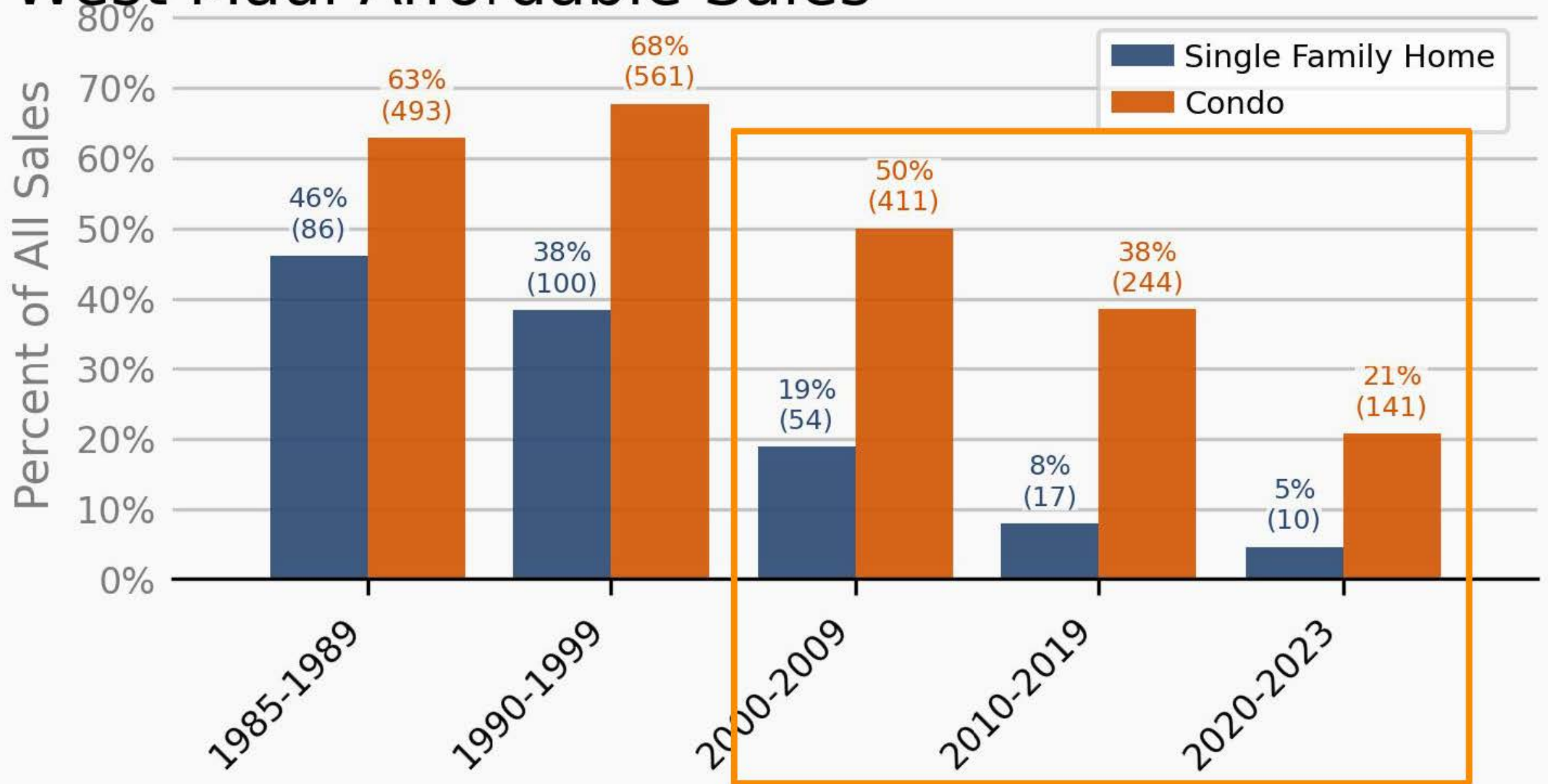


**Condos are the most affordable  
market-rate housing on Maui**

# West Maui Affordable Sales



# West Maui Affordable Sales



**“We project that condo prices on Maui will decrease by 25% by 2027... Therefore, affordability would improve because prices decrease more than incomes”**

**- UHERO Analysis**

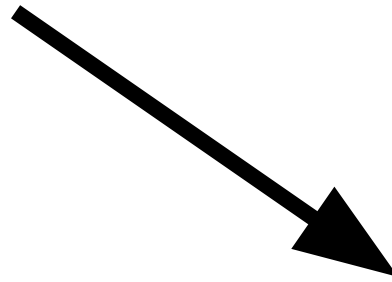
# Costs Including Mortgage, Insurance, Maintenance, HOA, taxes, etc

**Pre-Phaseout:**  
**\$5,829/month**



# Costs Including Mortgage, Insurance, Maintenance, HOA, taxes, etc

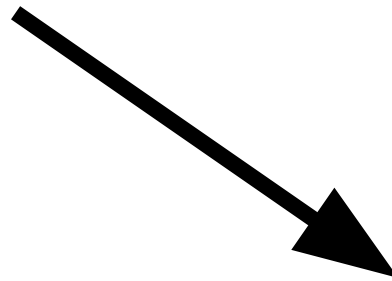
**Pre-Phaseout:**  
**\$5,829/month**



**Post-Phaseout:**  
**\$4,601/month**

# Costs Including Mortgage, Insurance, Maintenance, HOA, taxes, etc

**Pre-Phaseout:**  
**\$5,829/month**



**Post-Phaseout:**  
**\$4,601/month**

**Savings of \$1,228/month**  
**(21% cheaper)**

**Over 11,600 households will  
be able to afford\* these units**

\*spend < 30% of income

**Over 15,500 households more  
could stretch to afford\* units**

\*spend 30-50% of income,  
which 27% of all renters on Maui already do

**Combined, units could be  
attainable to 49% of all  
households on Maui**



**Nothing is free**

**32% fewer tourists**

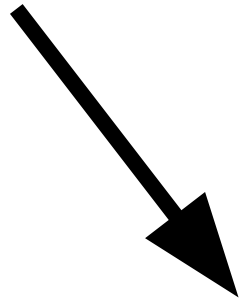
# Maui Island Plan

**2023 (Pre-Fire):**

**44% visitor/resident**

**1 visitor : 2.3 residents**

**2023 (Pre-Fire):**  
**44% visitor/resident**  
**1 visitor : 2.3 residents**

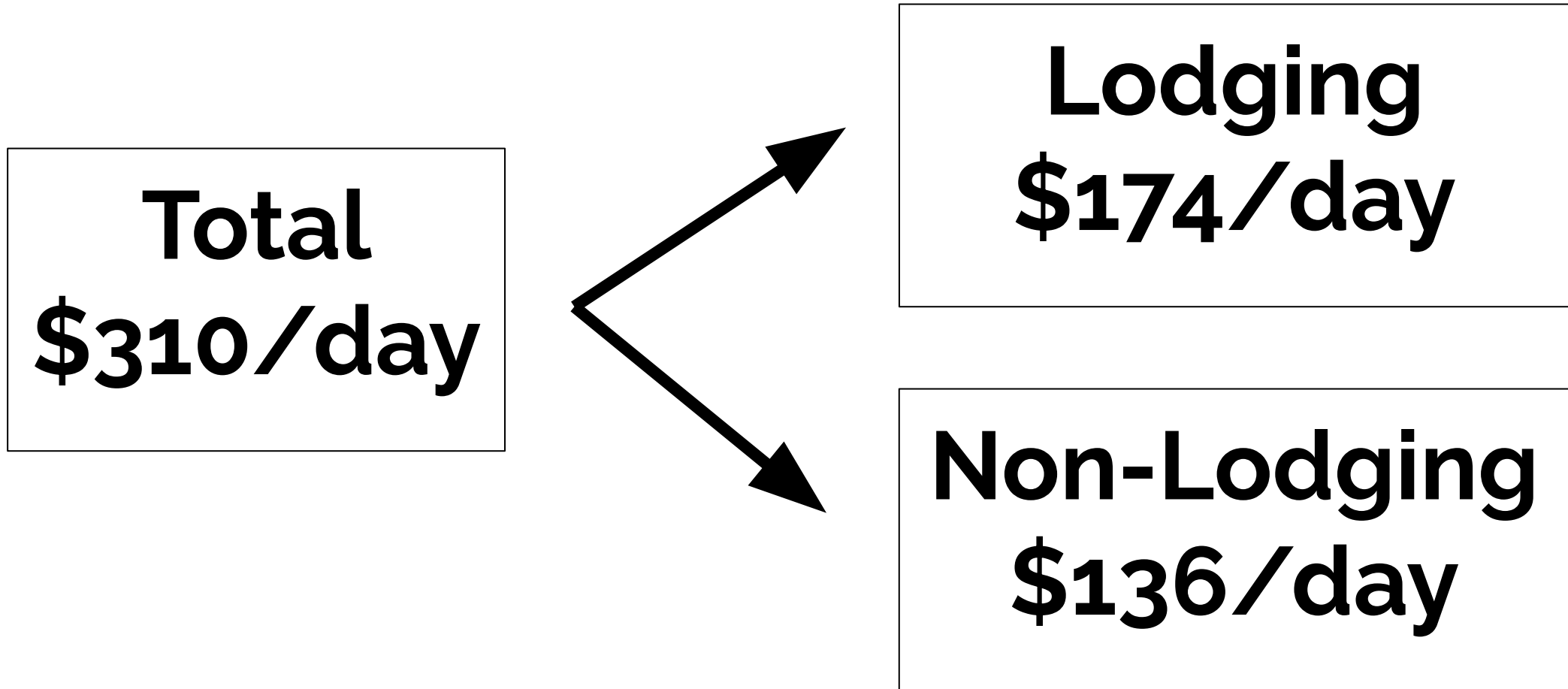


**Post-Phaseout:**  
**30% visitor/resident**  
**1 visitor : 3.3 residents**

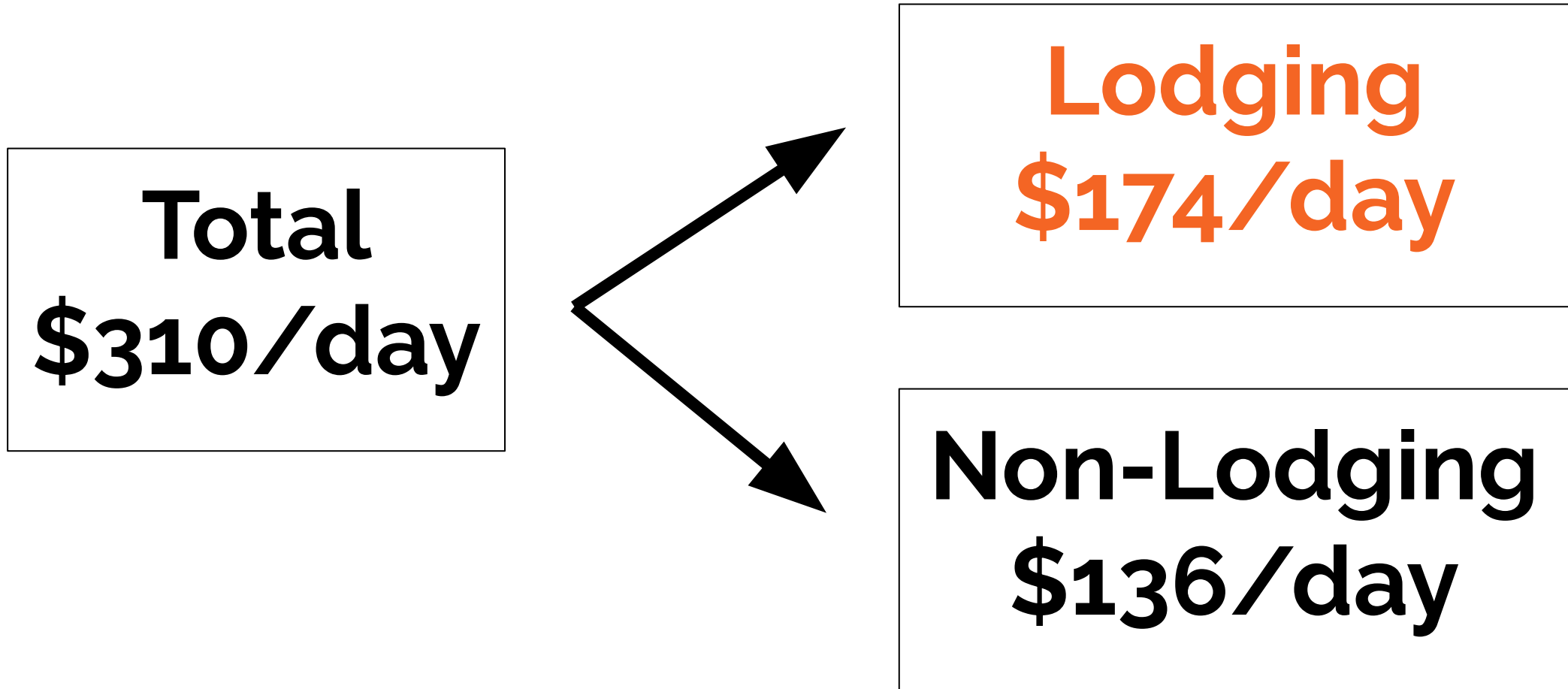


**Total visitor spending  
will decrease 15%**

# Per-Person Visitor Spending





# Per-Person Visitor Spending



**56%** of the lost visitor  
spending is **lodging revenue**

# Minatoya TVR Owners

-  Non-Resident Owners: 5,897 (94%)
-  Maui Resident Owners: 352 (6%)



**94% of lost lodging  
revenue will be lost by  
non-resident owners**



**Much lost lodging money  
was never going to stay  
on Maui anyway**

# Water

# Property 1

**97% TVR**

**3% Owner Occupied or  
Long-Term Rental**

**Average unit uses  
570 gallons per day**

# Property 1

**97% TVR**

**3% Owner Occupied or  
Long-Term Rental**

**Average unit uses  
570 gallons per day**

# Property 2

**74% Non-Owner Occupied**

**26% Owner Occupied or  
Long-Term Rental**

**Average unit uses  
128 gallons per day**

**TVRs use 60-120% more water  
than resident condos use**

**Lack of water is  
blocking new housing**



**6,000 TVRs**

**6,000 TVRs**



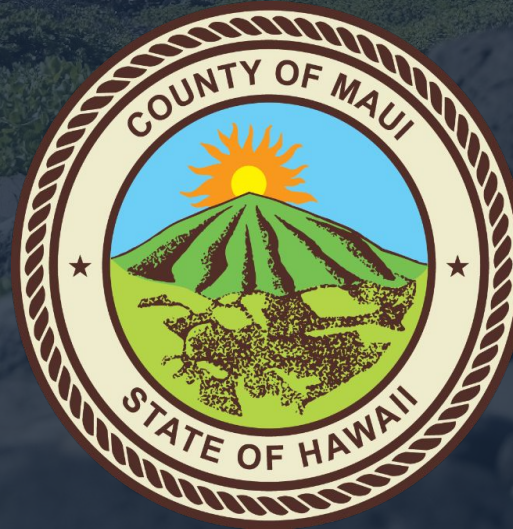
**6,000 resident homes  
+ excess water for  
3,600-7,200 new homes**

**Maui needs more  
resident housing**

**TVR phaseout is the only  
solution that accelerates  
resident housing by decades**

COUNTY OF MAUI | BILL 9, *REFERENCE*

# THE PATHWAY OF OUR PLANNING COMMISSIONS





# Maui Planning Commission

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**Public hearings on June 25, 2024 & July 23, 2024. Total oral testimony had nearly 300 participants.**

Summary:

- Recommended **approval** with an increase in the proposed phase-out time periods.
  - A range of amortization periods were discussed for outside West Maui, up to three years. Example: up to three years for South Maui.
  - The need for a shorter amortization period was acknowledged for West Maui.
- 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.
- Requested that the Council consider excluding those properties that are community plan designated for hotel use and properties that are already partially hotel zoned.



# Moloka'i Planning Commission Recommendations

---

**Public hearings on July 10, 2024, with seven oral testifiers.**

Recommended **approval**.

- Further stated their support for the phase-out to apply to Moloka'i regardless of the applicability on Maui.
- The UHERO study should include or a separate analysis should be prepared for an island-specific housing strategy that prioritizes and supports 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.
  - The UHERO study contains limited general housing strategies or policies for consideration, but does not include analysis of regeneration of natural resources.



# Lānaʻi Planning Commission Recommendations

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**Public hearings on July 17, 2024, with two oral testifiers.**

Summary of issues discussed:

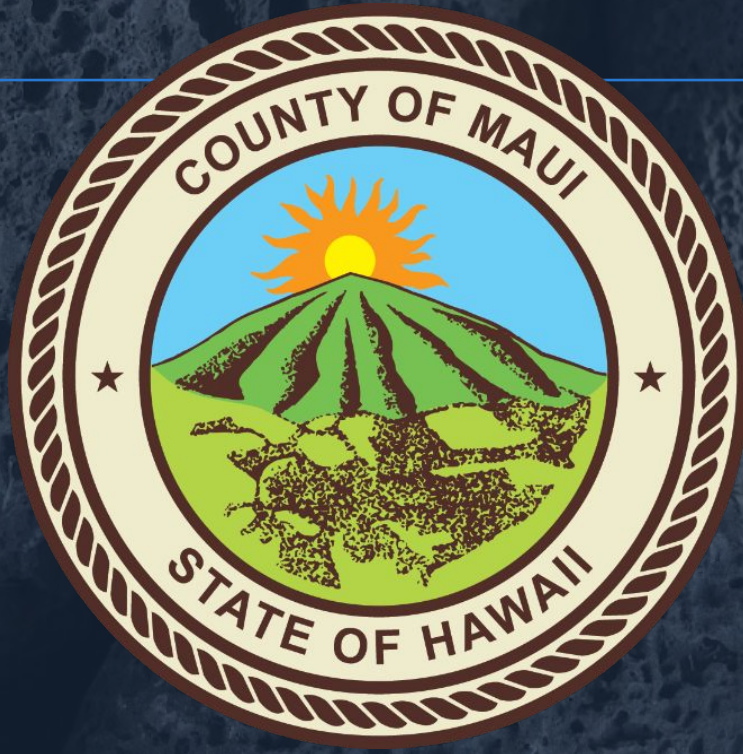
- If units are sold, is there a guarantee that a Maui resident will purchase it?
- If units are rented, will the County be able to cap rents or will there be a rent subsidy so that the units are affordable?
- What are fiscal impacts to Transient Accommodations Tax and General Excise Tax?
- Will there be any financial assistance to these unit owner to incentivize them to find long-term tenants?
- Will this policy not be effective to create more housing due to the location of existing buildings near shoreline and impacts of sea level rise/climate change?





# MAHALO

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## HLU Committee

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**From:** Laksmi M. Abraham <Laksmi.M.Abraham@co.maui.hi.us>  
**Sent:** Monday, June 9, 2025 8:37 AM  
**To:** HLU Committee; James G. Krueger  
**Subject:** HLU Committee - Mayor's presentation for Bill 9  
**Attachments:** Bill 9 Presentation\_6.9.25\_Final\_LMA.pdf

You don't often get email from laksmi.m.abraham@co.maui.hi.us. [Learn why this is important](#)

Please see the attached presentation for today's HLU Committee meeting.



**Laksmi M. Abraham**

Director of Communications &  
Government Affairs

Office of the Mayor  
808-270-6217  
[laksmi.m.abraham@mauicounty.gov](mailto:laksmi.m.abraham@mauicounty.gov)