



HOUSING INVENTORY AND ANALYSIS

February 2021

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1 EXECUTIVE SUMMARY

The Ka'ahumanu Ave Community Corridor study (the study area) covers the 2.5 miles of Ka'ahumanu Avenue and Main Street in Central Maui. The County of Maui is leading this study to connect development and land uses and encourage affordable housing, retail and commerce, efficient transit, and recreation opportunities along the study area.

As part of the Ka'ahumanu Ave Community Corridor study, this Housing Inventory and Analysis Report outlines the current housing inventory in the study area—including housing size, type, tenure, and costs—and how it compares to Maui Island and Maui County. This report also identifies potential strategies that the County of Maui could use to preserve and expand the supply of affordable, workforce, and mixed-income housing in the study area. This report builds on prior work and studies conducted by Maui County and the State of Hawai'i, considering how the findings and recommendations from these County- and State-level plans and reports apply to and inform planning for the study area, given the area-specific data and perspective.

KEY FINDINGS

Housing Mix and Ownership: Both Wailuku and Kahului include a mix of single-family and multifamily housing. In terms of the distribution of housing by scale, the housing within the study area largely resembles housing across the island and in Wailuku and Kahului. While there are some large apartment buildings, the study area has a somewhat higher share of single-family detached housing and small multifamily properties (5 to 19 units) compared to the island as a whole. Still, within the study area, most housing is single-family detached housing units, and the multifamily housing includes a mix of condominiums and apartments. The homeownership rate is a little under 60 percent in both Wailuku and Kahului, and slightly lower in the study area. This is in line with the homeownership rate across the County.

Affordable Housing: Together, Wailuku and Kahului account for over 40 percent of the regulated affordable housing in Maui County and nearly half of the regulated affordable housing on the island, with several affordable housing properties located in the study area. Throughout Maui County, roughly 230 affordable housing units (an average of roughly 45 units per year) were built between 2014 and 2018. Thousands more units of affordable housing are needed for near-term development in the county.¹

Housing Vouchers: According to data provided by the County in early 2021, there are 360 vouchers being utilized in Wailuku and 288 being utilized in Kahului. These 648 vouchers account for roughly 44 percent of all the vouchers being utilized across the County, which is a disproportionately high share given that these communities only account for 21 percent of all the housing units in the County. This means that households using Housing Choice Vouchers are overrepresented in the study area compared to the county as a whole.

¹ Hawai'i Housing Planning Study (2019), Hawai'i Housing Finance and Development Corporation.

Cost Burden: Despite the relative concentration of affordable housing in the study area, rates of cost burdening (spending more than 30 percent of household income on housing) are very high. Just as in Maui County generally, about 45 percent of renters in Wailuku and in the study area are cost burdened, and more than 20 percent spend over half of their income on housing.

Housing Preferences: Based on survey data summarized in the 2019 Hawai'i Housing Planning Study, both homeowners and renters in the Wailuku-Kahului area have a slightly stronger preference for single-family detached housing and larger unit sizes (3- and 4-bedroom units) than in the county overall.

Future Housing Need: The 2019 Hawai'i Housing Planning Study shows that Maui County needs 10,404 new housing units between 2020 and 2025. This translates to an average of about 2,081 new units delivered per year. However, County-wide housing production (measured by building permits) between 2014 and 2019 was only 3,606 units in total—an average of about 600 units per year.² Thus, realizing the estimated need would be a highly aspirational target and would require substantial changes to policy as well as increases in funding for affordable and permanent supportive housing.

Study Area Future Housing Need: There are several ways to estimate the share of the County's future housing needs that should be satisfied within the Ka'ahumanu Ave Community Corridor study area, including assuming a proportionate share relative to existing housing (either overall or by housing type). These estimates have a wide range, from about 300 units in the study area over the 2020-2025 time period to as many as 1,800 new units. On balance, the County should consider the lower end of the range of possibilities as an approximation of a baseline growth estimate for the study area, without further policy intervention. Depending on the level of policy change and funding available to support increases in housing production, the higher end of the range may become possible. As it plans for these new units, the County should consider several important factors, including policy goals that support adding housing near transit, a need to address housing cost burden, local housing preferences, equity considerations, market conditions, available land for (re)development, and the community's vision for the study area. At a minimum, the presence of transit and access to jobs and services suggest that this area will play an important role in meeting Maui's future housing needs.

² The State of Hawai'i Data Book 2019, Table 21.07.

2 INTRODUCTION

The Ka'ahumanu Ave Community Corridor study (the study area) covers the 2.5 miles of Ka'ahumanu Avenue and Main Street in Central Maui. The County of Maui is leading this study to connect development and land uses and encourage affordable housing, retail and commerce, efficient transit, and recreation opportunities in the study area.

REPORT OVERVIEW

As part of the Ka'ahumanu Ave Community Corridor study, this report outlines the current housing inventory on Maui and in the study area. Building on the current housing inventory—including housing size, type, tenure, and costs—this report offers promising strategies that can help Maui County increase its housing supply. This report is a companion to ECONorthwest's Real Estate Market Assessment, which will supplement the Existing Conditions and Community Profile and inform the visioning tasks for the project.

In this Housing Inventory and Analysis Report, we built on prior work and studies conducted by Maui County and the State of Hawai'i, gathered data from multiple sources to develop an inventory. County staff provided input to inform housing targets for the study area as well as study area-specific strategies that the County could consider to encourage housing production in the study area toward those targets.

This Chapter summarizes the past work and planning documents that informed our analysis and recommended strategies, as well as key data sources and geographic considerations used to analyze the study area. Chapter 3 describes the current housing inventory, including total units and housing by type, tenure, and price point. Chapter 4 assesses future housing need by area, price point, and housing type, and Chapter 5 offers strategies for expanding housing supply in the study area based on development feasibility analysis and market trends.

DATA SOURCES

This section describes the quantitative and qualitative data sources used in this Affordable Housing Inventory and Analysis Report. ECONorthwest gathered quantitative data from the US Census Bureau and the 2020 Maui County Assessor to complete the housing inventory. This section also includes a discussion of the Census geographies used to approximate the Ka'ahumanu Ave Community Corridor study area. In addition, ECONorthwest surveyed numerous planning documents and housing needs analyses studies for Maui County, Maui Island, and the Wailuku-Kahului areas, paying particular focus on those studies that included recommendations for policy changes to encourage more housing development.

Housing Data

In addition to data from past planning efforts, we also reviewed Census data, local property data, proprietary data sources, and state and local affordable housing inventories. This data review allowed us to identify the current housing stock on Maui and in the study area, including housing type, unit count, tenure, rent/sale prices, and income- and rent-restricted properties.

Parcel-level housing data can typically be gathered from local assessor databases and is often used to characterize small areas' housing markets via sale prices, land use classifications, age of structures, or dwelling unit counts. Maui's assessor data provides a generalized land use designation (derived from tax status), parcel ownership, and recent assessed values, among other variables. Reliable dwelling unit counts are not available through the assessor data, however, leaving Census block group estimates as the best available data source.

Geographic Selections and Discrepancies

The relatively small scale and extent of the Ka'ahumanu Ave Community Corridor study area, represented by a half-mile buffer around Ka'ahumanu Ave and Main Street, presents several difficulties for obtaining accurate and usable Census housing data. Using larger geographies (moving from Census blocks, to Census block groups, to Census tracts) includes more area beyond the half-mile buffer in the data analysis, which decreases the accuracy of our findings about housing conditions *within the study area*. However, using smaller geographies (such as Census blocks) means we lose access to important variables and more recent data from the Census, and need to rely on 5-year American Community Survey (ACS) data tables.³

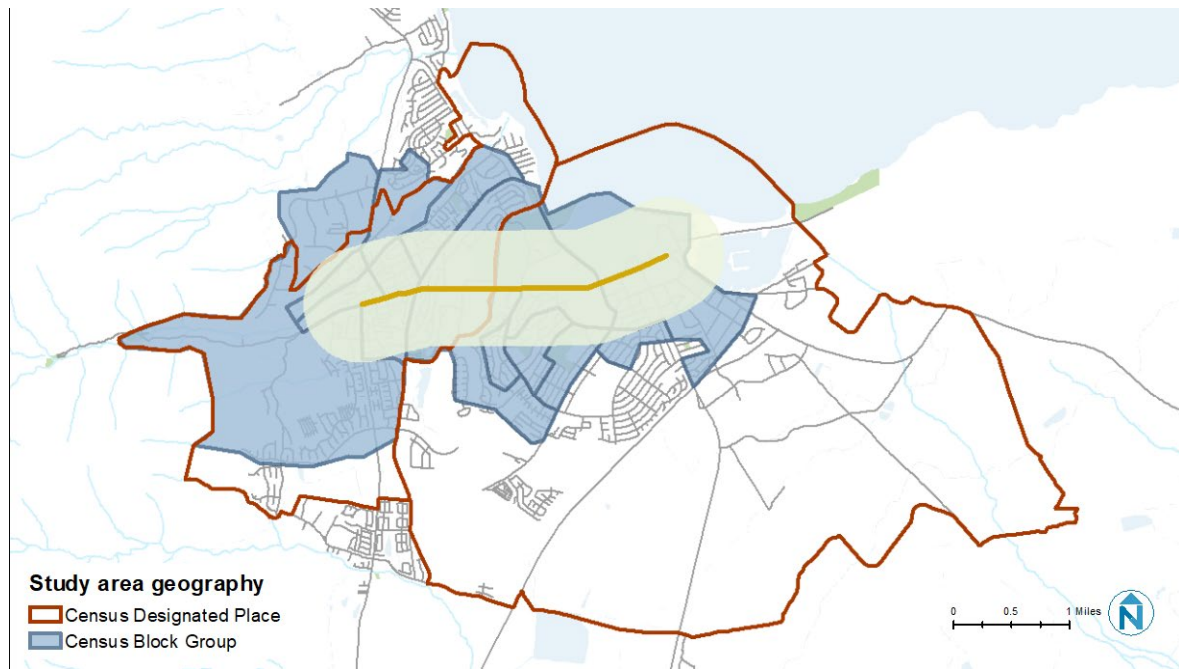
Throughout this document, data are shown for the study area, the areas of Wailuku and Kahului, and the island of Maui (as opposed to Maui County, which includes Lāna'i and Moloka'i):

- Data about the study area are approximated using Census block groups and 2018 ACS 5-year data.
- Data about Kahului and Wailuku are estimated using Census designated places (CDPs) from the ACS 5-year dataset.
- Data about Maui Island are estimated using the ACS 5-year dataset.

Figure 1 below shows the boundaries of the two Census designated places set against the boundaries of the Census block groups that approximate the study area. The figure also shows a half-mile buffer around Ka'ahumanu Ave and Main Street.

³ The American Community Survey (ACS) is an ongoing, nationwide survey conducted every year or every five years by the U.S. Census Bureau. The ACS surveys an average of 3.5 million households in the U.S. or 2.9 percent of the nation's households. Surveys are conducted on an annual basis, but data are aggregated into 1-year, 3-year*, or 5-year samples based on the level of geography studied. ACS 1-year estimates are surveyed during the calendar year. Multiyear estimates are surveyed over 5 calendar years (e.g., 2011-2015 ACS estimates). The ACS 1-year sample is available for geographies with populations over 65,000 persons. The ACS 5-year sample is available for smaller geographies with fewer than 65,000 residents. *The U.S. Census Bureau no longer produces ACS 3-year estimates, but older data are still available through 2013.

Figure 1. Census Geographies Overlapping the Study Area



Source: ECONorthwest analysis of Census boundaries

How is Housing Affordability Determined?

There are several datapoints that are helpful in measuring housing affordability in a region. The most often cited affordability limits come from the U.S. Department of Housing and Urban Development (HUD). This section steps through key definitions used throughout this report and discusses how they differ from one another:

1. Median Family Income
2. Area Median Income
3. Median Household Income
4. Housing Cost Burden
5. Housing + Transportation Cost Burden

Median Family Income (MFI) and Area Median Income (AMI)

Each year, HUD calculates affordability and income limits for metro areas and counties across the country for use in affordable housing developments. These are based on the area's MFI which HUD calculates annually from Census data. In Maui, this area is the Kahului-Wailuku-Lahaina, HI Metropolitan Statistical Area (MSA) and includes Maui County and Kalawao County. Properties developed throughout these two counties use the same affordability limit.

Area Median Income (AMI) is often used in planning documents to reflect the same affordability concepts as MFI. HUD considers them to be equivalent.⁴ Past planning work in Hawai'i refers to AMI, so we use AMI to accurately reflect and cite these past plans, and MFI when we are referring to HUD limits.

In 2020, the HUD-calculated MFI for the Kahului-Wailuku-Lahaina, HI MSA was \$97,500 for a family of four. HUD adjusts the income limits up or down based on family size and provides income limits for 30, 50, and 80 percent of MFI (see Figure 2). Based on these income limits, a family of four making \$50,000 per year would have an income just under 50% of MFI. A family of two earning \$65,000 would have an income just under 80% of MFI.

Figure 2. HUD 2020 Income Limits for Kahului-Wailuku-Lahaina, HI MSA HUD FMR Area

Income Limit	Family Size (Number of People)							
	1	2	3	4	5	6	7	8
30%	\$21,550	\$24,600	\$27,700	\$30,750	\$35,280	\$40,430	\$45,580	\$50,730
50%	\$35,900	\$41,000	\$46,150	\$51,250	\$55,350	\$59,450	\$63,550	\$67,650
80%	\$57,400	\$65,600	\$73,800	\$82,000	\$88,600	\$95,150	\$101,700	\$108,250

Source: HUD (see <https://www.huduser.gov/portal/datasets/il.html> and select the year and metro area from the list)

Additional income limits (such as 60% or 120%) can be scaled from the 100% income limit to get an approximation of other affordability thresholds. However, these approximations—and HUD's official limits—may not be exact percentages of the 100% median income (e.g., in Figure 2 the official 50% income limit for a family of four is slightly higher than half of the 100% income limit).

Median Household Income

Median Household Income (MHI) differs from both MFI and AMI in important ways. The differences include the year analyzed, the geography analyzed, and the household type analyzed.

Median household income is calculated by Census data users from tables and data on the Census website; the most recent data are from 2019. In contrast AMI and MFI are calculated each year by HUD, the most recent of which is 2020 (2021 data will be released in April). In addition, median household income can be calculated for any geography type available (State, County, City, Block Group, etc.) whereas AMI and MFI are calculated for specific geographies that span counties (as noted the Kahului-Wailuku-Lahaina, HI MSA contains Maui County and Kalawao County). Lastly, median household income is calculated as the median of all households (of all types and sizes, not just family households), whereas AMI and MFI are calculated for family

⁴ "HUD estimates Median Family Income (MFI) annually for each metropolitan area and non-metropolitan county. The metropolitan area definitions are the same ones HUD uses for Fair Market Rents (except where statute requires a different configuration). HUD calculates Income Limits as a function of the area's Median Family Income (MFI). The basis for HUD's median family incomes is data from the American Community Survey, table B19113 - MEDIAN FAMILY INCOME IN THE PAST 12 MONTHS. The term Area Median Income is the term used more generally in the industry. If the term Area Median Income (AMI) is used in an unqualified manner, this reference is synonymous with HUD's MFI. However, if the term AMI is qualified in some way - generally percentages of AMI, or AMI adjusted for family size, then this is a reference to HUD's income limits, which are calculated as percentages of median incomes and include adjustments for families of different sizes." Source: HUD. 2018. "FY 2018 Income Limits Frequently Asked Questions."

<https://www.huduser.gov/portal/datasets/il/18/FAQs-18r.pdf>

households (where all household members are related). The standard 100% MFI limit for the Kahului-Wailuku-Lahaina area is based on a family of four. HUD calculate percentages of this median, and also make adjustments based on different family sizes.

While MHI is not directly comparable to AMI or MFI, it can be calculated for smaller geographies, offering a more localized assessment of incomes. Because MHI is calculated for all households – not just families – and because households can have a wide range of compositions (e.g., roommates) compared to families, the MHI is typically lower than the AMI or MFI.

Housing Cost Burden

A typical standard used to determine housing affordability is that a household should pay no more than a certain percentage of household income for housing, including payments and interest or rent, utilities, and insurance. HUD guidelines indicate that households paying more than 30 percent of their income on housing experience “cost burdening” and households paying more than 50 percent of their income on housing experience “severe cost burdening.”

Policymakers typically focus on renter households when assessing cost burdening, largely because they tend to have lower incomes and because rents can increase faster than incomes, thereby putting households at risk of being unable to afford their housing. A homeowner with a mortgage generally has a fixed monthly payment that does not rise with the market. Mortgage lenders will size the loan according to a household's income and their ability to pay. While a homeowner's property taxes can fluctuate with changes to the housing market, property taxes are generally only a small share of total housing costs, making homeowners less vulnerable to changes in the market.

Housing cost burdening is particularly important for low-income households, who have very little income to begin with. Higher-income households can be cost burdened but still have sufficient income leftover after paying housing costs to afford all other necessities.

Housing + Transportation Cost Burdening

As housing costs have escalated in city centers across the country in the past few decades, many households have been displaced to suburban locations or the edges of metro areas in search of more affordable housing. While this may decrease housing costs, it tends to increase transportation costs.

Recognizing that *housing cost burden* does not take transportation costs into account when assessing affordability, many researchers have sought to create new affordability and cost thresholds. The most widely used metric is the Center for Neighborhood Technology's (CNT) Housing + Transportation Index (H+T Index) that evaluates *both housing and transportation costs* in an area, and assesses how affordable H+T is for a hypothetical household earning the median income for that area.

The H+T Index models housing and transportation costs using data from a variety of sources,

Instead of assessing whether a household's housing is affordable to them (using household income), the H+T Index assesses a location's affordability for a hypothetical household earning the median income, given that location's average housing costs and average transportation costs. It is an indication of whether median- and lower-income households can likely afford to live in an area, not an indication of whether households currently living in that area are experiencing cost burdens.

including the Census, local transit agencies, and geospatial street network data. CNT uses an area's 2015 ACS 5-year median household income (all ACS inputs in the H+T Index are derived from 2015 5-year data), and calculates H+T costs as a percentage of that area's MHI. The output is a measure of H+T affordability for a hypothetical household earning the area's median household income. CNT considers a neighborhood affordable for the median-income household if the combined H+T costs are less than 45 percent of household income.

Planning Documents and Past Studies

This housing inventory analysis builds on many prior plans and studies for Maui County, including those listed below. We used relevant data from these plans, including key findings and conclusions related to the plans' characterization of housing need in the study area. This section identifies the most relevant documents, and content highlights from these plans are included throughout this report.

- **County of Maui, 2030 General Plan, Maui Island Plan (2012).**⁵ The Maui Island Plan is similar in scope to the 2030 General Plan, but focuses on the island of Maui. Chapter 5 is the plan's housing element, and it includes housing challenges and opportunities facing the island of Maui and a housing action plan (organized with goals, objectives, policies, and actions).
- **County of Maui, Wailuku-Kahului Community Plan (2002).**⁶ The Wailuku-Kahului Community Plan supports the 2030 General Plan and the Maui Island Plan. This plan includes recommendations (objectives, policies, and actions) to support many planning elements, including housing, for Wailuku and Kahului.
- **County of Maui, Affordable Housing Policy Plan (2018).**⁷ This plan provides an overview of the housing conditions and affordable housing delivery barriers in Maui County. The plan provides an estimate of housing demand (2015-2025) by income classification for the state and respective counties (including Maui County). It includes recommendations to reduce affordable housing development barriers.
- **County of Maui, Affordable Housing Implementation Plan (2018).**⁸ This plan builds on the Affordable Housing Policy Plan. It focuses on potential affordable housing sites in Maui, cites general costs and the overall deficit of affordable housing on Maui, and provides information on the amount and type of affordable housing needed.
- **Hawai'i Housing Planning Study (2019).**⁹ This series of studies, which began in 1992 and was most recently updated in 2019, provides historic and current housing market trends and conditions (including housing demand, supply, and pricing). The 2019 study estimates the number of additional units needed to accommodate Hawai'i's expected population growth between 2020 and 2025. There is a statewide study, as well as one for each county in Hawai'i.

⁵ <https://www.mauicounty.gov/1503/Maui-Island-Plan>

⁶ <https://www.mauicounty.gov/DocumentCenter/View/1719/Wailuku-Kahului-Community-Plan-2002?bidId=>

⁷ <http://mauicounty.us/wp-content/uploads/2018/02/Maui-AH-Policy-Report-FINAL.pdf>

⁸ <http://mauicounty.us/wp-content/uploads/2018/02/Maui-Affordable-Housing-Implementation-Plan-FINAL.pdf>

⁹ https://dbedt.hawaii.gov/hhfdc/files/2020/01/FINAL-State_Hawaii-Housing-Planning-Study.pdf

- **State of Hawai'i, Affordable Rental Housing Report and Ten-Year Plan (2018).**¹⁰ To address Hawai'i's undersupply of affordable rental housing, the State developed this report and ten-year action plan to help policy makers achieve the goal of 22,500 new affordable, rental housing units by 2026. The housing production goal distinguished unit targets by Area Median Income (AMI), by year, and by county. In addition to identifying recommendations to support Hawai'i's housing goal, the report estimated demand for affordable housing in Hawai'i (including Maui County) and identified sites for construction of affordable housing (including two sites adjacent to the study area).
- **State of Hawai'i Affordable Housing Inventory (as of May 2020).**¹¹ This document, updated annually, lists the state's affordable housing stock. Key attributes for each affordable housing development include its name, address, managing agent, managing agent contact information, affordability type, and number of units. The inventory lists 50 affordable housing developments on Maui.

¹⁰ https://files.hawaii.gov/dbedt/op/spb/AffordableRentalHousingReport_10YearPlan.pdf

¹¹ <https://dbedt.hawaii.gov/hhfdc/files/2020/05/Affordable-Housing-Inventory-Updated-2020-05-29.pdf>

3 CURRENT HOUSING INVENTORY

This chapter describes the current housing inventory on Maui, in the study area, and in Wailuku and Kahului. Maui County is included for reference to align with recent County-level housing studies. This analysis includes total units and housing by type, tenure, and price point. Assessing the current housing inventory sets the foundation for understanding future needs and recommended strategies that can help Maui County increase its housing supply.

TOTAL HOUSING UNITS

Figure 3 shows the total estimated number of housing units on Maui Island and in the study area. We used ACS data for information about all the units on Maui Island and the CDPs, and used a subset of block groups to define the study area. There are over 72,200 housing units across Maui County, and about 67,000 of these are on Maui Island (accounting for 93 percent). There are just over 11,400 housing units in the study area, as defined by the Census block groups in Figure 1.

Figure 3. Housing Units, 2014-2018

Area	Estimated Total Housing Units	Share of Maui County	Share of Maui Island
Maui County	72,203	100.0%	N/A
Maui Island	67,026	92.8%	100.0%
Wailuku & Kahului CDP	15,264	21.1%	22.8%
Study Area	11,459	15.9%	17.1%

Source: ACS 2014-2018 5-year data

HOUSING BY TYPE

In Figure 4, housing units are listed by scale, or number of units at the property. The distribution of housing by scale in the study area is similar to the housing distribution by scale across Maui and in Kahului and Wailuku. The study area has a somewhat higher share of single-family detached housing and small multifamily properties (5 to 19 units)¹² compared to Maui Island.

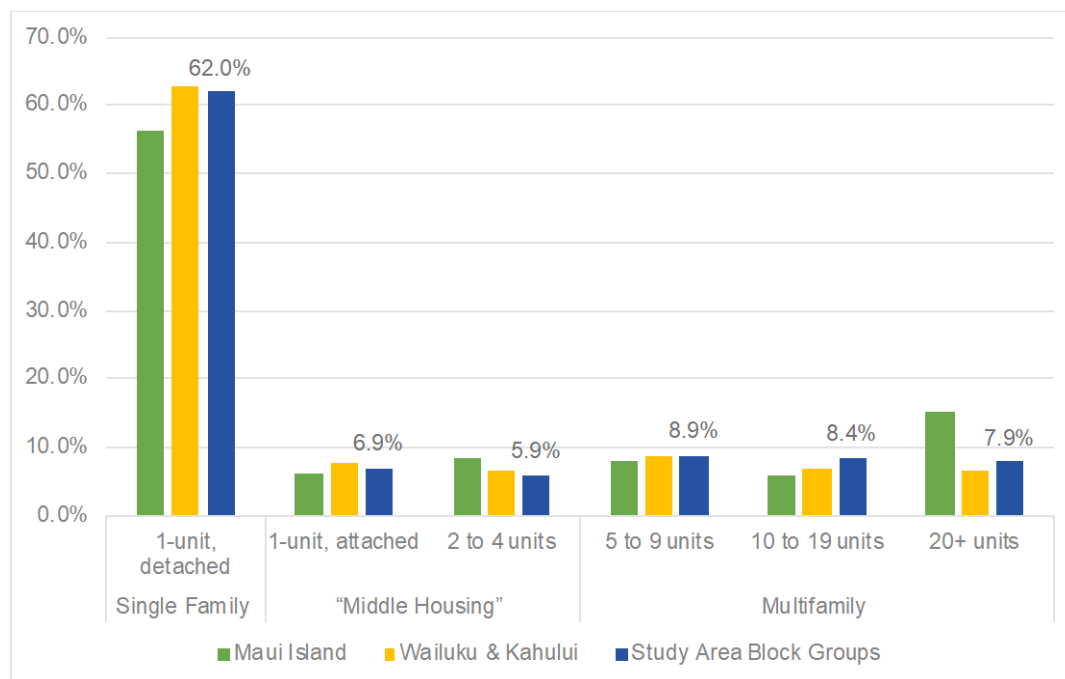
The study area Census block groups contain 17.1 percent of all housing units on Maui, only 8.9 percent of its large (20+ units) multifamily units, and nearly a quarter of the island's mid-sized (5 to 19 units) multifamily apartments. Still, within the study area, most housing is single-family detached housing units (see Figure 4).

¹² This range is based on the available housing type categories from the U.S. Census Bureau.

Figure 4. Housing Units by Scale, 2014-201

Area	Single-Family		“Middle Housing”		Multifamily		Total
	1 unit, detached	1 unit, attached	2 to 4 units	5 to 9 units	10 to 19 units	20+ units	
Maui County (ACS) Unit Count	41,409	4,320	6,186	5,505	4,219	10,564	72,203
County Unit Mix	57.4%	6.0%	8.6%	7.6%	5.8%	14.6%	100.0%
Maui Island (ACS) Unit Count	37,654	4,068	5,784	5,348	3,997	10,175	67,026
Island Unit Mix	56.2%	6.1%	8.6%	8.0%	6.0%	15.2%	100.0%
Wailuku & Kahului CDP Unit Count (ACS)	9,621	1,194	1,016	1,330	1,071	1,032	15,264
CDP Unit Mix	63.0%	7.8%	6.7%	8.7%	7.0%	6.8%	100.0%
Study Area Block Group Unit Count (ACS)	7,108	792	674	1,016	962	907	11,459
Block Group Unit Mix	62.0%	6.9%	5.9%	8.9%	8.4%	7.9%	100.0%
Study Area Block Group Share of Island	18.9%	19.5%	11.7%	19.0%	24.1%	8.9%	17.1%

Source: ACS 2014-2018 5-year data

Figure 5. Share of Housing Units by Housing Type, 2014-2018


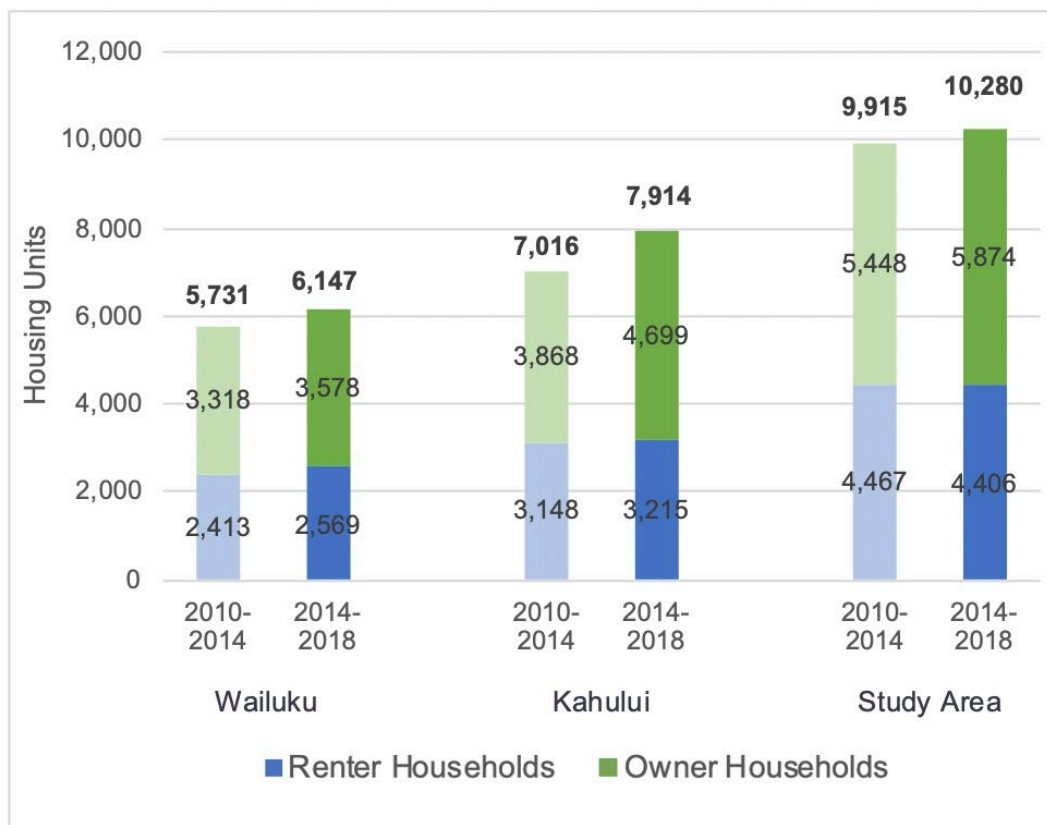
Source: ACS 2014-2018 5-year data

HOUSING BY TENURE

We also analyzed the number of units available by tenure on the island and in the study area. Housing tenure refers to whether the unit is owner occupied or renter occupied. Figure 6 shows total housing units, as well as the renter- and owner-occupied housing units, over time in Wailuku, Kahului, and the study area. Data come from ACS 5-year estimates, and the study area summary is derived from Census Block Group data.

Wailuku and Kahului both have seen an increase in the total number of households in the two time periods studied. The share of households that are owner-occupied—the homeownership rate—was about 58 percent in Wailuku, 59 percent in Kahului, and 57 percent in the study area during the 2014-2018 time period. This homeownership rate has been fairly stable over time, although Kahului saw an increase from 55 percent in the 2010-2014 5-year estimates to 59 percent in the 2014-2018 5-year estimates.

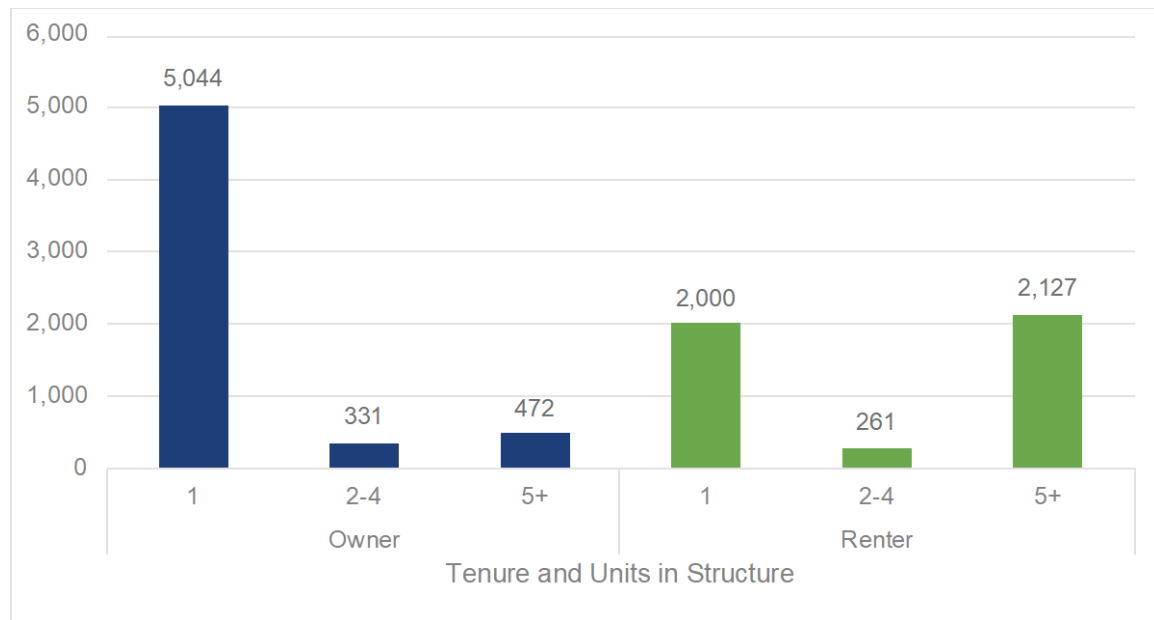
Figure 6. Housing Units by Tenure, 2010-2018



Source: ACS 2010-2014, 2014-2018 5-year data

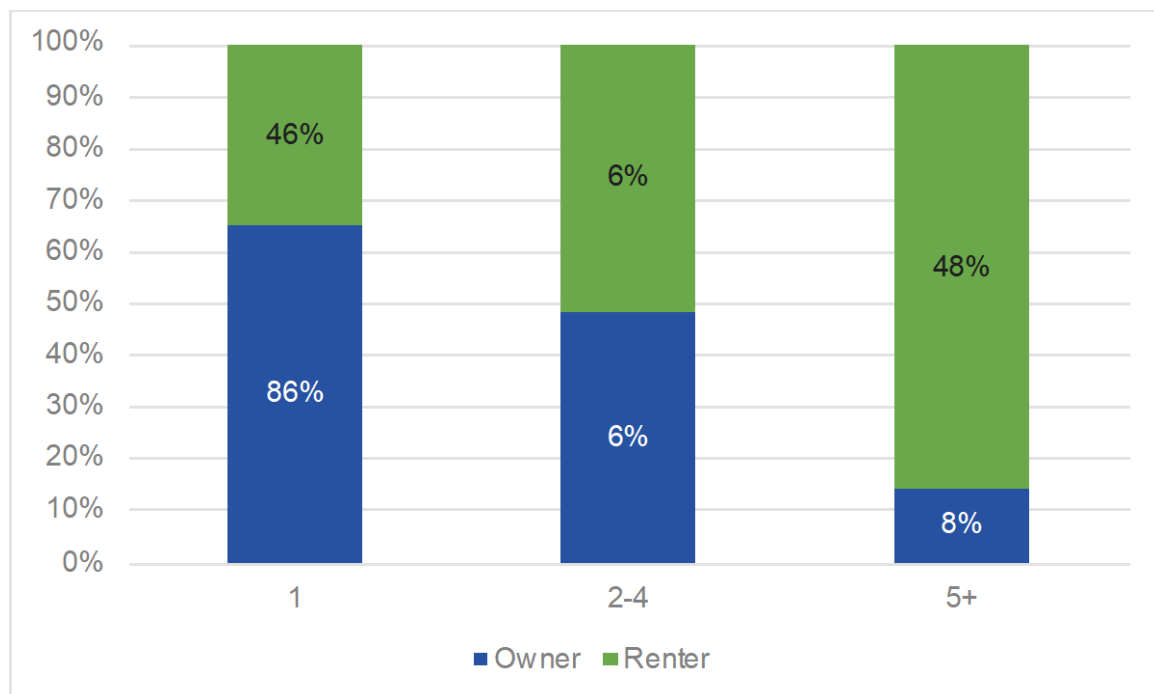
Figure 7 and Figure 8 show the breakdown of housing units by scale and tenure in the study area block groups. Looking at the differences between rental and owner-occupied housing stock, we see that the vast majority of all owner-occupied housing units are made up of single-family structures (attached or detached), with the remaining share made up of middle housing and multifamily condominiums. Renter-occupied units are nearly evenly split between single-family and multifamily structures, indicating a sizable rental market for the study area's ample supply of single-family housing units.

Figure 7. Study Area Housing Units by Tenure and Scale, 2014-2018



Source: ACS 2014-2018 5-year data

Figure 8. Share of Study Area Housing Units by Tenure and Units in Structure, 2014-2018



Source: ACS 2014-2018 5-year data

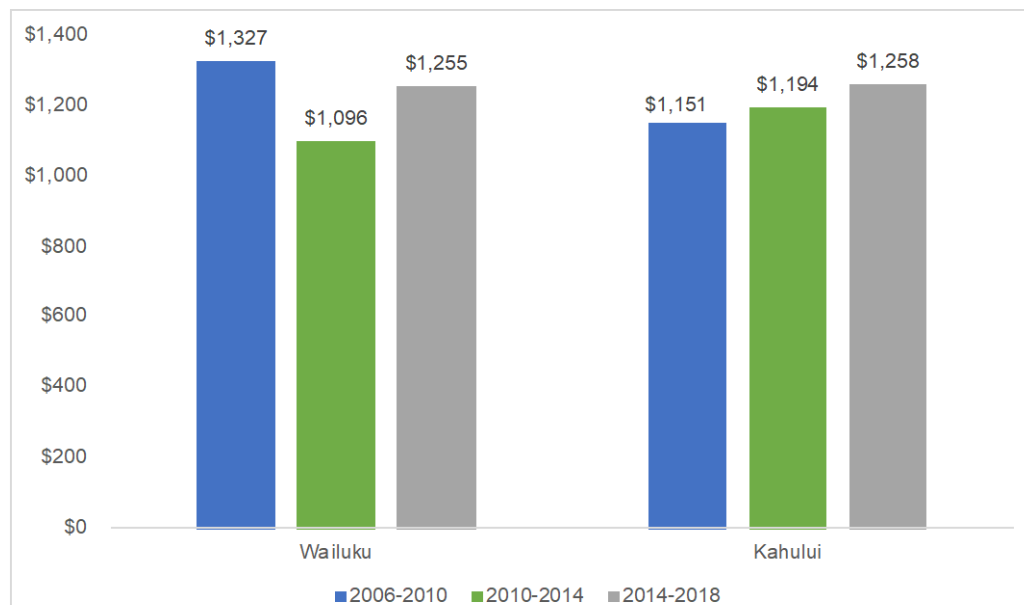
HOUSING COSTS

For most households—nationally and in Maui—housing is the single largest expense in a household budget.

Gross Rents

Figure 9 shows the median gross rent charged in Wailuku and in Kahului in the time periods of 2006-2010, 2010-2014, and 2014-2018.¹³ Data are inflation-adjusted to 2020 dollars.¹⁴ Both areas saw prices rise between 2010-2014 and 2014-2018, but in Wailuku prices fell (after adjusting for inflation) from 2006-2010 to 2010-2014. This decline could be due to the fact that the 2006-2010 time period includes the latter part of the housing asset bubble, while the 2010-2014 time period includes the aftermath of the great recession when some areas were hit with oversupply, high vacancy rates, and subsequent declines in rent. As of 2018, average rents in both areas reached similar levels, so differences in the rate of rent growth from 2006 to 2018 could be due to differing levels of demand for the types of housing available in each area (e.g., single-family rentals, apartments in large multifamily properties compared to smaller properties, the age of the stock), different rates of population growth over time, or the development of varying amenities between the areas, among other factors.

Figure 9. Median Gross Rent, Wailuku and Kahului, 2006-2018



Source: ACS 2006-2010, 2010-2014, and 2014-2018 5-year data (in 2020 dollars)

¹³ The rent data included in this report is based on the ACS, which is from a sample of all households, so it includes rents for all housing types; the companion market study includes data from apartments only, and mostly larger apartments. The ACS data is not disaggregated by unit size, age, type, or number of bedrooms, which limits value for use in a market study.

¹⁴ When accounting for currency inflation in 5-year data, the US Census Bureau's standard practice is to adjust each individual year's dollar amount to represent the dollar amount in the final year of the dataset. So, for 2014-2018 5-year ACS data, the survey results from 2014 through 2017 are adjusted to 2018 dollars, and the final, published amount is the average of the five years. This report goes one step further, converting 2014 and 2018 dollars to 2020 dollars.

Renter Cost Burden

As described on page 2-5, cost burdening occurs when a household pays 30 percent or more of its gross income on housing. Severe cost burdening occurs when a household pays 50 percent or more of its gross income on housing. Cost burdening means that households can have too little income leftover after paying for housing costs to afford other necessities, such as transportation, food, medicine, or childcare.

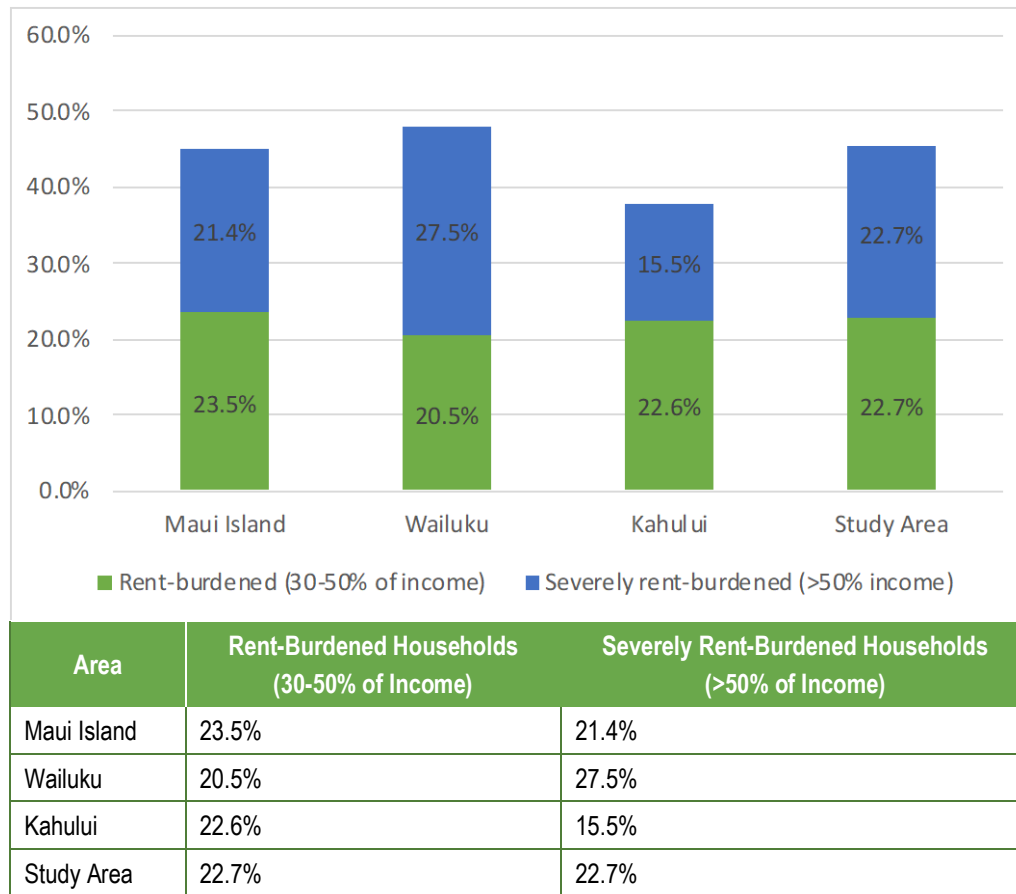
Housing cost burdening is an important metric for planners and policymakers to consider, particularly for renters, as discussed previously (see page 2-5). Because rent increases can occur without warning and can exceed income growth over time, cost burdening can place a renter household at risk of housing insecurity, housing instability, or homelessness.

Figure 10 shows the share of renter households in each area who are cost burdened. As demonstrated, nearly half of renters in Wailuku and almost 40 percent of renters in Kahului are cost burdened. Within the study area, approximately 45 percent of renter households are cost burdened. Wailuku has a much higher share of severely cost-burdened households than Kahului. This appears to be primarily because of lower household incomes in Wailuku:

- Wailuku and Kahului have nearly the same median gross rents (see Figure 9).
- Wailuku's median household income was \$71,768 while Kahului's was \$81,614 in the 2014-2018 time period.

That these households spend such a large portion of their income on housing means they may have little income available for other necessities. In addition, cost burdening for low-income households means that they may have very little cushion to absorb an unexpected cost, like a medical emergency, job loss, car repair, or rent increase.

The Hawai'i Housing Planning Study conducted in 2019 estimated that in the Wailuku-Kahului area, **11.6 percent of the area's 18,182 households were at risk of homelessness**, while another 20.6 percent were estimated be "hidden homeless."

Figure 10. Share of Cost-Burdened Renter Households, 2014-2018

Source: ACS 2014-2018 5-year

Housing and Transportation Costs

As described on page 2-5, the Center for Neighborhood Technology's (CNT) Housing + Transportation Index (H+T Index) provides estimates of average housing costs (both ownership and rental housing) and average transportation costs across Maui Island. In contrast to the typical idea of cost burdening, the H+T Index compares how affordable different locations might be for a household earning the median income for Maui Island,¹⁵ not how cost burdened the households currently living in those locations are based on their incomes. H+T costs are considered affordable if they account for less than 45 percent of household income.

CNT models transportation costs on physical variables such as the street network connectivity and transit access, as well as demographic variables like the number of cars per household or average number of persons per household. For housing costs, the Index does not separate renter and owner housing costs, but rather calculates housing costs as the average of both owner costs and gross rent, weighted by the ratio of owner-to-renter-occupied housing units.

¹⁵ For all geographies on Maui Island, CNT assumes a median household income of \$66,476 (using 2015 ACS data).

According to the index, a median-income household on Maui Island would have to spend 55 percent of their income to afford the Island-wide average housing and transportation costs (see Figure 11). A household with that same median income would have to spend marginally less on housing and transportation (48 percent of its income) to live in the Wailuku-Kahului study area compared to Maui Island as a whole.

Figure 11 shows that Kahului and Wailuku have the same estimated transportation costs. But because housing is more expensive in Kahului, it is less affordable for a median-income household compared to Wailuku.

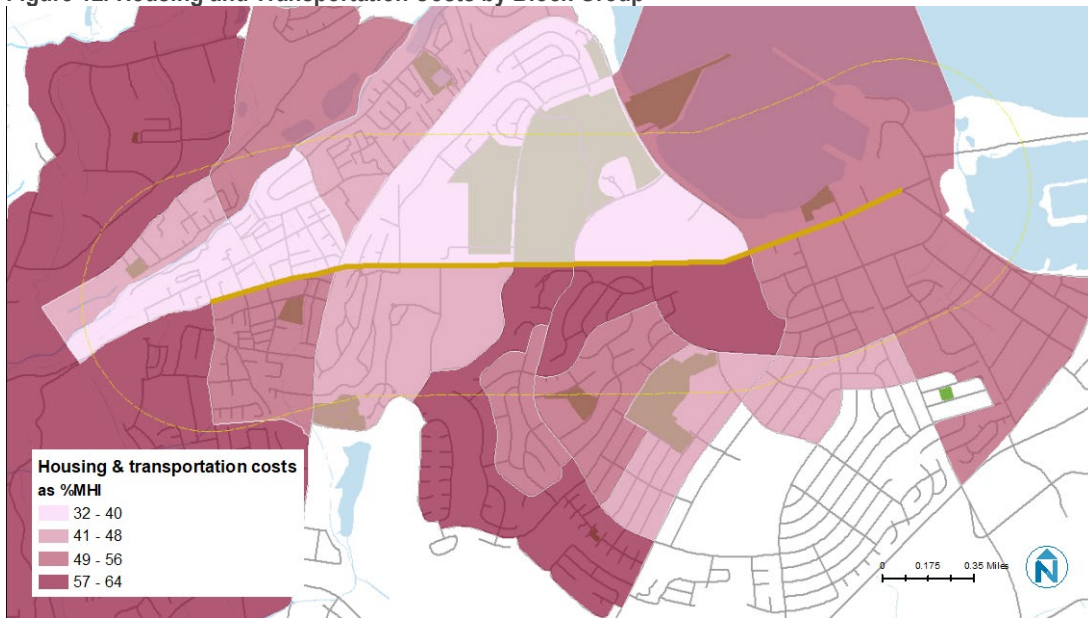
Figure 11. Housing and Transportation Costs as a Percent of Regional Median Household Income

Area	Combined H+T Costs	Housing Costs	Transportation Costs
Study Area	48%	27%	21%
Wailuku	48%	27%	21%
Kahului	55%	34%	21%
Maui Island	55%	33%	22%

Source: CNT Housing + Transportation Index

Figure 12 shows the combined housing and transportation costs for block groups within the study area.

Figure 12. Housing and Transportation Costs by Block Group



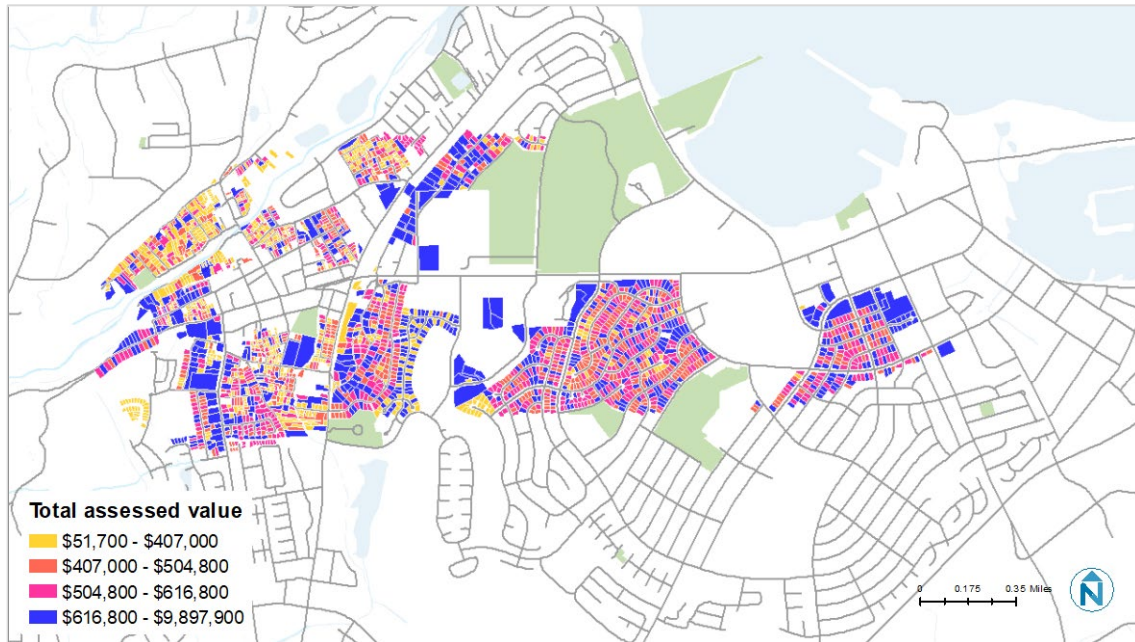
Source: CNT Housing + Transportation Index

HOME VALUES

The Market Study Report addresses single-family home and condominium sales prices; this section focuses on existing home values, as reflected by assessed residential property values, to identify spatial variations and patterns within the study area. While median rents in Wailuku are

roughly equal to those in Kahului, assessed residential property values are generally higher in Kahului (see Figure 13 below). The median assessed home value in Kahului is \$546,900 compared to \$469,000 in Wailuku.

Figure 13. Map of 2020 Residential Property Values in the Study Area



Source: Maui County Assessor

REGULATED AFFORDABLE HOUSING

Regulated affordable housing refers to rent- or income-restricted units that are affordable to households making below a certain income, which varies depending on the type of program. Incomes are generally restricted to 30, 50, 60, or 80 percent of the area median family income (MFI), which is between \$30,750 and \$82,000 in Maui County for a family of four according to the US Department of Housing and Urban Development (see definitions on pages 2-3). In the US, there are many types of regulated affordable housing properties and units. However, most areas do not have enough regulated affordable housing to meet the needs of all low-income households; nationally, only one of every four eligible households receives federal rental housing assistance.

Regulated Housing by Area

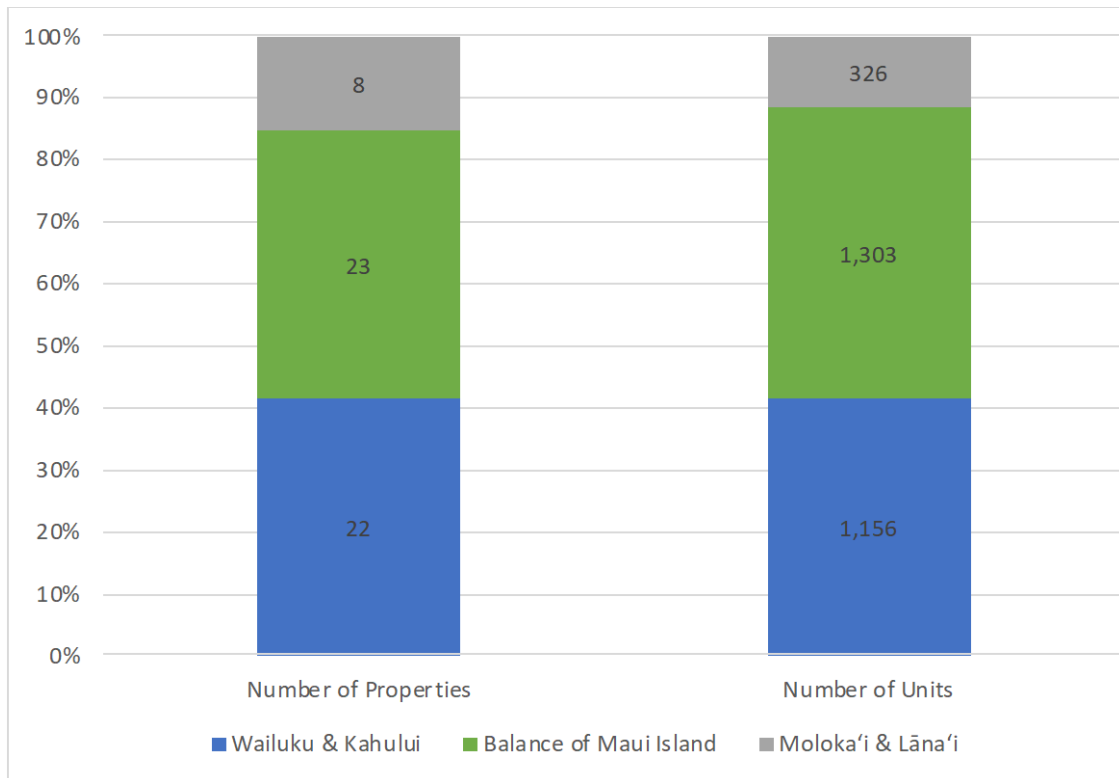
According to a 2020 Affordable Housing Inventory compiled by the Hawai'i Housing Finance and Development Corporation (HHFDC), Maui County had 2,785 units of regulated affordable housing in 53 properties across seven areas (see Figure 14). Most units are located in Lahaina, Wailuku, and Kahului, which together account for over two-thirds of all regulated affordable housing in the county. Within Wailuku and Kahului there are over 1,100 regulated affordable housing units, accounting for over 40 percent of Maui County's affordable housing supply.

Figure 14. Regulated Affordable Housing in Maui County, by Area and Unit Count, 2020

Area	Number of Properties	Number of Units	Average Units per Property	Share of Total Units
Lahaina	12	707	58.9	25%
Wailuku	12	514	42.8	18%
Kahului	10	642	64.2	23%
Kihei	7	439	62.7	16%
Moloka'i	5	215	43.0	8%
Makawao	4	157	39.3	6%
Lāna'i	3	111	37.0	4%
Total	53	2,785	52.5	100%
Maui Island	45	2,459	54.6	88%
Wailuku and Kahului	22	1,156	52.5	42%

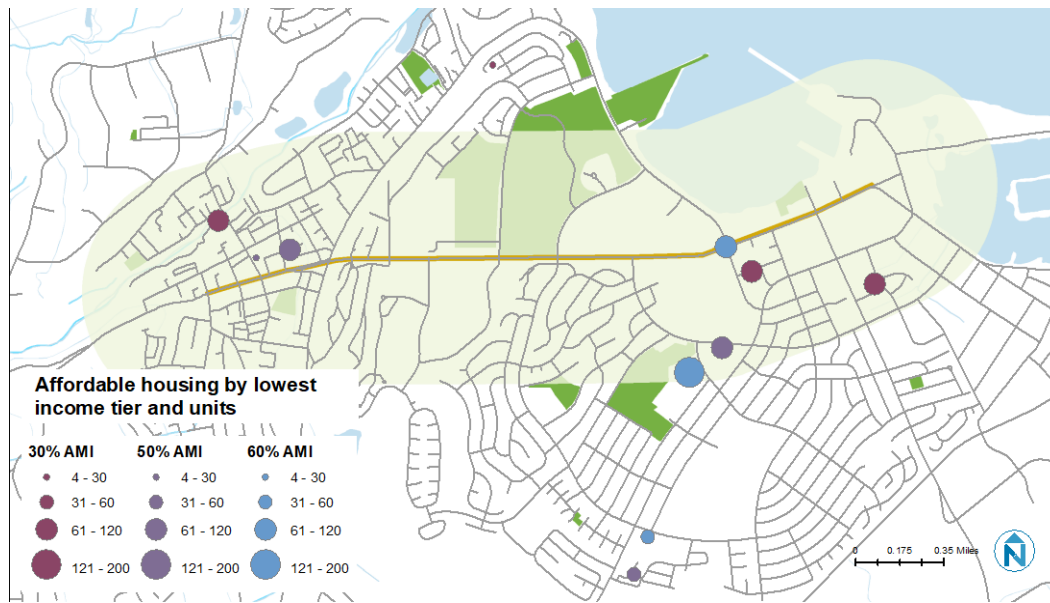
Source: Hawai'i Housing Finance and Development Corporation, 2020

Figure 15. Regulated Affordable Housing Properties and Units in Maui County by Subarea, 2020



Source: Hawai'i Housing Finance and Development Corporation, 2020

Figure 16. Map of Regulated Affordable Housing in the Study Area, 2020



Source: Hawai'i Housing Finance and Development Corporation, 2020

According to data provided by the County, three new regulated affordable housing projects are planned for Wailuku and Kahului in the next few years (see Figure 17). Two of these will be traditional rental apartments (the Kahului Lani Phase II and the Wailuku Apartments) bringing 277 new regulated units to the area, and one will bring 12 new permanent supportive housing units for people exiting homelessness. These types of units include voluntary wrap-around services to support housing stability and have no time limits on how long an individual can stay at the property. The Wailuku Apartments will be a larger development, 324 units in total, with 60 percent (195 units) regulated for workforce housing. Workforce housing typically serves households earning 50-120% of the area median income.

Figure 17. Planned Regulated Affordable Housing in Kahului and Wailuku

Property	Area	# of Affordable Units	Population	Status
Kahului Emergency Housing	Kahului	12	Transitional Housing	March-2021
Kahului Lani II	Kahului	82	Senior Housing	2021/2022
Wailuku Apartments	Wailuku	195	Family	2022/2023
Total		289		

In addition to these 289 units in the Wailuku-Kahului area, Maui County has another 89 regulated affordable housing units in the pipeline as of January 2021 – the Kaiauli O Kupuohi in Lahaina – which will be family rentals for households earning less than 60% of AMI. Construction is expected to finish in late 2021 or in 2022. This brings Maui County's total affordable housing pipeline to 378 units expected between 2021 and 2023, an annual average of 126 units per year.

In comparison, the Hawai'i Housing Planning Study (2019) reported that Maui County would see "4,552 new [government-assisted] housing units under construction, planned, or in the preliminary planning stages for 2019 through 2024. Approximately 2,246 of these planned units are slated to be affordable housing units." While affordable housing production is continuing, the pace is closer

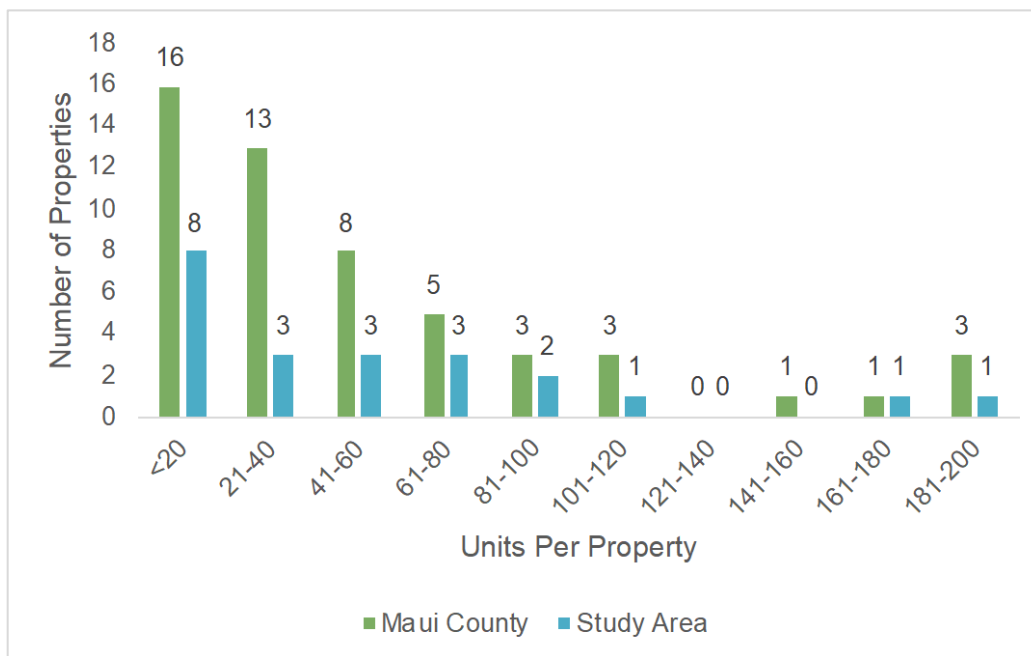
to that seen between 2014 and 2018, which averaged roughly 45 units of affordable, government-assisted housing per year, instead of the 375 units of affordable, government-assisted housing per year projected in that report.¹⁶

Regulated Housing by Size

Across the county, properties with regulated affordable housing range from four units (at the Makani Kai Hale II property in Waiehu) to 200 units (at the Hale Makana O Waiale property in Wailuku). On average across Maui County, affordable housing properties have 52.5 units; properties trend larger in Kahului, Kihei, and Lahaina, and smaller in Makawao and Lāna'i. This average is skewed by a handful of large properties: the majority (69 percent) of regulated affordable housing properties in Maui have fewer than 60 units (see Figure 18). For example, there are 16 properties across Maui County that have fewer than 20 units; eight of these 16 properties are located in the study area.

In Wailuku and Kahului, the distribution of properties by size is similar, although there are relatively fewer large properties and relatively more properties in the 60- to 120-unit range compared to the rest of Maui County. The average number of units per property in Wailuku and Kahului together matches that of the county as a whole (52.5 units per property).

Figure 18. Regulated Affordable Housing Properties in Maui County, by Size, 2020



Note: Properties listed in the Maui County total include those listed in the study area.

Source: Hawai'i Housing Finance and Development Corporation, 2020

¹⁶ Hawai'i Housing Finance and Development Corporation, Hawai'i Housing Planning Study, 2019, page 36-37. Note that in this document: "Our definition of "total government-assisted units" is very broad. It includes units that were directly funded by federal, state, or county resources (loans, grants, tax credits, or tax exemptions), units that were supported by government grants for land acquisition or infrastructure, and market-rate units that were developed as part of inclusionary housing policy in which the affordable housing was funded by government."

Regulated Housing by Income Level

The data provided by HHFDC includes affordability levels for 43 of the 53 properties in Maui County. Information on affordability limits is more readily available for the larger properties: these 43 properties account for 81 percent of the total properties in the county and 95 percent of all the units. Of the total regulated units with income data, 64 percent are affordable to households earning below 60% of MFI (see Figure 19).

Figure 19. Regulated Affordable Housing in Maui County, Wailuku, and Kahului, by Income Served, 2020

Income Level	Number of Properties	Number of Units	% of Total Units	Properties		Units	
				Wailuku	Kahului	Wailuku	Kahului
Under 30% MFI	0	0	0%	0	0	0	0
Under 50% MFI	12	467	18%	3	2	108	171
Under 60% MFI	21	1,696	64%	2	5	228	455
Under 80% MFI	10	488	18%	3	0	111	0
Total with MFI Information	43	2,651	100%	8	7	447	626

Source: Hawai'i Housing Finance and Development Corporation, 2020

Of the 53 properties in Maui County, 16 had multiple MFI affordability levels accounting for 935 of the total 2,875 units (34 percent of total). Because data are not available on a per-unit basis, this analysis categorizes all units under the highest income limit at the property. For example, the Kahului Lani property in Kahului has 81 total units with affordability limits at 30% MFI, 50% MFI and 60% MFI. Without knowing how many units are at 30% and 50% MFI, all 81 units are listed as being under 60% MFI. This understates the true depth of affordability, but is the best approximation based on the data available. In Figure 19 there are zero units and zero properties listed at 30% MFI or less, although 13 properties have some units affordable at 30% MFI or less. But because no properties had all units affordable at this MFI level, none are shown. Importantly, each property is only given one MFI level: properties listed as affordable under 60% MFI are NOT also listed as under 80% MFI.

Of the 12 properties in Wailuku, eight had income data. While no property was solely restricted to households earning less than 30% of MFI, four properties had *some* units restricted to this income level. Of the 10 properties in Kahului, seven had income data. Again, no property was solely restricted to households earning less than 30% of MFI, but two properties had *some* units restricted for this income level.

Regulated Housing by Population Served

The data provided by HHFDC also includes information on the populations served at these properties and whether these populations were served in public housing¹⁷ (see Figure 20). Almost two thirds of the regulated affordable housing units in Maui County serve families (64 percent), while another 34 percent serve older adults. Only a handful of units serve people with

¹⁷ Public housing is a type of regulated affordable housing that is owned and operated by a public housing agency (PHA). Other affordable housing may be owned and operated by a nonprofit or private for-profit entity.

special needs (95 units or three percent of the total). Special needs housing properties also have fewer units per property on average compared to family units (10.5 units per property versus 75 units).

Figure 20. Regulated Affordable Housing in Maui County, by Population Served, 2020

Population Served	Number of Units	Share of Total Units	Number of Properties	Share of Total Properties	Average Units per Property
Elderly	894	32%	16	30%	55.9
Elderly in Public Housing	42	2%	1	2%	42.0
Family	1,568	56%	21	40%	74.7
Family in Public Housing	186	7%	6	11%	31.0
Special Needs Housing	95	3%	9	17%	10.6
Total	2,785	100%	53	100%	52.5

Source: Hawai'i Housing Finance and Development Corporation, 2020

Of the 22 properties in Wailuku and Kahului, most affordable housing is for family households (nine properties) followed by seven special needs housing properties and six properties for elderly households (see Figure 21). Wailuku and Kahului have 41.5 percent of all regulated affordable housing in Maui County—a disproportionate share given that these areas contain only 22.8 percent of all housing units in the county. In addition, these areas have 50 percent of the public housing properties dedicated to family households and about 78 percent of the special needs housing in the county.

Figure 21. Regulated Affordable Housing in Wailuku and Kahului, by Population Served, 2020

Population Served	Properties in Wailuku	Properties in Kahului	Total Properties	Share of Maui County
Elderly	2	4	6	37.5%
Elderly in Public Housing	0	0	0	0.0%
Family	3	3	6	28.5%
Family in Public Housing	3	0	3	50.0%
Special Needs Housing	4	3	7	77.8%
Total	12	10	22	41.5%

Source: Hawai'i Housing Finance and Development Corporation, 2020

HOUSING CHOICE VOUCHERS

Beyond regulated affordable housing units, another important form of housing affordability comes from the Housing Choice Vouchers (HCV) Program, run by the Maui County Department of Housing and Human Concerns (this program is sometimes referred to as Section 8). This program provides rent assistance to very low-income households, elderly households, and households with disabilities. The rent assistance is allocated from HUD to local public housing authorities that administer the program to residents.

The HCV program is designed so that a tenant pays a portion of their income for rent (typically around 30 percent), and the voucher makes up the difference between that amount and the market rent with a rental subsidy. This subsidy is paid directly to the landlord on behalf of the tenant. Tenants can use these vouchers in any housing where the landlord agrees to accept payment, and tenants are responsible for finding their own housing.

According to data provided by the County in early 2021, there are just under 1,500 vouchers available across Maui County, and just under 98 percent are being utilized. Of these, 360 vouchers are being utilized in Wailuku and 288 vouchers are being utilized in Kahului. Together this area has 648 vouchers, accounting for 44 percent the total vouchers being utilized in the County. Given that these two communities account for only 21 percent of all the housing units in Maui County (estimated using Census Designated Place boundaries), they have a disproportionately high share of voucher use.

4 FUTURE HOUSING NEED

This chapter describes past housing needs analyses and studies that have been conducted for Maui County and Maui Island, and lists the estimated future housing needs by area, by housing type, and by tenure (rental versus ownership). This chapter also outlines a range of reference points that can be useful in considering the total amount of future housing units that might be reasonable to expect within the Ka'ahumanu Ave Community Corridor study area by 2025, as well as some important considerations in setting housing mix and affordability targets for the area.

SUMMARY OF PREVIOUS HOUSING NEEDS ANALYSES

As described in Chapter 2, we reviewed prior plans that document housing needs and conditions in the study area. This section summarizes key details of those plans to contextualize the amount and kinds of housing needed in Maui County now and in the future. The purpose of this summary is to inform the development of strategies that may expand housing supply in the study area.

Housing needs are summarized in thematic categories in the subsections below. Following these summaries is a table that quantifies the number of dwelling units needed in Maui County by Area Median Income (AMI) and by housing type (single-family and multifamily).

Affordable Housing

Housing affordability is a pressing problem across the income spectrum in Maui. Per the State's Affordable Rental Housing Report (2018), it is particularly pressing for low-income households, as it is in many communities. The Hawai'i Housing Planning Study (2019) discusses the future housing needs across the State, by income level, housing type, special needs, county, and city. In Maui County, 41 percent of the future estimated housing need from 2020-2025 is for households earning less than 80 percent of the area median income. However, several planning documents and studies note that even households earning up to 140% of AMI may struggle to find affordable housing in Maui.

Lack of affordability has contributed to a worsening quality of life for Maui residents, particularly over the past two decades. Leading contributors to the lack of affordability include the high cost of housing (consumer costs and development costs), competition resulting from the second home and vacation rental market, and demographic changes (particularly growth in senior and elderly populations). Further, based on findings in the 2030 Maui County General Plan (2012), affordable units have continued to shift toward market-rate prices over time as original buyers of these units resell at market prices. This trend points to a clear need to find ways to achieve long-term affordability.

Housing for Long-Term Occupancy

As mentioned above, competition resulting from the second home and vacation rental market has challenged the entire state of Hawai'i, Maui County included. Many out-of-state buyers can outbid residents for housing, resulting in a need for better access to housing for resident buyers and renters.

Housing Efficiency

The 2030 Maui Island General Plan (2012) identified a need for higher-density housing to accommodate future housing needs. The plan identified two opportunities: (1) increase the number of dwelling units (of any type) on a per-acre basis; and (2) construct more multifamily housing. Compact, mixed-income communities were also identified as an opportunity to increase the efficiency of residential land and housing.

The older but more geographically specific Wailuku-Kahului Community Plan (2002) identified a need to plan for a mix of housing types and efficient site utilization, while balancing urban development and agricultural and open space uses. The plan cited the opportunity for increased efficiency to reduce housing costs, potentially leading to the development of more affordable housing types.

Housing Near Amenities

Multiple housing studies and planning documents including the Hawai'i Housing Planning Study (2019), the State of Hawai'i Rental Housing Report (2018), and the Wailuku-Kahului Community Plan (2002), all commented on needs and preferences for housing near amenities, particularly near public transportation. Specifically cited was a need for rental housing in transit-oriented development areas, affordable housing in established urban areas (near jobs, services, and infrastructure), and mixed-use housing and commercial development in transitory areas to bridge the space between residential districts, the civic center, and commercial areas.

Further, the Hawai'i Housing Policy Planning Study (2019) indicated that millennials hold a preference for purchasing housing near public transportation. And, as demographics continue to shift, development of housing near services and facilities to accommodate older adults, preschool-aged children, and young people may drive future demand for housing in more urbanized or higher amenity areas.

Special Housing Needs

Based on findings from the Maui Island General Plan (2012) and the Hawai'i Housing Planning Study (2019), Maui County needs expanded housing choices resulting from greater housing diversity, including single-family detached and attached units (for homeowners and renters) and multifamily units (including apartments and condominiums), Americans with Disabilities Act (ADA) compliant elder care and assisted living facilities, mixed-use housing, clustered housing, emergency shelters, and transitional housing. In addition to these general housing types, plans reviewed as part of this project also identified a need for the following:

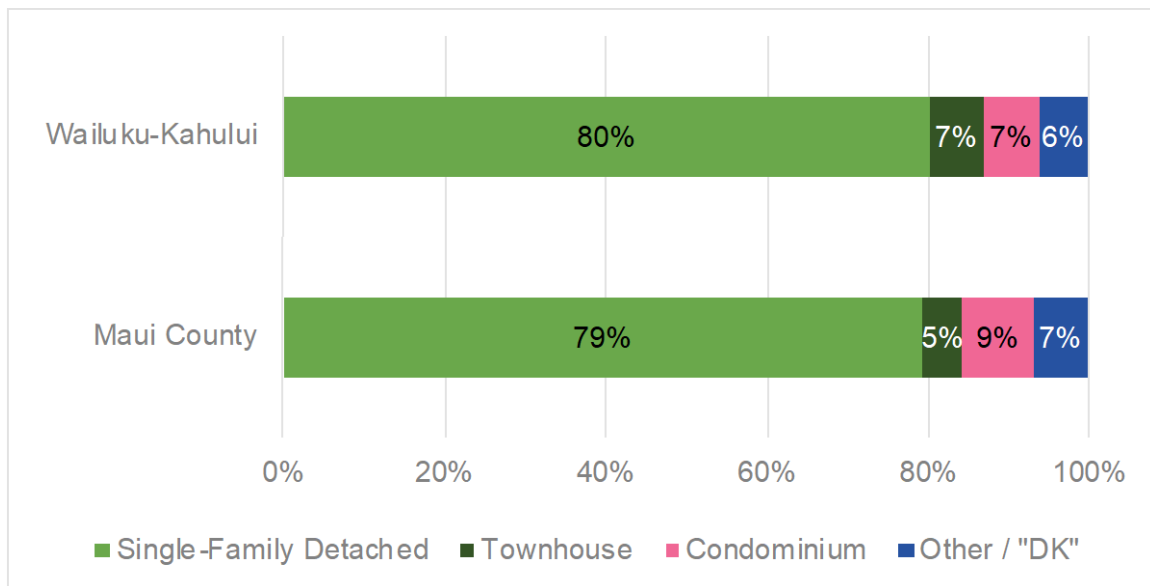
- Housing in mixed-income structures and communities (including mixed rental and for-sale housing in neighborhoods),

- Senior rental housing complexes, ownership units, and specially designed fee-simple¹⁸ units to accommodate growth in elderly populations,
- Care homes and facilities, and
- Shelters, clinics, transitional housing, and permanent supportive housing for individuals and households experiencing homelessness.

Housing Preferences

The 2019 Hawai'i Housing Planning Study provided information about housing preferences across the state. In Maui County, 86 percent of all residents surveyed (both buyers and renters) indicated a preference for single-family detached homes. Housing preferences across the county are similar to those of residents (both buyers and renters) in Wailuku and Kahului. While most residents in Wailuku and Kahului (and across Maui County), have a desire for single-family detached housing, a meaningful share stated a preference for a condominium (7 percent in the Wailuku-Kahului area, and 9 percent across all of Maui County). See Figure 22 and Figure 23 for detailed housing type preferences for buyers and renters in Maui County and the Wailuku-Kahului area.

Figure 22. Preferred Unit Type for Buyers, County and Wailuku-Kahului Area, 2019

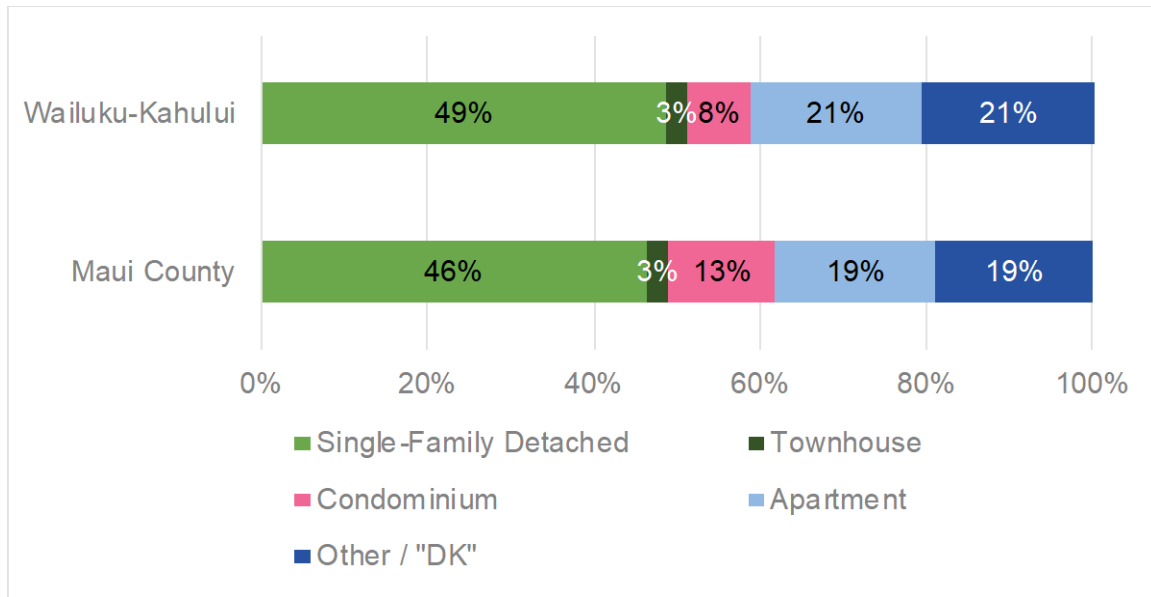


Source: Hawai'i Housing Finance and Development Corporation, Hawai'i Housing Planning Study, 2019

Note: "DK" is not defined in the study. Preferences for apartments were near zero, so it is omitted from this chart.

¹⁸ Per the Hawai'i Housing Planning Study, a "fee simple" estate is the least limited interest and the most complete and absolute ownership option. It is of indefinite duration, freely transferable and inheritable. The phrase "fee simple absolute" came about because the estate is of potentially infinite duration (thus "fee"); there are no limitations on its inheritability (thus "simple"); and it is indefeasible and cannot be divested (thus "absolute").

Figure 23. Preferred Unit Type for Renters, Maui County and Wailuku-Kahului Area, 2019

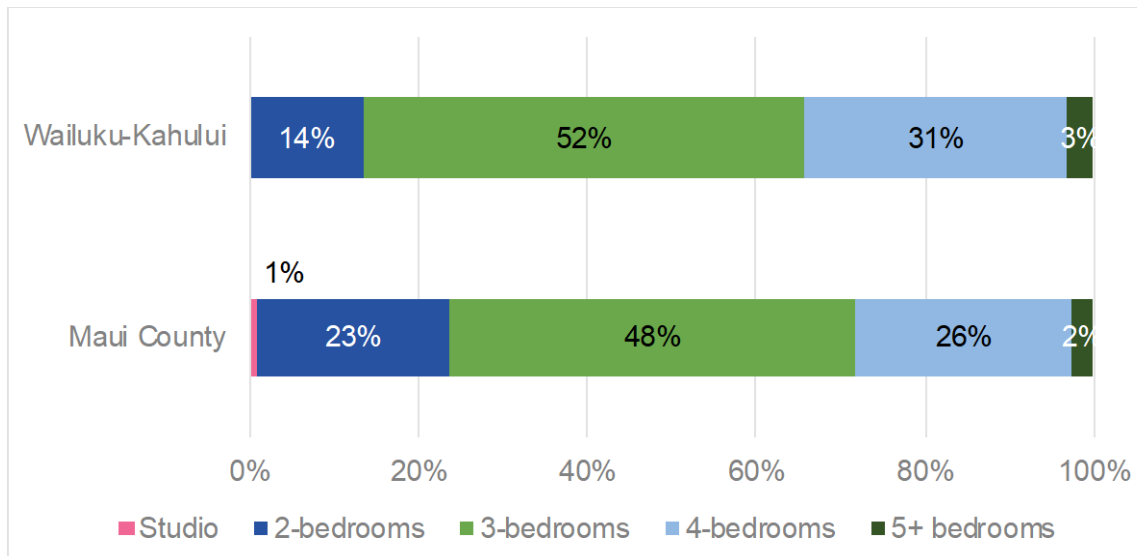


Source: Hawai'i Housing Finance and Development Corporation, Hawai'i Housing Planning Study, 2019

Note: "DK" is not defined in the study but likely stands for "Don't Know"; apartments and condominiums were listed as separate choices in the survey, and were not combined in the data above.

Across Maui County, buyer preferences skewed toward three- and four-bedroom housing units (48 percent and 26 percent) while renter preferences skewed toward two- and three-bedroom housing units (47 percent and 28 percent). In Wailuku and Kahului, a greater share of both renters and homeowners expressed a preference for larger units (three- and four-bedrooms) compared to the County overall. Figure 24 and Figure 25 present detailed unit size preferences for buyers and renters in Maui County and the Wailuku-Kahului area.

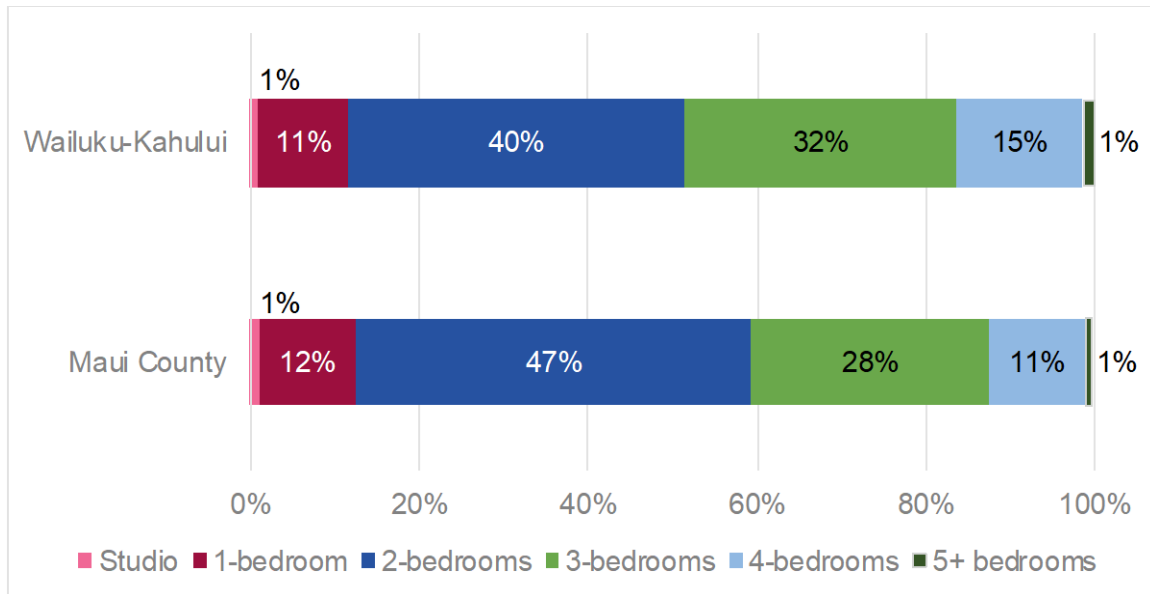
Figure 24. Preferred Unit Size for Buyers, Maui County and Wailuku-Kahului Area, 2019



Source: Hawai'i Housing Finance and Development Corporation, Hawai'i Housing Planning Study, 2019

Note: No buyers in these geographies prefer a 1-bedroom unit, so it is omitted from this chart.

Figure 25. Preferred Unit Size for Renters, Maui County and Wailuku-Kahului Area, 2019



Source: Hawai'i Housing Finance and Development Corporation, Hawai'i Housing Planning Study, 2019

Future Dwelling Units Needed

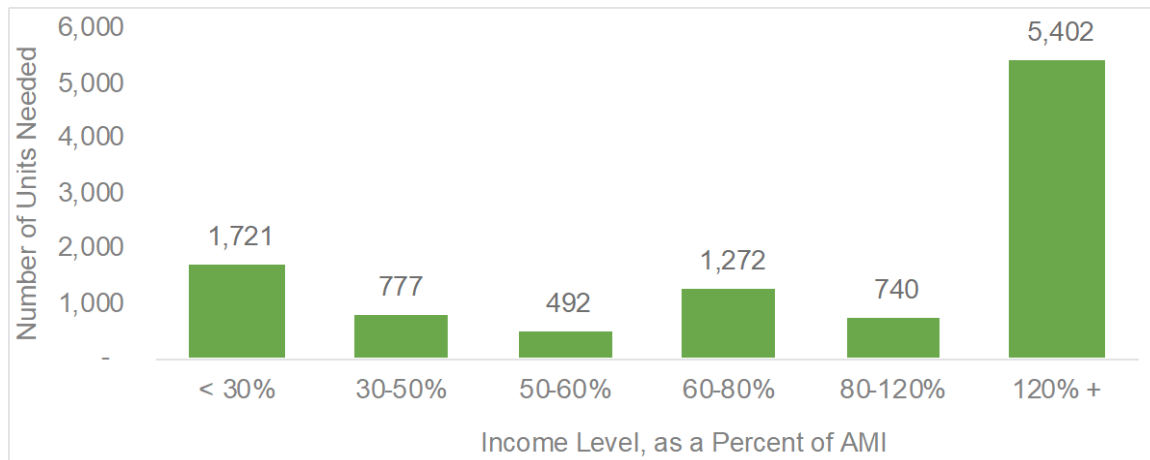
The Hawai'i Housing Planning Study (2019) shows that Maui County needs 10,404 new units between 2020 and 2025 (see figures below). This translates to an average of about 2,081 new units delivered per year. This estimate includes housing demand based on population change; a target for reducing pent-up demand caused by years of supply shortages; and an estimate of the number of units needed to accommodate homeless households. It was produced at a statewide level and allocated to the County level. In the overall need projection, over half of the total need (57 percent) is due to pent-up demand from supply shortages, and another seven percent is needed to accommodate homeless households.

County-wide housing production (measured by building permits) between 2014 and 2019 was only 3,606 units in total—an average of about 600 units per year.¹⁹ Thus, **realizing the estimated need would be a highly aspirational target and would require substantial changes to policy as well as increases in funding for affordable and permanent supportive housing.**

Of the 10,404 needed units, most of the need (67 percent) is for single-family units, and slightly over half of the need (56 percent) is for rental units that are either single-family or multifamily. About 41 percent of needed units are for households earning 80% of AMI or less, seven percent are needed for households earning between 80% and 120% of AMI, and 52 percent are needed for households earning 120% of AMI or more.

¹⁹ The State of Hawai'i Data Book 2019, Table 21.07.

Figure 26. Estimates of Future Housing Need by AMI, Maui County, 2019

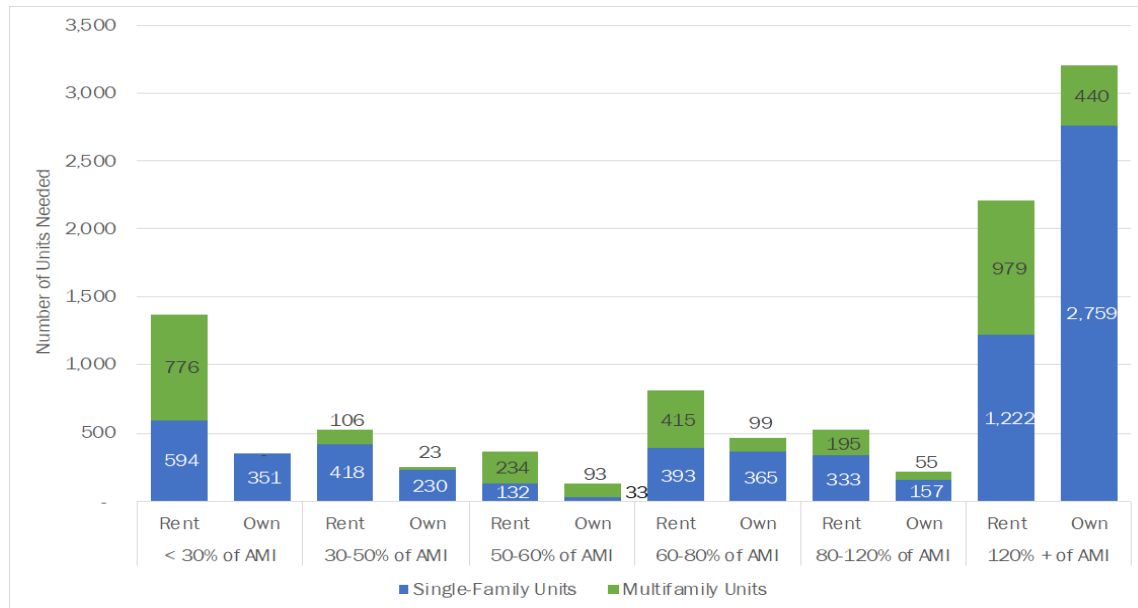


Source: Hawai'i Housing Finance and Development Corporation, Hawai'i Housing Planning Study, 2019

Figure 27. Estimates of Future Housing Need by AMI, Maui County, 2020-2025

Income Level	< 30%	30-50%	50-60%	60-80%	80-120%	120%+	Total
Needed Units by AMI	1,721	777	492	1,272	740	5,402	10,404
Distribution by AMI	17%	7%	5%	12%	7%	52%	100.0%
Ownership Units	351	253	126	464	211	3,200	4,605
Single-Family	351	230	33	365	157	2,759	3,894
Multifamily	0	23	93	99	55	440	711
Rental Units	1,370	524	366	808	528	2,202	5,799
Single-Family	594	418	132	393	333	1,222	3,092
Multifamily	776	106	234	415	195	979	2,706
% Ownership	20%	33%	26%	36%	29%	59%	44%
% Rental	80%	67%	74%	64%	71%	41%	56%
% Single-Family	55%	83%	34%	60%	66%	74%	67%
% Multifamily	45%	17%	66%	40%	34%	26%	33%

Source: Hawai'i Housing Planning Study, 2019

Figure 28. Needed Units by AMI, Type, and Tenure, Maui County, 2020-2025


Source: Hawai'i Housing Finance and Development Corporation, Hawai'i Housing Planning Study, 2019

Figure 29 and Figure 30 present the future housing need for elderly populations (62 years of age or older) specifically, indicating a need for 689 senior housing units. Of these units, 78 percent are needed as single-family units and 77 percent are needed as ownership units.

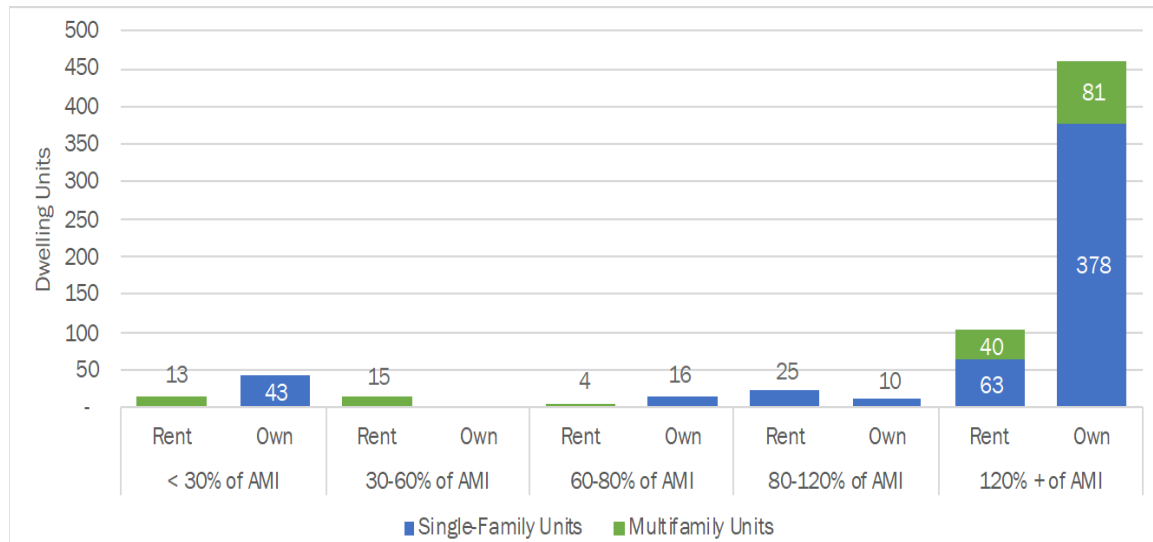
Further, of these units, 15 percent are needed for households earning 80% of AMI or less, four percent are needed for households earning between 80% and 120% of AMI, and 81 percent are intended for households earning 120% of AMI or more.

Figure 29. Estimates of Future Housing Need for Elderly Populations by AMI, Maui, 2020-2025

Income Level	< 30%	30-60%	60-80%	80-120%	120+	Total
Needed Units by AMI	62	22	21	26	558	689
Distribution by AMI	9%	3%	3%	4%	81%	100.0%
Ownership Units	43	0	16	10	459	528
Single-Family	43	0	16	10	378	447
Multifamily	0	0	0	0	81	81
Rental Units	13	15	4	25	104	162
Single-Family	0	0	0	25	63	89
Multifamily	13	15	4	0	40	73
% Ownership	69%	0%	76%	38%	82%	77%
% Rental	21%	68%	19%	96%	19%	24%
% Single-Family	69%	0%	76%	135%	79%	78%
% Multifamily	21%	68%	19%	0%	22%	22%

Source: Hawai'i Housing Finance and Development Corporation, Hawai'i Housing Planning Study, 2019

Note: Estimates may not equal total or 100 percent due to rounding and the methodology of the original analysis.

Figure 30. Needed Units for Elderly Populations by AMI, Type, and Tenure, Maui County, 2020-2025

Source: Hawai'i Housing Finance and Development Corporation, Hawai'i Housing Planning Study, 2019

FUTURE HOUSING NEED IN THE STUDY AREA

Past plans and housing studies have identified housing needs at the County level and have set general land use intent for the Wailuku and Kahului area, but have not addressed specifically how the Ka'ahumanu Ave Community Corridor study area can or should contribute to meeting the County's housing needs. This section presents guidance for considering housing targets for the study area.

Amount of Housing Growth

The following data offer a range of reference points in considering the total amount of new housing that might be reasonable to expect within the study area by 2025. However, there is limited vacant land, which will affect the type and amount of housing that can be built. Estimates based on forecast / needed growth below may not be possible given the constrained land supply. Further evaluation is needed to understand housing development potential within the study area.

- At recent historical rates of housing production—about 600 units per year County-wide between 2014 and 2019,²⁰ as noted above, and very little in the study area—the County would produce about 3,000 units overall, over five years, and only a small fraction (perhaps 10 percent) would be within the study area. **This would mean only about 300 new units in the study area between 2020 and 2025.**
- Overall, Maui County's population is projected to grow by roughly 1.1 percent per year between 2020 and 2025.²¹ The study area currently has an estimated 11,459 housing units (as of 2018). If housing in the study area were to grow at the same pace as county-

²⁰ The State of Hawai'i Data Book 2019, Table 21.07.

²¹ The State of Hawai'i Data Book 2019, Table 1.26. <https://files.hawaii.gov/dbedt/economic/databook/2019-individual/01/012619.pdf>, accessed 1/27/21. Data for Maui County includes Kalawao County.

wide population growth, **this would translate to approximately 656 additional housing units between 2020 and 2025.**

- Total housing need for Maui County is projected at 10,404 units from 2020 to 2025,²² compared to an existing stock estimated at 72,203 units as of 2018.²³ This represents an increase of roughly 14 percent over the current supply. (As noted above, this is a highly aspirational target for housing growth given past development trends.) If the amount of housing in the study area were to increase by a similar percentage, **this would translate to approximately 1,651 new housing units between 2020 and 2025.**
- The study area currently contains 15.9 percent of the housing in Maui County. If the study area were to absorb a similar percentage of the total housing need in the County, **this would translate to approximately 1,779 new housing units between 2020 and 2025.**

On balance, the County should consider the lower end of the range of possibilities as an approximation of a baseline growth estimate for the study area, without further policy intervention. Depending on the level of policy change and funding available to support increases in housing production, the higher end of the range may become possible.

Housing Mix and Affordability

Considerations in setting housing mix and affordability targets for the study area include:

- The study area is an important location for affordable and workforce housing given the relative affordability of the area compared to the whole of Maui County, and the area's high levels of cost-burdened renter households. Additionally, current and future enhanced transit service along Ka'ahumanu Ave is important to support existing low- and moderate-income households by reducing H+T costs through transit access.
- Because of the risk of potentially concentrating poverty by clustering too much new affordable housing in an area that is already home to many moderate- and low-income households, very large affordable housing developments may not support the vision of a mixed-income community in the study area. It is important to implement policies and strategies that serve a broad range of household incomes.
- Most of the study area is not likely to attract luxury housing due to the lack of beach proximity and other amenities that are desirable for high-end housing, compared to other locations in Maui. In addition, given the relative affordability and high rates of renter cost burdening, prioritizing new luxury housing in the study area could increase the risk of gentrification and displacement.
- There are few locations in the study area suitable for new single-family detached housing. However, given the demand for this housing type and the need for more affordable homeownership options, the study area may be able to help meet this need through detached infill housing on smaller lots.
- While townhomes and condominiums were preferred by smaller shares of homeowners and have not always sold well as part of the County's workforce housing program, this area may be an appropriate location for attached, for-sale workforce housing because of the transit access.

²² Hawai'i Housing Finance and Development Corporation, Hawai'i Housing Planning Study, 2019.

²³ ACS 2014-2018 5-year data.

- While there is a County-wide need for affordable single-family rental housing, there are few financing models available to support this type of development in new construction, and it is not clear whether the goal is to build new units to satisfy this demand, or rely on depreciation and conversion of older detached housing to meet this need.

Based on these considerations and the range of total housing growth discussed above, Figure 31 below shows two possible scenarios for the share of the County's housing need by several income and housing type categories that might be reasonable for the study area to target. The lower bound represents a moderate increase relative to past housing production trends, and is the more achievable target. The upper bound represents a substantial increase in production relative to past trends, and provides an aspirational target for what might be possible with more changes to policy and funding.

Figure 31. Scenarios Demonstrating Future Housing Need in The Study Area

	County: Total Need	Study Area Share: Lower Bound		Study Area Share: Upper Bound	
	Units	% of County	Units	% of County	Units
Multifamily affordable & workforce rental housing					
<60% of AMI	1,116	20%	223	40%	446
60-80% of AMI	415	20%	83	40%	166
80-120% of AMI	195	20%	39	40%	78
120-140% of AMI	105	20%	21	40%	42
Single family affordable & workforce housing (ownership & rental)					
<60% of AMI	1,758	5%	87	20%	351
60-80% of AMI	758	5%	37	20%	151
80-120% of AMI	490	5%	24	20%	98
120-140% of AMI	542	5%	27	20%	108
Multifamily affordable & workforce ownership housing					
<60% of AMI	116	20%	23	40%	46
60-80% of AMI	99	20%	19	40%	39
80-120% of AMI	55	20%	11	40%	22
120-140% of AMI	0	20%	0	40%	0
High-end housing (>140% of AMI, ownership & rental)					
Multifamily	1,315	1%	13	5%	65
Single family	3,439	1%	34	5%	171
Total	10,403		641		1,783
Single family total	6,987	3%	209	13%	879
Multifamily total	3,416	13%	432	26%	904

METRICS TO WATCH FOR HOUSING PRODUCTION

The Hawai'i Housing Planning Study (2019) makes recommendations for a statewide database of government-assisted housing units and a tracking system to monitor the production and inventory of affordable housing units in all four counties. While this system is not yet in place, County staff can track the production of housing by the categories identified above, particularly focusing on affordable housing units that receive state, federal, or local funding; workforce housing eligible for incentives under the County's workforce housing program but that does not receive public funding; and units that are not considered workforce housing.

The County could also develop a periodic review process to evaluate housing production across all income categories in the study area to understand how policy and regulatory changes implemented as part of this project are supporting housing production. The County should consider evaluating both market rate and affordable housing production every three years to understand how production is meeting demand and the relationship to the five-year housing need identified in the Hawai'i Housing Planning Study (2019). Given that Maui County as a whole saw an average of 600 new housing units per year built from 2014-2019, the County should use the lower bound of the future housing need range identified in Figure 31 (641 units from 2020-2025 in the study area) as the benchmark to evaluate housing production for the first three years.²⁴ Assuming continuing demand and supportive market conditions over the next three years, Maui County would want to see 320 to 365 new housing units permitted by 2033.

²⁴ The State of Hawai'i Data Book 2019, Table 21.07

5 STRATEGIES FOR EXPANDING SUPPLY

This chapter surveys past planning documents and housing needs analyses studies to list the potential strategies that can be used to expand housing supply and meet estimated future housing needs in the Ka'ahumanu Ave Community Corridor study area.

EXISTING HOUSING MEASURES

This section lists three existing housing programs that are currently in place and were referenced in documents surveyed for this report as helpful to encourage more housing production (including affordable housing production). Since these three measures are already in place, they are not listed in the recommended strategies matrix, but are helpful to encourage more housing production in Maui.

Residential Workforce Housing Policy

Maui County has an existing policy (Chapter 2.96 of the Maui County Code) requiring most residential developments that will create 10 or more units to provide residential workforce housing (affordable for households up to 140% of AMI) or pay an in-lieu fee²⁵ (with some exceptions). (Note that development in the Wailuku Redevelopment Area, which is located within the study area, is exempt from this requirement.) A minimum of 25 percent of the number of market rate units must be provided as workforce housing units (this is reduced to 20 percent if the units will remain affordable in perpetuity). The units must be distributed among a range of income groups, which varies between ownership and rental housing. The length of the required deed restriction also varies by tenure and income level. These requirements are summarized below.²⁶

- Ownership units:
 - Thirty percent of units at 80-100% of AMI for 10 years
 - Fifty percent of units at 100-120% of AMI for 8 years
 - Twenty percent of units at 120-140% of AMI for 5 years
- Rental units (all units deed restricted for 30 years):
 - One-third of units at less than 80% of AMI
 - One-third of units at 80-100% of AMI

²⁵ The in-lieu fee is calculated as the difference in unit costs for a three bedroom, single-family dwelling unit, at 100% and a three bedroom, single-family dwelling unit at 160% of median income, for a family of four, pursuant to HUD affordable sales price guidelines, or as adjusted by the department for Hana, Lāna'i, and Moloka'i. (2.96.040.B.4)

²⁶ 2.96.040.C, 2.96.020, 2.96.050.B, 2.96.070.B

- One-third of units at 100-120% of AMI

Developments that provide more than the minimum required workforce housing units are eligible for credits, which are transferrable for future development projects anywhere in Maui County. Not all workforce housing units are eligible for credits:²⁷

- For developments entirely affordable at 60% of AMI and below, all units are eligible for credits
- For housing developed pursuant to chapter 201H, Hawaii Revised Statutes, only those developments with exclusively residential workforce housing units are eligible to receive credits
- For other workforce housing developments, each workforce housing unit in excess of the requirement is eligible for credits, up to a maximum of 75 percent of units (the portion that exceeds the minimum 25 percent requirement)

Once issued, credits can count towards the workforce housing unit requirements at any of the required income levels and for either rental or ownership housing. (For example, credits from an entirely affordable rental housing development may be used to meet the requirements of ownership housing at any income level.)

Affordable Housing Fund

The Affordable Housing Fund (established under Chapter 3.35 of the Maui County Code) collects fee-in-lieu payments from the workforce housing policy, allocations from the general fund (at least two percent of real property tax revenues for fiscal years 2008 through 2021), and donations. The fund provides grants and loans for affordable housing development and can fund projects affordable for households up to 160% of AMI.

Workforce Housing Policy Incentives and Exemptions

Section 2.96.160 and Chapter 2.97 of the Maui County Code establish “fast track” permitting and development options for exemptions to zoning, subdivision regulations, or other land use policies for developers of 100 percent residential workforce housing projects (serving households up to 140% of AMI). Similarly, Chapter 201H of the Hawai‘i Revised Statutes establishes a similar “fast track” process that allows exemptions for developers of projects with at least 50 percent of units serving households in affordable categories.

Qualifying workforce housing projects can also receive fee waivers for a range of permit, impact, and assessment fees and are eligible for a property tax exemption for the duration of the affordability compliance period.

Another important provision in Chapter 2.97 is an exemption from the County’s water availability policy, which requires verification of a long-term, reliable supply of water before applicable subdivisions are approved. This exemption is critical to supporting workforce and affordable housing, as those with experience in development indicated that the cost of developing wells to meet the water availability policy is a major cost and barrier to housing production that does not qualify for the exemption. However, since the exemption applies only to developments with all workforce housing units (not market-rate developments that meet the workforce housing

²⁷ 2.96.050.A

requirement by incorporating the units within the development), this exemption creates an incentive to meet workforce housing requirements off-site with the use of credits.

PRIORITY STRATEGIES FOR THE STUDY AREA

Appendix A presents a crosswalk of housing policies, recommendations, and actions outlined in the Maui Island Plan, Waiuku-Kahului Community Plan, Affordable Housing Policy Plan, and Affordable Rental Housing Report and Ten-Year Plan. This matrix summarizes previous and current ideas and direction from these plans, and was one source of input into the recommendations below. ECONorthwest also conducted interviews with developers of market-rate and workforce housing in Maui and gathered feedback from staff in the County's Department of Housing and Human Concerns.

Remove Regulatory Obstacles to Housing Development

Multiple people with experience development workforce and affordable housing in Maui noted challenges with zoning regulations as well as process requirements. This was also documented in the 2018 Maui Affordable Housing Policy and Implementation Plans, with particular mention of challenges related to rezoning, the length of time for the entitlement process, and water supply. All of the process recommendations from those documents would benefit potential future development within the study area.

In addition, changes to zoning standards for certain types of housing could expand opportunities for housing development in the study area.

- Updating zoning regulations to allow for efficient three-story multifamily buildings (or, in some places, four- to six-story multifamily or mixed use buildings) in appropriate locations within the study area would make it easier to build both workforce and affordable rental housing. This may include changes to height, lot coverage, floor area ratio, parking requirements, and other standards as well as potential zone changes for specific locations. Locations close to Ka'ahumanu Ave and in Wailuku Town should be considered for increased density.
- Allowing duplexes, triplexes, fourplexes, cottage clusters, small-lot detached housing, and/or townhomes in the residential zones within the study area would expand opportunities for affordable homeownership within the area. Despite the general preference for detached housing, some of these housing types may prove to be attractive starter homes or more affordable ownership options that offer some of the benefits of detached housing at a lower cost.

Identify Sites for Affordable and Workforce Housing Development

An evaluation of residentially-zoned publicly-owned properties in Maui County for potential conversion to affordable housing identified a limited number of sites in the study area, none of which were identified as high priorities. Through the remainder of the Ka'ahumanu Ave Community Corridor planning process, additional opportunities can be evaluated to identify potential sites where affordable or workforce housing may be possible, including:

- Potential for development of affordable rental housing within the study area on publicly-owned land and vacant privately-owned property.

- Opportunities for infill or conversion of existing structures to housing within the Wailuku Redevelopment Area.
- Potential for mixed use redevelopment on existing commercial properties that are facing financial difficulties due to changing retail patterns and the impacts of the COVID-19 pandemic.

Support for For-Sale Affordable and Workforce Housing

Maui County has a fairly robust system of requirements and incentives for affordable and workforce housing. On balance, the system seems to strongly incentivize building workforce housing, though it does not seem to work equally well for all housing types, tenures, and income levels.

- Several people with experience with workforce housing development noted challenges with sales for multifamily ownership housing in the workforce housing program, due to the lack of demand for multifamily ownership housing generally and the deed restrictions and income qualification that buyers are subject to in the workforce housing program.
- Recent changes to the workforce housing credits that allow credits to be used for either rental or ownership housing, rather than requiring them to be like-for-like with the requirement they are being used to meet may have increased support for affordable rental housing as a source of credits, but decreased the incentive to build affordable ownership housing.

Making the program work better for for-sale workforce housing, and particularly for attached and condominium workforce housing, could potentially benefit the area, which may be a suitable location to expand options for homeownership for middle-income households. Any revisions should be done on a County-wide basis.

Expand Programs that Address Rent Burden

In addition to supporting development of additional affordable and workforce housing, given the high level of renter cost burden in the area (particularly within Wailuku) and the potential for public investments that could increase the risk of rent increases within the area, programs that reduce rent burden and help improve housing stability for renters would also particularly benefit the study area. This could include expansions to voucher and emergency rent assistance programs, and incentives for owners of unregulated rental housing units to keep rents affordable.

APPENDIX A:

Summary of Strategies and Recommendations from Previous Plans

Housing Policy and Strategy Crosswalk

Strategy	Maui Island Plan	Wailuku-Kahului Community Plan	Affordable Housing Policy Plan	Affordable Rental Housing Report & Ten-Year Plan
Zoning, Land Use Regulations, and Permitting				
Revise Code to Support and Expand Allowed Housing Types	Allow uses including elder care and assisted living facilities; housing and facilities that are ADA-compliant; indigenous architecture as an allowable structure for native Hawaiian uses (including hula and lā'au lapa'au); as well as other mixed use, mixed housing types, clustered housing, and conservation subdivisions.	Allow uses including specialized elderly housing projects.	Establish a proactive zoning program to support affordable and workforce housing and encourage more 2.96 ²⁸ developments of market, workforce, and affordable housing.	
Inclusionary Zoning	Require the construction of affordable for-sale and rental housing units as part of the construction of new housing developments.			
Improve Efficiency and Mixed Housing Communities	Use planning and regulatory approaches to provide higher housing densities. Ensure future housing stock is composed of a mix of housing types (e.g., multifamily, small lots, ohana units, co-housing, cottage houses). Encourage new housing in proximity to jobs and services, in places that are	Maintain important agricultural lands while achieving efficient patterns of growth and providing adequate housing supply and choice of price and location. Promote efficient housing designs to reduce residential home energy and water consumption. Use a project district-planning approach for major housing expansion areas that will allow		

²⁸ Chapter 2.96 of the Maui Municipal Code is the County's policy for residential workforce housing.

https://library.municode.com/hi/county_of_maui/codes/code_of_ordinances?nodeId=TIT2ADPE_CH2.96REWOHOPO_2.96.020DE

Strategy	Maui Island Plan	Wailuku-Kahului Community Plan	Affordable Housing Policy Plan	Affordable Rental Housing Report & Ten-Year Plan
	<p>conducive/affordable to island residents.</p> <p>Promote compact, walkable/bikeable communities accessible to transit that provide for a mix of housing types and land uses (including parks, open space, and recreational areas).</p> <p>Promote planning approaches that provide a mix of multifamily and single-family housing units.</p>	<p>flexibility in project planning, flexible development standards and a mix of housing types, more efficient site utilization, and potential reductions in housing development costs.</p>		
Plan for a Sufficient Supply of Residential Land, including in High-Opportunity Areas	<p>Facilitate the use of public lands in urban areas that are suitable for affordable housing.</p>	<p>Seek alternative residential growth areas, with high priority given to the Wailuku and Kahului areas.</p> <p>Provide sufficient land areas for new residential growth that relax constraints on the housing market and afford variety in type, price, and location of units.</p> <p>Increase opportunities for the provision of housing in urban and rural expansion areas.</p>		<p>Pursue rental housing development on high-priority parcels identified by the County.</p> <p>Continue to assess Tier 1 public parcels²⁹ and the potential for mixed-use development with affordable rental housing (on public lands held for non-residential purposes).</p> <p>Align policies to support efforts to (re)develop affordable rental housing on state lands, including public lands held or acquired by state housing agencies from HRS Chapter 171.³⁰</p> <p>Facilitate development of rental housing on state lands in transit-</p>

²⁹ Tier 1 public lands are those most suitable for near-term development based on factors including proximity to infrastructure and SLUD Urban designation, excluding any parcels owned by the Department of Hawaiian Homelands (DHHL)

³⁰ Hawaii Revised Statutes 171: https://www.capitol.hawaii.gov/hrscurrent/Vol03_Ch0121-0200D/HRS0171/HRS_0171-.htm

Strategy	Maui Island Plan	Wailuku-Kahului Community Plan	Affordable Housing Policy Plan	Affordable Rental Housing Report & Ten-Year Plan
				oriented development (TOD) areas.
Form-Based Code	Study successful models of affordable housing projects and adopt appropriate minimum design standards that satisfy Maui residents' needs.			
Reduce Review Timelines	Determine optimal permit processing times on affordable housing approvals. Support fast-track processing procedures for affordable housing, indigenous Hawaiian housing, and special-needs housing. Streamline the permitting process.	Develop procedures and regulations to streamline government review and approval for housing projects. This should result in cost reductions by expediting the time required for implementation.	Recommend that County Council draft legislation that requires the informal one-stop departmental review system currently being facilitated by Department of Housing and Human Concerns (DHHC), as well as legislation that codifies the existing fast-tracking procedure initiated by DHHC.	Research redundant regulations and permitting requirements among State and County agencies. Research methods to reduce redundancies or streamline processes in the land use entitlement process for development of affordable housing. Examine the potential to establish a consolidated affordable housing application and approval process to fast track affordable housing production. Streamline government procedures and reduce processing time for affordable housing, particularly rental housing.
Infrastructure				
Prioritization	Prioritize infrastructure and capital projects that support affordable housing projects.	Develop off-site public infrastructure in anticipation of residential, commercial, and industrial developments defined in the plan.	Recommend that the County Council draft legislation to establish proactive infrastructure development as a planning principle for the County.	

Strategy	Maui Island Plan	Wailuku-Kahului Community Plan	Affordable Housing Policy Plan	Affordable Rental Housing Report & Ten-Year Plan
		Coordinate planning, design, and construction of public infrastructure with major residential projects with an affordable housing component.		
Funding				
Adjustments to Property Tax Rates	Explore tradeoffs of revising the County's property tax rates to make them more responsive to affordable housing needs.		Increase the property tax rate for second homes not rented long-term and commercial residential properties; increase the in-lieu price/unit for workforce housing agreements; assign additional revenue to the Affordable Housing Fund.	
New Taxes, Fees, and Financing Mechanisms	Enhance the existing affordable housing financing program by implementing a real estate transfer tax imposed on visitor units, transient vacation rentals (TVRs), and residential housing that is not affordable for households with incomes up to 200% of the island MHI.		Establish a real estate transfer tax on visitor units, transient vacation rentals, and housing not affordable to Maui households with incomes below 200% of AMI.	
Competitive and/or Appropriated Funds	Secure and leverage federal, state, county, and private grants, Low-Income Housing Tax Credits (LIHTC), and other funds that support affordable housing, especially for special needs populations. Explore flexible funding for the Affordable Housing Fund based on County tax revenues.			Direct federal, state, and county resources toward the financing and development of permanent affordable rental housing in areas suitable for development, including the potential for reinstatement of HHFDC's predevelopment loan program. Increase state annual funding for affordable rental housing

Strategy	Maui Island Plan	Wailuku-Kahului Community Plan	Affordable Housing Policy Plan	Affordable Rental Housing Report & Ten-Year Plan
				development and seek new sources of financing to increase the supply of permanent rental housing units in collaboration with legislators, including eliminating the cap on conveyance tax allotments to the Rental Housing Revolving Fund.
Funding Programs	Develop financing mechanisms to assist low-income elders and other high-risk/disadvantaged people who need residential and institutional health care to remain in affordable housing that is part of a community development.			
Housing Policies, Programs, and Incentives				
Rehabilitation	Support adaptive reuse programs. Encourage housing to be built or rehabilitated to allow the elderly and those with special needs to live in their homes. Provide incentives for the rehabilitation or adaptive reuse of historic structures to facilitate housing choices.	Develop programs to encourage housing rehabilitation in older residential areas. Designate target areas where low-interest loans, grants, and flexible code regulations (not related to public health, safety and welfare) would be available to homeowners.		Facilitate the acquisition and/or rehabilitation of rental housing projects. Renovate and/or redevelop public housing facilities.
Preservation of Affordable Housing	Consider regulations that can help keep affordable housing available at affordable rents. Require recordation of a covenant to ensure that the required		Recommend that County Council draft legislation to enable the transfer of 100 percent low-income rental projects targeting households with incomes below	

Strategy	Maui Island Plan	Wailuku-Kahului Community Plan	Affordable Housing Policy Plan	Affordable Rental Housing Report & Ten-Year Plan
	affordable units in a project remain affordable in perpetuity. Seek ownership of affordable for-sale and rental housing vested in a non-profit community land trust, or other qualified housing provider, committed to keeping housing affordable in perpetuity.		60% AMI to a community land trust.	
New Development	Promote programs that stimulate the production of sustainable homeless shelters and alternative housing technologies. Create or assist in creating programs that provide affordable housing to seniors, the disabled, and those returning from mental health institutions, correctional institutions, and drug rehabilitation programs. Preserve, promote, and give priority to Hawaiian housing and architecture forms to preserve Hawaiian culture.	Encourage the creation of elderly housing communities in various parts of the region that address the range of specialized needs for this population group.		Support the development of permanent supportive housing for special need groups, including persons with disabilities, frail elderly, and the chronically homeless.
Financial and Other Incentives	Encourage the development of affordable for-sale and rental housing through incentives. Waive County review fees to modify dwelling units to accommodate needs of people with disabilities.			Create incentives for the development of rental housing for extremely-low-income households (less than 30% of AMI), including exempting affordable rental housing gross rents and construction costs from the

Strategy	Maui Island Plan	Wailuku-Kahului Community Plan	Affordable Housing Policy Plan	Affordable Rental Housing Report & Ten-Year Plan
	<p>Develop incentives for locating new workforce housing in proximity to jobs and services.</p> <p>Offer extra development incentives in boom periods and withdraw incentives during slack periods.</p> <p>Prioritize the construction of actual units, and deprioritize the provision of land, over the current alternative in-lieu fee payment.</p>			<p>general excise tax,³¹ or waiving at-risk and passive activity losses for the state LIHTC.</p>
Supportive Services	<p>Support programs that offer home modification counseling on low-interest retrofit loans and grants to those with special needs.</p> <p>Ensure and facilitate programs to assist those with special needs from becoming homeless.</p> <p>Consider a rent stabilization program to ensure that rental housing remains affordable.</p>			
Partnerships and Outreach				
Education and Communication	<p>Disseminate information on housing assistance programs, such as rehabilitation, restoration, or adaptive reuse. Provide housing-related counseling (e.g., budget, credit, and financial planning).</p>			<p>Develop a strategic communications and outreach plan with stakeholders and the public to address real and perceived barriers to increasing affordable rental housing in urban areas.</p>

³¹ General Excise Tax (GET) is a tax on the business for the privilege of doing business in Hawai'i. It is a tax on income from almost all business activities.

Strategy	Maui Island Plan	Wailuku-Kahului Community Plan	Affordable Housing Policy Plan	Affordable Rental Housing Report & Ten-Year Plan
Coalition and Partnership Building	<p>Partner with organizations to develop and maintain emergency shelters and transitional housing.</p> <p>Support the creation of Community Development Corporations (CDCs) to facilitate the development and maintenance of affordable housing.</p> <p>Encourage increased participation from the State and County to develop rental housing on state lands.</p>			<p>Encourage public-private partnerships and master developer agreements for mixed-use developments that include rental housing on state lands.</p> <p>Convene a roundtable with developers to discuss tradeoffs of rehabilitation of existing structures versus new construction of affordable rental housing.</p>
Planning and Administrative Efforts				
Improve Data, Reporting, and Monitoring	<p>Create and maintain a master list of land entitled for affordable housing and available affordable housing (including age of structure, affordability level, location, and other property and taxation details).</p> <p>Develop and maintain indicators to monitor homelessness.</p>			<p>Increase effectiveness in preserving the state's affordable housing stock, including monitoring and preservation of units with expiring affordability compliance periods. Examine and monitor impacts of federal tax and funding legislation on financing for affordable housing (e.g., 2018 federal tax reform impacts on the use of affordable housing tax credits).</p> <p>Update rental housing demand as needed to reflect HUD AMI adjustments.</p> <p>Continue to refine parcel inventory of public lands suitable for rental housing development.</p>

Strategy	Maui Island Plan	Wailuku-Kahului Community Plan	Affordable Housing Policy Plan	Affordable Rental Housing Report & Ten-Year Plan
Planning, Policy, and Research Efforts	Explore the adoption of an aging-in-place ordinance.	Develop a comprehensive housing strategy for low- and moderate-income groups.	Research and develop recommendations to address factors contributing to the loss of affordable rental units and tenant displacement, including condominium conversion.	Encourage research on and potential use of alternative materials, methods, and housing models for building and retaining affordable housing, including innovative construction materials and methods and cooperative and intergenerational housing.