



REALTORS[®]
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August 5, 2015

TESTIMONY
RE: PC-28 AFFORDABLE ACCESSORY DWELLINGS

Aloha and good morning. I am David DeLeon speaking on behalf of the Realtors Association of Maui, in support of the intent of Council Member Bob Carroll's proposal to lower the threshold for ohana dwellings to 5,000 square feet.

Recognizing that our community is now in a housing crisis, RAM has been diligently studying the barriers to affordable housing development in Maui County, looking for solutions. RAM supports this proposal because it includes a number of the triggers that RAM believes are necessary to address our existing housing shortfall. Those triggers include adding density to existing communities; encouraging private-sector development; and government entitlement. There are three basic costs to housing development: land, infrastructure, and entitlement. A major reason for our housing shortfall is our restrictive entitlement system. This measure moves us in the right direction on that score.

This proposal does that by effectively up-zoning existing developed land, allowing for more density. RAM believes this concept should be used more broadly. Another approach would be to upzone existing older residential communities, where space and infrastructure is adequate, to allow for duplexes, quadplexes, and walk-up apartments. The idea is to empower property owners to build desperately needed rentals in communities that are in need of redevelopment in any case. We all know that process has been happening in Kahului, and North Kihei, and Kelawea for at least a generation anyway. So why not upzone those communities to A-1 Apartment to match the use and get more housing built?

That's radical thinking, but if we do not want to see Maui wrapped in blue tarp homeless encampments like Oahu is, we are going to have to get out of our collective comfort zones. The Maui Island Plan says we need 30,000 more dwellings by 2030. DBEDT said we need an additional 14,000 units by 2025. Last year there were 7000 marriage certificates issued on Maui. But only 300 residential building permits were issued. We are not going to close our housing gap by following the same pattern.

While RAM supports Mr. Carroll's concept, RAM believes that the restrictions it imposes are counter-productive. It is agreed that these properties should never be used as vacation rentals. But the concept will only work if it will "pencil out." If the allowable rent does not cover the cost of building the unit, it won't be built.

All the economists tell us the same thing: it's supply and demand. If you restrict supply, the cost goes up. If you flood the market, the cost goes down. If we are truly going to address the housing shortage, we are going to have to build a lot more homes. Mahalo.