Council Chair Alice L. Lee

Vice-Chair Yuki Lei K. Sugimura

Presiding Officer Pro Tempore Tasha Kama

Councilmembers
Tom Cook
Gabe Johnson
Tamara Paltin
Keani N.W. Rawlins-Fernandez
Shane M. Sinenci
Nohelani U'u-Hodgins



COUNTY COUNCIL

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

September 13, 2024

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

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

Mr. Jason Economou

Via email: jason@mauiunitedway.org

Mr. Leil Koch, for Realtors Association of Maui

Via email: leil@hawaiiantel.net

Mr. Alan Lloyd, for Maui Tenants and Workers Association

Via email: alanlloydlac@gmail.com

Ms. Desilee Santiago, for Maui Tenants and Workers Association

Via email: desilee.santiago@gmail.com

Dear Mr. Economou, Mr. Koch, Mr. Lloyd, and Ms. Santiago:

SUBJECT: **RENT STABILIZATION** (PAF 24-221)

The Maui County Council's Housing and Land Use Committee will meet to discuss matters relating to rent stabilization on September 16, 2024, at 5:30 p.m. in the Council Chamber. The meeting agenda is attached. Thank you for agreeing to assist the Committee by presenting relevant information.

As Chair of the HLU Committee, I intend to propose for the Committee's consideration amendments to the County's Real Property Tax program for long-term rentals. Under Section 3.48.366, property owners may obtain a valuation exemption of \$200,000 if their property is occupied under a 12-month residential lease to the same tenant. Properties that qualify for this long-term rental exemption may also be classified as "Long-term rental" for Real Property Tax purposes. These properties have lower tax rates than properties in the "Non-owner-occupied" classification.

The goal of the long-term rental exemption and associated tax classification was to encourage property owners to rent their residential units on a long-term basis, as demonstrated by a 12-month lease. However, current

Mr. Economou, Mr. Koch, Mr. Lloyd, and Ms. Santiago September 13, 2024 Page 2

market conditions—influenced by the housing shortage and influx of federal payments for emergency rentals—are allowing many property owners to charge rents at historic highs. Thus, this discussion on rent stabilization is timely.

My proposal entails amending the long-term rental exemption to:

- 1. Allow the exemption only if the renter's household income is 140% or below the Area Median Income ("AMI"); and
- 2. Limit the amount that can be charged for rent to the affordable rents published annually by the Department for Housing's Affordable Rental Housing Program.

The Department of Housing would review the leases and other documentation, including information that demonstrates the renter's AMI, to ensure compliance with these requirements.

The attached tables show the County's affordable rental housing guidelines for 2024. For a rental housing unit to qualify for the long-term rental exemption, the lease would need to fit within the published guidelines. For example, a household of four with a household income of \$110,800, which is 100% of the AMI for Maui (excluding Hana), could be charged a rent up to \$2,493 per month, including utilities for a two-bedroom residential unit. The rent could be adjusted in instances where electricity is billed separately. The property owner would not qualify for the long-term rental exemption and corresponding Real Property Tax classification if the renter's household income exceeded 140% of the AMI.

The property owner would receive a substantial benefit from the Real Property Tax reduction in exchange for fair rents. The disadvantage of this proposal would be the additional resources required by the Department of Housing, including funding for additional staff or consultants, to complete lease reviews for qualification. If these additional requirements result in a reduction in the number of residential units available for long-term rental, adjustments could be made when the annual budget is enacted, including increases to the property valuation exemption and adoption of lowered Real Property Tax rates.

Mr. Economou, Mr. Koch, Mr. Lloyd, and Ms. Santiago September 13, 2024 Page 3

I look forward to your participation at our upcoming meeting. If you have any questions, please contact me or Legislative Analyst Eric Arquero at (808) 270-7659.

Sincerely,

TASHA A. KAMA

Presiding Officer Pro Tempore

paf:epa:24-221a

Attachments

cc: Director of Finance Director of Housing



PUBLIC MEETING NOTICE

COUNCIL OF THE COUNTY OF MAUI

www.MauiCounty.us/HLU

Committee Chair Tasha Kama

Committee Vice-Chair Tom Cook

Voting Members: Gabe Johnson Alice L. Lee Tamara Paltin Keani N.W. Rawlins-Fernandez Shane M. Sinenci Yuki Lei K. Sugimura Nohelani U'u-Hodgins

HOUSING AND LAND USE COMMITTEE (2023-2025)

Monday, September 16, 2024 5:30 p.m.

MEETING SITE:

Online via Teams: http://tinyurl.com/HLU-Committee

Remote oral testimony is also available online via the same Teams link.

In-person testimony and viewing: Council Chamber, Kalana O Maui Building, 8th Flr., 200 South High St., Wailuku, Hawai'i

AGENDA

RENT STABILIZATION (HLU-3(20))

Description: Under Rule 7(B) of the Rules of the Council, the Committee intends to stabilization. including discuss matters relating to rent potential adjustments to real property tax law, and the potential effects of rent stabilization on the County of Maui.

Status: The Committee may receive presentations and comments relating to rent stabilization from Alan Lloyd, Consultant and Member, Maui Tenants & Maui Tenants Workers Association; Desilee Santiago, Member, Workers Association; Leil Koch, Representative, Realtors Association of The Committee may discuss rent Maui, Inc.; and Jason Economou. stabilization, its potential effects on the County of Maui, and other related matters. No legislative action will be taken.

CONTACT INFORMATION

Office of Council Services, 200 South High Street, Wailuku, Hawai'i 96793 Tel: (808) 270-7838

COMMITTEE STAFF

James Krueger, Ellen McKinley, Jennifer Yamashita, and Carla Nakata

BOARD PACKETS

Board Packets, as defined in Section 92-7.5, HRS, will be electronically posted as soon as practicable.

CONNECTIVITY

This meeting is being conducted in accordance with Section 92-3.7, HRS. Nothing said in the meeting or included in the agenda is intended to create obligations in excess of those required under Section 92-3.7, HRS.

If Teams connectivity affecting quorum is lost, the Committee will be in recess. It will not be considered a loss of quorum unless connectivity cannot be restored within 30 minutes. If the Teams connection is prematurely terminated, for whatever reason, please log back into the same link.

If connectivity affecting quorum cannot be restored within 30 minutes, the meeting will automatically reconvene the following Tuesday at 9 a.m., using the same virtual connections, unless the Committee announces a different date and time.

OFFICIAL LOCATIONS AND TESTIMONY

Video testimony via Teams link: http://tinyurl.com/HLU-Committee

Remote oral testimony is also available online via the same Teams link.

In-person testimony and viewing: Council Chamber, Kalana O Maui Building, 8th Floor, 200 South High Street, Wailuku, Hawai'i

If audiovisual connection is lost at the official location for in-person testimony and viewing, the committee will be in recess for up to 30 minutes to restore connectivity. If connectivity cannot be restored within 30 minutes, the meeting will automatically reconvene the following Tuesday at 9 a.m., at the same official location for in-person testimony and viewing, unless the Committee announces a different date, time, and location.

If a meeting participant wishes to testify anonymously, they should log in to the meeting with an appropriate anonymous name and virtually raise their hand. If a testifier connects to the meeting by phone, the Chair will call the last four digits of the testifier's phone number.

The Chair may mute or remove testifiers from the meeting who violate the Council's Standards of Decorum.

Written testimony will be accepted via eComment. Search for the meeting date on mauicounty.us/agendas, click on the eComment link, then select the agenda item to submit comments on. Alternatively, written testimony will be accepted via email to HLU.committee@mauicounty.us or postal service to HLU Committee, Maui County Council, 200 S. High St., Wailuku HI 96793.

For more information on testifying, please visit www.mauicounty.us or contact the Office of Council Services.

COURTESY PHONE TESTIMONY

Dial 1-808-977-4067 and enter meeting code 461 899 61#

If courtesy phone testimony becomes unavailable, the meeting will continue without that option.

COURTESY TESTIMONY SITES - COUNCIL RESIDENCY AREA OFFICES

East Maui: 5091 Uakea Road, Hāna, (808) 248-7513

Lāna'i: 814 Fraser Avenue, Lāna'i City, (808) 565-7094

Makawao-Ha'ikū-Pā'ia: Heritage Hall, 401 Baldwin Avenue, Suite 102, Pā'ia, (808) 793-0099

Molokai: Moloka'i District Complex, 100 Ainoa Street, Kaunakakai, (808) 553-3888 South Maui: MEDB Building, 1305 North Holopono St., Suite 9, Kihei, (808) 793-0012 Councilmembers may or may not participate from Courtesy Testimony Sites. If any Courtesy Testimony Site loses its audio connection to the meeting, the meeting will continue without that location, irrespective of whether a Councilmember is participating from there.

Subject to change and staffing availability without notice. Visit mauicounty us for more information.

COURTESY LIVE CABLECAST AND WEBCAST VIEWING

Akaku: Maui Community Media, Channel 53. mauicounty.us/agendas to access meeting videos Subject to change without notice. Visit mauicounty.us for more information.

If Akaku prematurely ceases broadcasting the meeting, the meeting will continue via interactive conference technology and a recording will be sent to Akaku to be included with archived meeting videos.

DISABILITY ACCESS

Anyone requesting an auxiliary aid or service or an accommodation due to a disability should contact the Office of Council Services at least three working days prior to the meeting date at (808) 270-7838 or county.council@mauicounty.us.

Agenda items are subject to cancellation.

Prepared by:
HOUSING DIVISION
DEPARTMENT OF HOUSING AND HUMAN CONCERNS (DHHC)
COUNTY OF MAUI

INCOME LIMITS & AFFORDABLE RENT GUIDELINES

MAUI (EXCEPT HANA)

Effective:

May 1, 2024

INCOME LIMITS FOR RENTAL UNITS (BY FAMILY SIZE & PERCENTAGE OF MEDIAN FAMILY INCOME)

% of	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Median	0.7	0.8	0.9	1.0	1.08	1.16	1.24	1.32
10%	\$7,760	\$8,860	\$9,970	\$11,080	\$11,970	\$12,850	\$13,740	\$14,630
20%	\$15,510	\$17,730	\$19,940	\$22,160	\$23,930	\$25,710	\$27,480	\$29,250
30%	\$23,270	\$26,590	\$29,920	\$33,240	\$35,900	\$38,560	\$41,220	\$43,880
40%	\$31,020	\$35,460	\$39,890	\$44,320	\$47,870	\$51,410	\$54,960	\$58,500
50%	\$38,780	\$44,320	\$49,860	\$55,400	\$59,830	\$64,260	\$68,700	\$73,130
60%	\$46,540	\$53,180	\$59,830	\$66,480	\$71,800	\$77,120	\$82,440	\$87,750
70%	\$54,290	\$62,050	\$69,800	\$77,560	\$83,760	\$89,970	\$96,170	\$102,380
80%	\$62,050	\$70,910	\$79,780	\$88,640	\$95,730	\$102,820	\$109,910	\$117,000
90%	\$69,800	\$79,780	\$89,750	\$99,720	\$107,700	\$115,680	\$123,650	\$131,630
100%	\$77,560	\$88,640	\$99,720	\$110,800	\$119,660	\$128,530	\$137,390	\$146,260
110%	\$85,320	\$97,500	\$109,690	\$121,880	\$131,630	\$141,380	\$151,130	\$160,880
120%	\$93,070	\$106,370	\$119,660	\$132,960	\$143,600	\$154,230	\$164,870	\$175,510
130%	\$100,830	\$115,230	\$129,640	\$144,040	\$155,560	\$167,090	\$178,610	\$190,130
140%	\$108,580	\$124,100	\$139,610	\$155,120	\$167,530	\$179,940	\$192,350	\$204,760

AFFORDABLE RENT GUIDELINES (BY UNIT SIZE & PERCENTAGE OF MEDIAN FAMILY INCOME)

% of	UNIT SIZE (NO. OF BEDROOMS)										
Median	0		2	3	4	5 .					
10%	\$194	\$208	\$249	\$288	\$321	\$355					
20%	\$388	\$416	\$499	\$576	\$643	\$709					
30%	\$582	\$623	\$748	\$864	\$964	\$1,064					
40%	\$776	\$831	\$997	\$1,152	\$1,285	\$1,418					
50%	\$970	\$1,039	\$1,247	\$1,440	\$1,607	\$1,773					
60%	\$1,164	\$1,247	\$1,496	\$1,729	\$1,928	\$2,127					
70%	\$1,357	\$1,454	\$1,745	\$2,017	\$2,249	\$2,482					
80%	\$1,551	\$1,662	\$1,995	\$2,305	\$2,571	\$2,836					
90%	\$1,745	\$1,870	\$2,244	\$2,593	\$2,892	\$3,191					
100%	\$1,939	\$2,078	\$2,493	\$2,881	\$3,213	\$3,546					
110%	\$2,133	\$2,285	\$2,742	\$3,169	\$3,535	\$3,900					
120%	\$2,327	\$2,493	\$2,992	\$3,457	\$3,856	\$4,255					
130%	\$2,521	\$2,701	\$3,241	\$3,745	\$4,177	\$4,609					
140%	\$2,715	\$2,909	\$3,490	\$4,033	\$4,499	\$4,964					

Prepared by:
HOUSING DIVISION
DEPARTMENT OF HOUSING AND HUMAN CONCERNS (DHHC)
COUNTY OF MAUI

Effective:

May 1, 2024

INCOME LIMITS FOR RENTAL UNITS (BY FAMILY SIZE & PERCENTAGE OF MEDIAN FAMILY INCOME)

% of	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Median	0.7	0.8	0.9	1.0	1.08	1.16	1.24	1.32
10%	\$4,290	\$4,900	\$5,510	\$6,130	\$6,620	\$7,110	\$7,600	\$8,090
20%	\$8,580	\$9,800	\$11,030	\$12,250	\$13,230	\$14,210	\$15,190	\$16,170
30%	\$12,860	\$14,700	\$16,540	\$18,380	\$19,850	\$21,320	\$22,790	\$24,260
40%	\$17,150	\$19,600	\$22,050	\$24,500	\$26,460	\$28,420	\$30,380	\$32,340
50%	\$21,440	\$24,500	\$27,560	\$30,630	\$33,080	\$35,530	\$37,980	\$40,430
60%	\$25,730	\$29,400	\$33,080	\$36,750	\$39,690	\$42,630	\$45,570	\$48,510
70%	\$30,010	\$34,300	\$38,590	\$42,880	\$46,310	\$49,740	\$53,170	\$56,600
80%	\$34,300	\$39,200	\$44,100	\$49,000	\$52,920	\$56,840	\$60,760	\$64,680
90%	\$38,590	\$44,100	\$49,610	\$55,130	\$59,540	\$63,950	\$68,360	\$72,770
100%	\$42,880	\$49,000	\$55,130	\$61,250	\$66,150	\$71,050	\$75,950	\$80,850
110%	\$47,160	\$53,900	\$60,640	\$67,380	\$72,770	\$78,160	\$83,550	\$88,940
120%	\$51,450	\$58,800	\$66,150	\$73,500	\$79,380	\$85,260	\$91,140	\$97,020
130%	\$55,740	\$63,700	\$71,660	\$79,630	\$86,000	\$92,370	\$98,740	\$105,110
140%	\$60,030	\$68,600	\$77,180	\$85,750	\$92,610	\$99,470	\$106,330	\$113,190

AFFORDABLE RENT GUIDELINES (BY UNIT SIZE & PERCENTAGE OF MEDIAN FAMILY INCOME)

% of	UNIT SIZE (NO. OF BEDROOMS)									
Median	0	Chesta Ass	2	3	4	5				
10%	\$107	\$115	\$138	\$159	\$178	\$196				
20%	\$215	\$230	\$276	\$319	\$355	\$392				
30%	\$322	\$345	\$414	\$478	\$533	\$588				
40%	\$429	\$459	\$551	\$637	\$711	\$784				
50%	\$536	\$574	\$689	\$796	\$888	\$980				
60%	\$643	\$689	\$827	\$956	\$1,066	\$1,176				
70%	\$750	\$804	\$965	\$1,115	\$1,244	\$1,372				
80%	\$858	\$919	\$1,103	\$1,274	\$1,421	\$1,568				
90%	\$965	\$1,034	\$1,240	\$1,433	\$1,599	\$1,764				
100%	\$1,072	\$1,149	\$1,378	\$1,593	\$1,776	\$1,960				
110%	\$1,179	\$1,263	\$1,516	\$1,752	\$1,954	\$2,156				
120%	\$1,286	\$1,378	\$1,654	\$1,911	\$2,132	\$2,352				
130%	\$1,394	\$1,493	\$1,792	\$2,070	\$2,309	\$2,548				
140%	\$1,501	\$1,608	\$1,930	\$2,230	\$2,487	\$2,744				

Prepared by: HOUSING DIVISION **DEPARTMENT OF HOUSING AND HUMAN CONCERNS (DHHC)**

INCOME LIMITS & AFFORDABLE RENT GUIDELINES

LANA'I

Effective:

May 1, 2024

INCOME LIMITS FOR RENTAL UNITS (BY FAMILY SIZE & PERCENTAGE OF MEDIAN FAMILY INCOME)

% of	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Median	0.7	0.8	0.9	1.0	1.08	1.16	1.24	1.32
10%	\$5,640	\$6,440	\$7,250	\$8,050	\$8,700	\$9,340	\$9,990	\$10,630
20%	\$11,280	\$12,890	\$14,500	\$16,110	\$17,400	\$18,690	\$19,970	\$21,260
30%	\$16,910	\$19,330	\$21,750	\$24,160	\$26,090	\$28,030	\$29,960	\$31,890
40%	\$22,550	\$25,770	\$28,990	\$32,220	\$34,790	\$37,370	\$39,950	\$42,530
50%	\$28,190	\$32,220	\$36,240	\$40,270	\$43,490	\$46,710	\$49,930	\$53,160
60%	\$33,830	\$38,660	\$43,490	\$48,320	\$52,190	\$56,060	\$59,920	\$63,790
70%	\$39,460	\$45,100	\$50,740	\$56,380	\$60,890	\$65,400	\$69,910	\$74,420
80%	\$45,100	\$51,550	\$57,990	\$64,430	\$69,590	\$74,740	\$79,900	\$85,050
90%	\$50,740	\$57,990	\$65,240	\$72,490	\$78,280	\$84,080	\$89,880	\$95,680
100%	\$56,380	\$64,430	\$72,490	\$80,540	\$86,980	\$93,430	\$99,870	\$106,310
110%	\$62,020	\$70,880	\$79,730	\$88,590	\$95,680	\$102,770	\$109,860	\$116,940
120%	\$67,650	\$77,320	\$86,980	\$96,650	\$104,380	\$112,110	\$119,840	\$127,580
130%	\$73,290	\$83,760	\$94,230	\$104,700	\$113,080	\$121,450	\$129,830	\$138,210
140%	\$78,930	\$90,200	\$101,480	\$112,760	\$121,780	\$130,800	\$139,820	\$148,840

AFFORDABLE RENT GUIDELINES (BY UNIT SIZE & PERCENTAGE OF MEDIAN FAMILY INCOME)

% of	UNIT SIZE (NO. OF BEDROOMS)									
Median	0	1.88.7	2	3	4	5				
10%	\$141	\$151	\$181	\$209	\$234	\$258				
20%	\$282	\$302	\$363	\$419	\$467	\$515				
30%	\$423	\$453	\$544	\$628	\$701	\$773				
40%	\$564	\$604	\$725	\$838	\$934	\$1,031				
50%	\$705	\$755	\$906	\$1,047	\$1,168	\$1,289				
60%	\$846	\$906	\$1,087	\$1,256	\$1,402	\$1,546				
70%	\$987	\$1,057	\$1,269	\$1,466	\$1,635	\$1,804				
80%	\$1,128	\$1,208	\$1,450	\$1,675	\$1,869	\$2,062				
90%	\$1,269	\$1,359	\$1,631	\$1,885	\$2,102	\$2,320				
100%	\$1,410	\$1,510	\$1,812	\$2,094	\$2,336	\$2,577				
110%	\$1,551	\$1,661	\$1,993	\$2,303	\$2,569	\$2,835				
120%	\$1,691	\$1,812	\$2,175	\$2,513	\$2,803	\$3,093				
130%	\$1,832	\$1,963	\$2,356	\$2,722	\$3,036	\$3,351				
140%	\$1,973	\$2,114	\$2,537	\$2,932	\$3,270	\$3,608				

INCOME LIMITS FOR RENTAL UNITS (BY FAMILY SIZE & PERCENTAGE OF MEDIAN FAMILY INCOME)

% of	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Median	0.7	0.8	0.9	1.0	1.08	1.16	1.24	1.32
10%	\$4,430	\$5,060	\$5,690	\$6,320	\$6,830	\$7,330	\$7,840	\$8,350
20%	\$8,850	\$10,120	\$11,380	\$12,640	\$13,660	\$14,670	\$15,680	\$16,690
30%	\$13,280	\$15,170	\$17,070	\$18,970	\$20,480	\$22,000	\$23,520	\$25,040
40%	\$17,700	\$20,230	\$22,760	\$25,290	\$27,310	\$29,330	\$31,360	\$33,380
50%	\$22,130	\$25,290	\$28,450	\$31,610	\$34,140	\$36,670	\$39,200	\$41,730
60%	\$26,550	\$30,350	\$34,140	\$37,930	\$40,970	\$44,000	\$47,040	\$50,070
70%	\$30,980	\$35,400	\$39,830	\$44,250	\$47,790	\$51,330	\$54,870	\$58,420
80%	\$35,400	\$40,460	\$45,520	\$50,580	\$54,620	\$58,670	\$62,710	\$66,760
90%	\$39,830	\$45,520	\$51,210	\$56,900	\$61,450	\$66,000	\$70,550	\$75,110
100%	\$44,250	\$50,580	\$56,900	\$63,220	\$68,280	\$73,340	\$78,390	\$83,450
110%	\$48,680	\$55,630	\$62,590	\$69,540	\$75,110	\$80,670	\$86,230	\$91,800
120%	\$53,100	\$60,690	\$68,280	\$75,860	\$81,930	\$88,000	\$94,070	\$100,140
130%	\$57,530	\$65,750	\$73,970	\$82,190	\$88,760	\$95,340	\$101,910	\$108,490
140%	\$61,960	\$70.810	\$79,660	\$88,510	\$95.590	\$102,670	\$109.750	\$116,830

AFFORDABLE RENT GUIDELINES (BY UNIT SIZE & PERCENTAGE OF MEDIAN FAMILY INCOME)

% of Median	UNIT SIZE (NO. OF BEDROOMS)										
	0	1	2	3	4	5					
10%	\$111	\$119	\$142	\$164	\$183	\$202					
20%	\$221	\$237	\$285	\$329	\$367	\$405					
30%	\$332	\$356	\$427	\$493	\$550	\$607					
40%	\$443	\$474	\$569	\$658	\$733	\$809					
50%	\$553	\$593	\$711	\$822	\$917	\$1,012					
60%	\$664	\$711	\$854	\$986	\$1,100	\$1,214					
70%	\$775	\$830	\$996	\$1,151	\$1,283	\$1,416					
80%	\$885	\$948	\$1,138	\$1,315	\$1,467	\$1,618					
90%	\$996	\$1,067	\$1,280	\$1,479	\$1,650	\$1,821					
100%	\$1,106	\$1,185	\$1,423	\$1,644	\$1,834	\$2,023					
110%	\$1,217	\$1,304	\$1,565	\$1,808	\$2,017	\$2,225					
120%	\$1,328	\$1,422	\$1,707	\$1,972	\$2,200	\$2,428					
130%	\$1,438	\$1,541	\$1,849	\$2,137	\$2,384	\$2,630					
140%	\$1,549	\$1,660	\$1,992	\$2.301	\$2,567	\$2,832					