



**REALTORS® ASSOCIATION  
OF MAUI, INC.**

# Addressing the Need for Affordable Housing

Jason A. Economou, Government Affairs Director

# General Overview

- \* Who are the REALTORS Association of Maui (RAM)?
- \* What is the issue we aim to address?
- \* How can we address the issue?
  - \* Short term solutions
  - \* Long term ideas
- \* Questions & Answers

# REALTORS Association of Maui



REALTORS® ASSOCIATION  
OF MAUI, INC.

- \* 1,652 Active Members, 99 Active Affiliates
- \* We care because we are a part of the Maui community.
- \* We are not some faceless corporate entity.
- \* We are your neighbors.

# What is the issue?

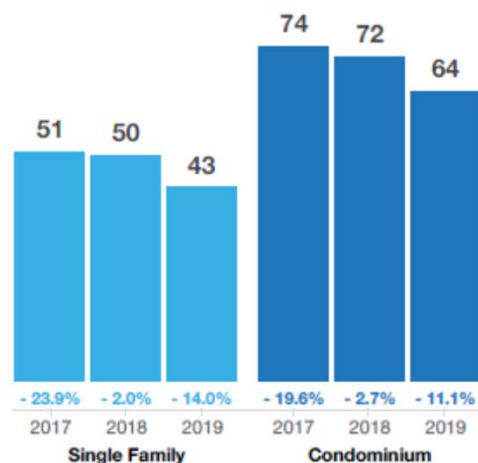
- \* There is a need for housing at every level!
- \* Previous numbers presented by Hawaiian Community Assets = 17,000 units by 2025
- \* Housing Affordability Index is at **43**
  - \* This index measures housing affordability for the region.
  - \* An index of 43 means that the median household income is 43% of what is necessary to qualify for the median priced home at prevailing interest rates.
  - \* Median priced single family home = \$790,000

# Housing Affordability Index

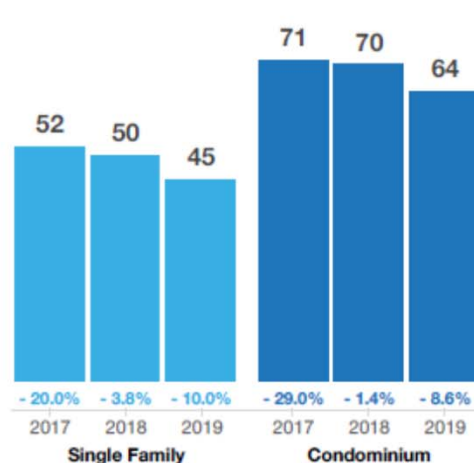
This index measures housing affordability for the region. For example, an index of 120 means the median household income is 120% of what is necessary to qualify for the median-priced home under prevailing interest rates. A higher number means greater affordability.



## February

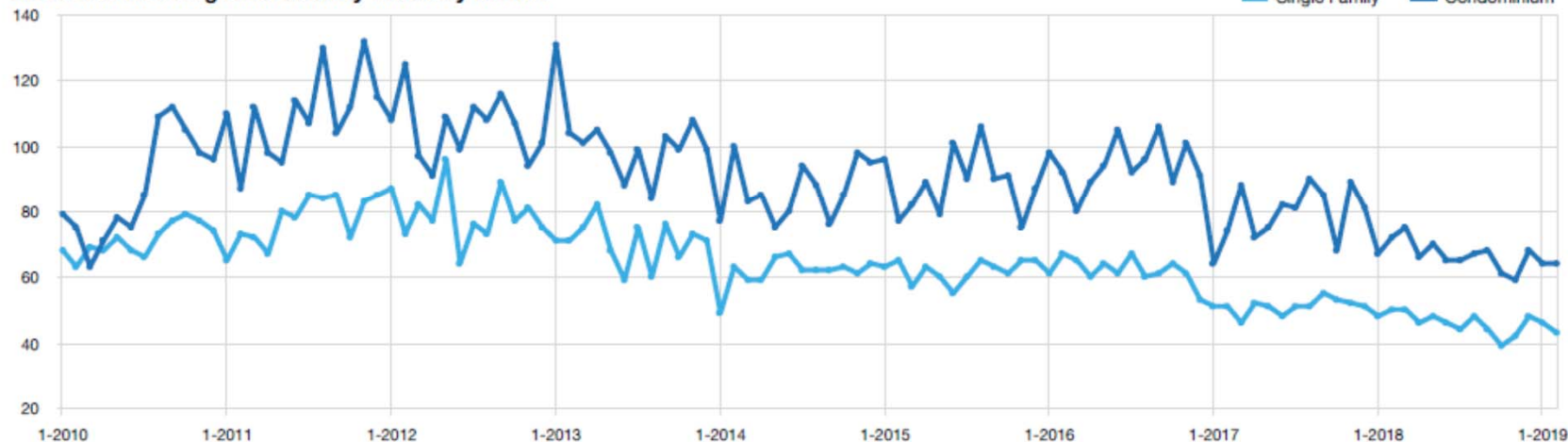


## Year to Date



Affordability Index	Single Family	Year-Over-Year Change	Condominium	Year-Over-Year Change
Mar-2018	50	+ 8.7%	75	- 14.8%
Apr-2018	46	- 11.5%	66	- 8.3%
May-2018	48	- 5.9%	70	- 6.7%
Jun-2018	46	- 4.2%	65	- 20.7%
Jul-2018	44	- 13.7%	65	- 19.8%
Aug-2018	48	- 5.9%	67	- 25.6%
Sep-2018	44	- 20.0%	68	- 20.0%
Oct-2018	39	- 26.4%	61	- 10.3%
Nov-2018	42	- 19.2%	59	- 33.7%
Dec-2018	48	- 5.9%	68	- 16.0%
Jan-2019	46	- 4.2%	64	- 4.5%
<b>Feb-2019</b>	<b>43</b>	<b>- 14.0%</b>	<b>64</b>	<b>- 11.1%</b>
12-Month Avg	45	- 11.8%	66	- 16.5%

## Historical Housing Affordability Index by Month



# The Issue Continued

- \* Housing shortages are occurring nationally.
- \* According to the National Association of Home Builders, it comes down to the 5 Ls:
  - \* Lumber
  - \* Labor
  - \* Land and lots
  - \* Lending to builders and developers
  - \* Laws

# RAM's Ideas

- \* Streamline Small Scale Development of Housing Options
- \* Incentivize Housing
- \* Plan Ahead

# First, an admission...

- \* RAM is not reinventing the wheel.
- \* Some of these ideas have already been presented to the County Council.
- \* Others are ideas being implemented elsewhere.

October 6, 2016

MEMO TO: Members of the Planning Committee

F R O M: Elle Cochran, Chair  
Temporary Investigative Group

*EC*

SUBJECT: **INCREASING INVENTORY OF AVAILABLE HOUSING** (PC-37(2))

The Temporary Investigative Group of the Planning Committee ("TIG"), having met on August 1, 2016, August 8, 2016, August 10, 2016, August 12, 2016, and September 22, 2016, makes its report as follows:

I. Purpose and Scope

The TIG was formed by the members of the Planning Committee on July 19, 2016 having the purpose, scope, and membership as set forth in the proposal from Councilmember Don Couch dated July 13, 2016. Councilmember Elle Cochran was named as the TIG Chair with Councilmembers Gladys Baisa and Don Couch serving as Members. The purpose of the TIG is to make findings and recommendations relating to increasing the County's housing inventory. The scope of the investigation was to select no more than five items from the list provided in the instructions to the TIG dated August 2, 2016, as amended and adopted by the Planning Committee at its meeting of August 4, 2016 ("TIG Instructions," attached as Exhibit "A"). The TIG Instructions include a list of twenty items, in no particular order, which if implemented would likely increase the inventory of housing.

The TIG was authorized to have discussions with County personnel related to the County's role in providing or encouraging the development of housing inventory. The TIG was also authorized to conduct interviews and discussions with representatives from various groups (planners, architects, builders, trade unions, affordable housing advocates, community associations, landowners, and the real estate, business, and finance communities) for the purpose of identifying housing solutions, barriers to increasing housing, and steps the County could take to facilitate the development of housing.

The TIG was also instructed to: (1) prioritize and rank in order of importance at least the top three strategies and opportunities for increasing the availability of housing; (2) identify which of the top three strategies and opportunities require legislation by the Council; and (3) identify which of the top three strategies and opportunities require action by County departments.

RECEIVED AT PC MEETING ON 10/6/16

RECEIVED AT 44T MEETING ON 8/29/18  
(COUNCILMEMBER COCHRAN)



# Streamlining Small Scale Development

- 1) Create a catalog of pre-approved plans and incentivize their use.
  - \* Plans can be used on a fee-per-use basis
  - \* Waive fees, ease parking requirements near transportation hubs, reduce other requirements where possible.
  - \* Make this option available to all.

# Streamlining Small Scale Development

2) Promote the development of two-family/multi-family housing.

- \* Amend Title 19 to allow two-family dwellings in Residential Zoning Districts.
- \* Provide variances for the construction of new two-family dwellings, or to modify existing structures.
- \* New ADU rules don't go far enough to increase inventory for larger families.

# Streamlining Small Scale Development

## **3) Promote Innovation on Properties**

- \* Amend Title 19 to allow for an aggregate of “enclosed livable area” in residential zoning districts.
- \* 1 Dwelling and 1-2 Ohanas are not enough.
- \* Maui is a multi-cultural place with residents that have widely varying ideas of what is an ideal living situation.
- \* Allow people to experiment and develop new solutions.

# Incentivizing Housing

## 1) Provide Incentives to Owners Who Create Housing

- \* Tax credits to owners who provide housing at any income level.
- \* Increased tax credits to owners who provide affordable rentals.
- \* Establish a fund to assist landlords who provide affordable housing to cover repairs in excess of security deposit.

# Incentivizing Housing

## 2) Partner with Organizations in Assisting Hopeful Tenants

- \* For Example: Hawaiian Community Assets program involving individual development accounts (IDAs)
- \* Provide matching funds to assist tenants in saving for rent and a security deposit.
- \* Create a good tenant certification registry to assist landlords.

# Planning Ahead

1. Plan ahead for adaptive reuse by incentivizing development of new commercial structures that can be used as housing later.
2. Reconsider long-term affordability deed restrictions.
  - \* 10 years is too short.
  - \* Consider some form of equity sharing option.
3. Redesign the transportation system with a focus of increasing density and easing parking requirements.



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# Questions?