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OFFICE OF THE
COUNTY COUNCIL

MEMO TO: PSLU-34 File

F R O M: Keani N.W. Rawlins-Fernandez 
Council Vice-Chair

SUBJECT: **TRANSMITTAL OF LEGISLATIVE PROPOSAL RELATING TO
PHASING OUT TRANSIENT ACCOMMODATIONS IN THE
APARTMENT DISTRICTS** (PAF 21-244)

The attached legislative proposal pertains to Item 34 on the Committee's agenda.

paf:nas:21-244j

Attachment

Resolution

No. _____

REFERRING TO THE PLANNING COMMISSIONS A PROPOSED BILL PHASING OUT TRANSIENT VACATION RENTALS IN THE APARTMENT DISTRICTS

WHEREAS, the Council is considering a proposed bill to phase out Transient Vacation Rentals in the Apartment Districts; and

WHEREAS, Sections 8-8.4 and 8-8.6 of the Revised Charter of the County of Maui (1983), as amended, require that the appropriate planning commissions review proposed land use ordinances and provide findings and recommendations to the Council; now therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That it refers the proposed bill entitled “A BILL FOR AN ORDINANCE AMENDING CHAPTER 19.12, MAUI COUNTY CODE, PHASING OUT TRANSIENT VACATION RENTALS IN THE APARTMENT DISTRICTS,” a copy of which is attached as Exhibit “1,” to the Lanai Planning Commission, Maui Planning Commission, and Molokai Planning Commission for appropriate action, in accordance with Sections 8-8.4 and 8-8.6 of the Revised Charter of the County of Maui (1983), as amended;
2. That it respectfully requests that the Lanai, Maui, and Molokai Planning Commissions transmit their findings and recommendations to the Council as expeditiously as possible; and
3. That certified copies of this resolution be transmitted to the Mayor, the Planning Director, and the Lanai, Maui, and Molokai Planning Commissions.

Resolution No. _____

APPROVED AS TO FORM AND LEGALITY:

/s/ Stephanie M. Chen

Department of the Corporation Counsel
County of Maui

paf:nas:21-244h

Exhibit "1"

ORDINANCE NO. _____

BILL NO. _____ (2021)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 19.12 MAUI COUNTY
CODE, PHASING OUT TRANSIENT VACATION RENTALS IN THE
APARTMENT DISTRICTS

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

SECTION 1. The Council finds that under-regulated growth in Transient Vacation Rental units in Maui County is contributing to a shortage in long-term housing inventory and is causing increasingly burdensome tourism impacts. These factors are harmful to residents' quality of life, the environment, and the County's infrastructure.

The Maui Island Plan includes a policy calling for a daily visitor population not to exceed one-third of the resident population. With a daily visitor census of nearly 70,000 and resident population of 164,754 in 2020, Maui dramatically exceeded the desired visitor-resident ratio. The Council finds phasing out Transient Vacation Rentals in Apartment Districts is a step to effectuating the policy.

The Council also finds that businesses operating within Maui County are experiencing employment shortages as a direct result of the housing-inventory crisis, as local workers are forced to relocate outside of the County in search of shelter.

According to the Planning Director's correspondence to the Chair of Maui County Council's Affordable Housing Committee, dated August 6, 2021, there are more than 6,000 condominium units in the Apartment Districts that are lawfully being used as Transient Vacation Rentals in Maui County.

Section 46-4 of Hawaii Revised Statutes allows for any county to phase out nonconforming uses over a reasonable period in apartment-zoned areas via a zoning ordinance.

The Council also finds that the lack of long-term housing supply has caused numerous challenges for the community that have been detrimental to public health, safety, morals, and welfare. According to data from the State Department of Business, Economic Development, and Tourism, the Hawai'i Tourism Authority, Esri, and the United States Census Bureau, Maui County is experiencing a number of housing challenges, including:

- Increased homelessness.
- Increased overcrowding in existing housing.
- Housing and transportation costs outpacing wages.

The purpose of this Ordinance is to amend the Comprehensive Zoning Ordinance to create long-term housing opportunities for residents by phasing out Transient Vacation Rentals in the 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 building 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 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. If any such building or structure is reconstructed, renovated or expanded, then transient vacation rental use is limited to the building envelope as it can be confirmed to have been approved or lawfully existing on April 20, 1989. The number of bedrooms used for transient vacation rental must not be increased.

4. The director determines that the existing building or structure is within the 3.2-foot sea level rise exposure area according to the State sea level rise viewer.

H. Bed and breakfast homes, subject to the provisions of chapter 19.64 of this title.

I. Short-term rental homes, subject to the provisions of chapter 19.65 of this title.”

SECTION 3. 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.

SECTION 4. This Ordinance takes effect on January 1, 2023.

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel
County of Maui

paf:nas:21-244i