



Housing Inventory and Analysis

April 2023

Table of Contents

	Page
1 Executive Summary	1
Key Findings	1
2 Introduction.....	3
Key Terms	3
Data Sources	3
3 Current Housing Inventory.....	6
Total Housing Units.....	6
Transient vacation Rental Homes	9
Housing by Scale	10
Housing by Tenure.....	12
Housing Costs.....	14
4 Future Housing Need.....	25
Summary of Previous Housing Needs Analyses	25
Future Housing Need in the West Maui Study Area	32

1 EXECUTIVE SUMMARY

The West Maui Community Corridor (study area) spans the census designated places (CDPs) of Lāhainā and Kā'anapali. 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 West Maui Community Corridor study, this Housing Inventory and Analysis outlines the current housing inventory in the study area—including housing size, type, tenure (whether a unit is rented or owned), and costs—and how it compares to Maui Island and Maui County. Vacancy rates and Transient Vacation Rental Homes also impact housing supply for permanent residents. Housing costs represent the single largest expense in most household budgets, therefore the change in gross rents as well as renter cost burden contribute to affordability constraints. This report also discusses income limits for regulated affordable housing, as well as the number of properties and units throughout Maui County and in the study area.

Finally, the report summarizes previous housing needs analyses and estimates demand given current distribution trends compared with housing preferences.

Data for Maui County is included when data specific to Maui Island is not available; Maui County also includes the islands of Lana'i and Moloka'i. 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 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 Lāhainā and Kā'anapali include a mix of single-family and multifamily housing, together making up roughly 9% of the total housing units on Maui Island. West Maui contains 5.7% of the island's single detached units and 12.5% of its multifamily units, but 32.2% of middle form housing units (attached single family and two- to four-unit developments), 92% of which are in Lāhainā. Kā'anapali has a significantly higher share of multifamily housing (64%) than the island (28%). West Maui has a higher rate of home ownership than the island overall: 50% of Lāhainā households and 84% of Kā'anapali households are homeowners compared to 36% of Maui Island households.

Affordable Housing:¹ While the West Maui study area contains 8.3% of all housing units in Maui County, it contains 17% of all regulated affordable housing in the county. These units are all located in Lāhainā,

¹ 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% of the area median family income (MFI), which is between \$34,250 and \$91,300 in Maui County for a family of four.

across nine affordable housing properties. These properties have an average of 51 units per property, ranging from 5 to 142 units.

Housing Vouchers: Maui County's Public Housing Administration administers the county's federal Housing Choice Vouchers, which subsidize a household's rent in market rate units. In Lāhainā, 82 households are using vouchers; there are no vouchers in use in Kā'anapali. The study area represents roughly 5% of all households using Housing Choice Vouchers in Maui County, in which 1,504 vouchers are available and 1,496 are currently in use.²

Rent Burden: Rent burdening refers to whether a household spends more than 30% of gross household income on housing costs. On Maui Island, about 39% of renters are rent burdened; rates are slightly higher in West Maui with approximately 40% of Lāhainā renters and 45% of Kā'anapali renters classified as rent burdened. Of renters in West Maui, more than 20% are severely rent burdened, meaning they spend over 50% of their income on housing.

Housing Preferences: Based on survey data summarized in the 2019 Hawai'i Housing Planning Study, buyers in the West Maui area prefer single-family detached units, while renters have a strong preference for apartments and multifamily housing. Both homeowners and renters in the West Maui area have a slightly stronger preference for smaller unit sizes (two-bedroom units) than in Maui County overall.

Future Housing Need: The 2019 Hawai'i Housing Planning Study shows that Maui County needs 10,404 new units between 2020 and 2025, or an average of about 2,081 new units delivered per year. Based on the distribution of Maui County's existing housing stock, 864 of these units are needed in the West Maui study area (an average of 173 units per year), an increase of roughly 14% over the area's existing 6,168 units. About 41% of these units are needed for households earning 80% of the area median income (AMI) or less.³

²Housing Choice Voucher data provided by Maui County, November 2022.

³ The median income for Maui Island was \$90,709 as of 2021.

2 INTRODUCTION

This report presents the current housing inventory within the West Maui Transit-Oriented Community Action Plan study area. The study area spans the census-designated places (CDPs) of Lāhainā and Kā'anapali. This report describes housing size, type, tenure (whether a unit is rented or owned), and costs, which will guide future strategies to address housing needs. It is a companion to the Real Estate Market Analysis, which assesses commercial land uses, pricing, and vacancy rates, as well as pending development activity.

KEY TERMS

Throughout this report, a few terms are used frequently, such as:

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% of the area median family income (MFI), which is between \$34,250 and \$91,300 in Maui County for a family of four.

AMI: Area Median Income (AMI) is the primary measure of income used to determine housing affordability. It is determined annually by HUD for individual counties and Metro areas across the county. AMI represents the median household income for a family of four, and then is adjusted based on the number of people in the household or the number of bedrooms in a housing unit to determine affordability. This is sometimes also referred to as Median Family income or MFI.

MFI: Housing and Urban Development (HUD) estimates Median Family Income (MFI) annually for each metropolitan area and non-metropolitan county. The basis for HUD's median family incomes is data from the American Community Survey, table B19113. The term Area Median Income is often 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.

Workforce Housing: Workforce housing refers to housing that is affordable to households earning 60% to 80% of the AMI.

DATA SOURCES

This section describes the quantitative and qualitative data sources used in this West Maui Community Corridor Affordable Housing Inventory and Analysis Report. The project team compiled quantitative data from the American Community Survey (ACS) U.S. Census Bureau and the Maui County Assessor to complete the housing inventory. This section also discusses Census geographies used to define the West Maui study area.

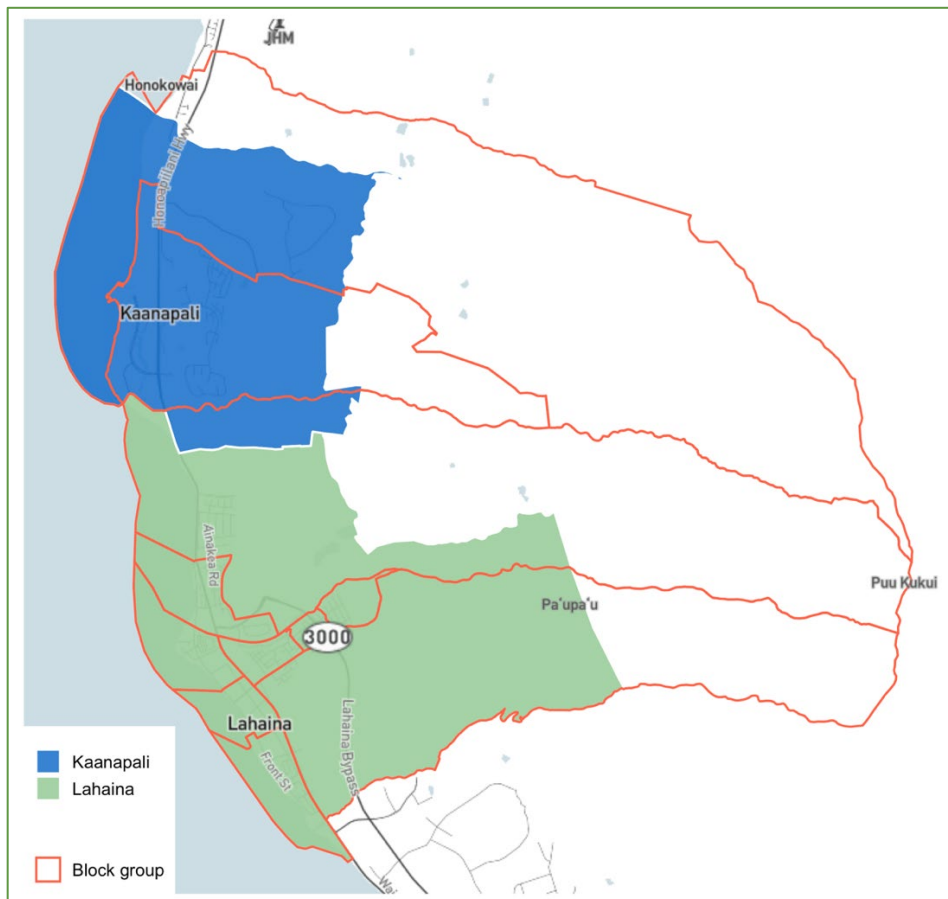
Housing Data

In addition to data from past planning efforts, the project team reviewed Census data, local property data, proprietary data sources, and state and local affordable housing inventories. Using this data, the team identified the current housing stock in West Maui, including housing type, unit count, tenure, rent/sale prices, and income- and rent-restricted properties. While Maui County Assessor data also provided some parcel-level housing data, this dataset does not provide reliable dwelling unit counts, leaving Census data as the best available data source.

Geographic Selections

Figure 1 shows the West Maui Community Corridor study area (“West Maui study area”), made up of the Census Designated Places (CDPs) of Lāhainā and Kā’anapali, as well as the overlapping Census block groups. There are broad socioeconomic differences between Lāhainā and Kā’anapali despite their close proximity. Throughout this report, data are shown separately for Lāhainā and Kā’anapali, the West Maui study area (both CDPs), and Maui Island as a whole. Data for Maui County is included when data specific to Maui Island is not available; Maui County also includes the islands of Lana’i and Moloka’i.

Figure 1: Census Geographies in the West Maui Study Area



Source: ECONorthwest

Planning Documents and Past Studies

This analysis builds on previous plans and studies in Maui County, including those listed below. Our team incorporated relevant data and findings from these plans, as well as conclusions related to the plans' characterization of housing needs in the West Maui study area.

- **Maui Island Plan (2012)**⁴ provides direction for future growth, the economy, and social and environmental decisions on the island through 2030.
- **Maui County Comprehensive Affordable Housing Policy Plan (2021)** established a goal of providing a roadmap to create 5,000 affordable homes for local residents earning below 120% AMI through 2023.
- **Hawai'i Housing Planning Study (2019)**⁵ is a comprehensive assessment of housing markets in Hawai'i. The purpose of this study is to provide housing planners with data and characteristics of housing, including demand, supply, prices, affordable housing, and needed housing units.
- **West Maui Community Plan (2022)**⁶ provides a growth framework, goals, policies, and actions to address challenges and opportunities and support the community's vision. The plan directs future growth and development in West Maui over a 20-year timeframe while also establishing a community vision and road map.

⁴ <https://www.mauicounty.gov/1503/Maui-Island-Plan>

⁵ https://dbedt.Hawai'i.gov/hhfdc/files/2020/01/FINAL-State_Hawai'i-Housing-Planning-Study.pdf

⁶ <https://westmaui.wearemaui.org/wp-content/uploads/2022/02/2022-West-Maui-Community-Plan-Web.pdf>

3 CURRENT HOUSING INVENTORY

This section describes the current housing inventory in the West Maui study area. Maui Island and Maui County data is also included for reference to align with recent County housing studies. This analysis includes total housing units and housing by type, tenure (whether a unit is rented or owned), and price point, as well as units currently in the development pipeline. Assessing the current housing inventory sets the foundation for understanding future housing needs and recommending strategies to increase the West Maui housing supply.

TOTAL HOUSING UNITS

Figure 2 shows the estimated number of housing units on Maui Island and in the West Maui study area, according to ACS data. Maui County contains over 74,000 housing units, 91% of which are located on Maui Island (roughly 68,000 units). The West Maui study area contains nearly 6,200 housing units; of these, just under 4,300 (69%) are in located Lāhainā and 1,900 (31%) are in Kā'anapali.

Figure 2: Housing Units, 2021

	Estimated Total Housing Units	Share of Maui County	Share of Maui Island	Share of West Maui
Maui County	72,129	100.0%	N/A	N/A
Maui Island	66,145	91.7%	100.0%	N/A
West Maui	5,964	8.3%	9.0%	100%
Lāhainā	4,110	5.7%	6.2%	69%
Kā'anapali	1,854	2.6%	2.8%	31%

Source: ACS 2017-2021 5-year data

Units in Development Pipeline

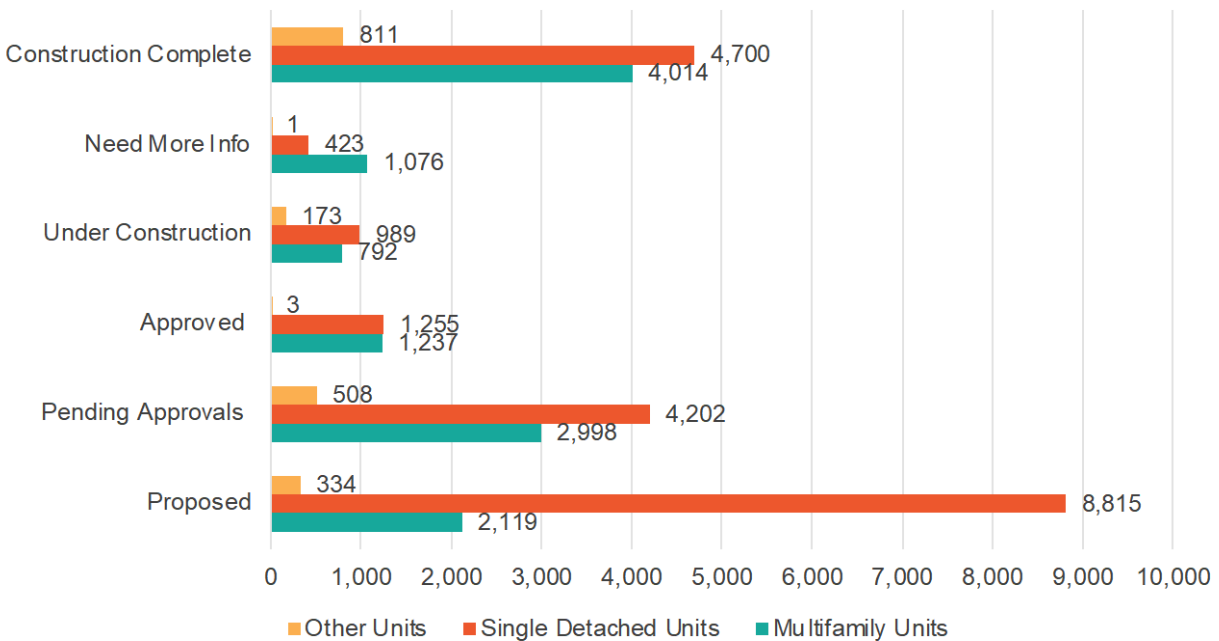
Figure 3 shows the number of housing projects currently in the development pipeline in Maui County available only at the county level. These projects represent all phases of development, from proposals to projects actively under construction. This data designates projects as either single-family or multi-family; middle form housing such as duplexes and triplexes are designated as multi-family in the following figures. Of these projects, 29% are multifamily units and 67% are single detached units. Figure 4 shows these units by development phase.

Figure 3: Projects in Development Pipeline, Maui County, 2022

Total Properties	Multifamily Units	Single Detached Units	Other Units ⁷	Total Units
523	15,010	34,235	1,834	51,079
Share of units:	29%	67%	4%	100%

Source: Maui County Planning Department

Figure 4: Projects in Development Pipeline by Phase, Maui County, 2022



Source: Maui County Planning Department

⁷ "Other" refers to housing structures outside of single- or multi-unit structures, such as manufactured homes, boats, RVs, or vans.

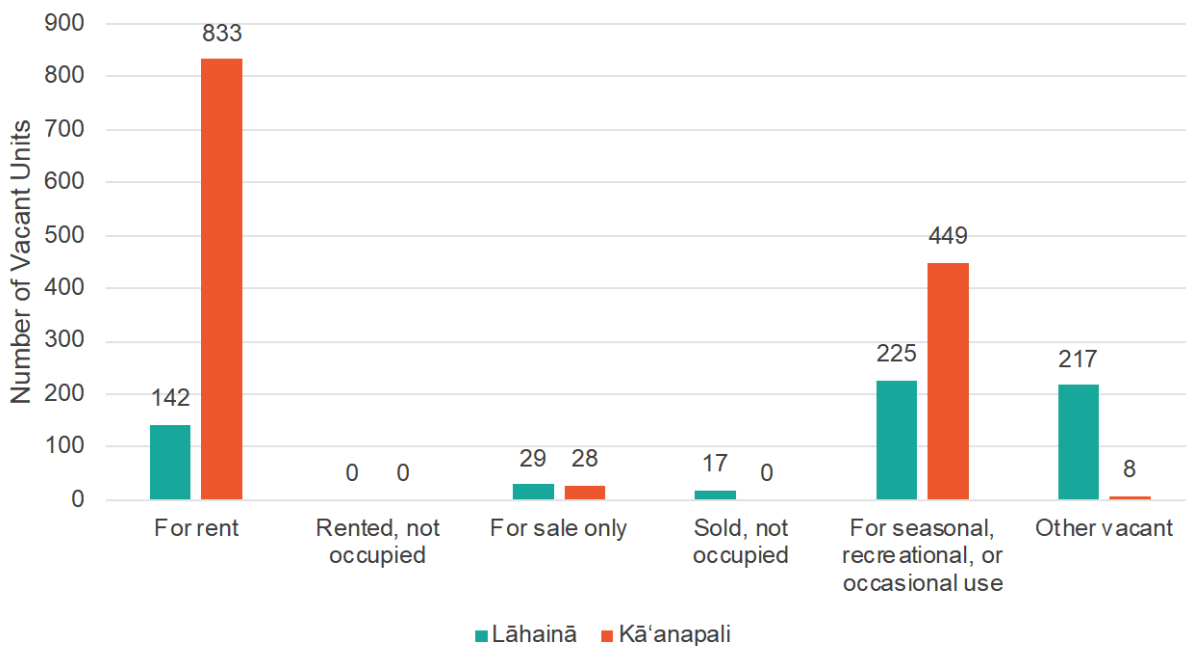
Vacant Housing Units

ACS data offers two different types of information for vacant units. First, ACS presents the reason given for the vacancy of the unit. Second, it presents the status of the residency of the current tenant of the unit. The ACS classifies a housing unit as occupied at the time of interview entirely by people who will be there for two months or less as “Vacant - Current Residence Elsewhere”. While the total number of vacant units in Figure 5 and Figure 6 is the same, the categories in the figures have no relationship. For example, some of the units marked “Vacant – Current Residence Elsewhere” may be units designated as vacant and for rent, while others may be marked as seasonal, recreational, or occasional use in Figure 5.⁸

According to ACS data, the total number of vacant housing units (for all reasons) was 630 in Lāhainā and 1,318 in Kā’anapali as of 2021.⁹ These units represent 17% of units in Lāhainā, and nearly 76% of units in Kā’anapali. While the vacancy rate is notably high, especially in Kā’anapali, the data is likely capturing the prevalence of short-term rental homes, second homes, and seasonal lodging, rather than empty units. Figure 5 shows vacant units by reason, based on ACS data. Of vacant homes in Kā’anapali, 63% are marked for rent and 34% are marked as vacant due to seasonal, recreational, or occasional use.

Figure 6 shows the residency status for vacant units in West Maui; 57% of vacant units in Kā’anapali and 35% of units in Lāhainā were marked as vacant with the tenant’s current residence elsewhere.

Figure 5: Vacant Housing Units by Reason, 2021

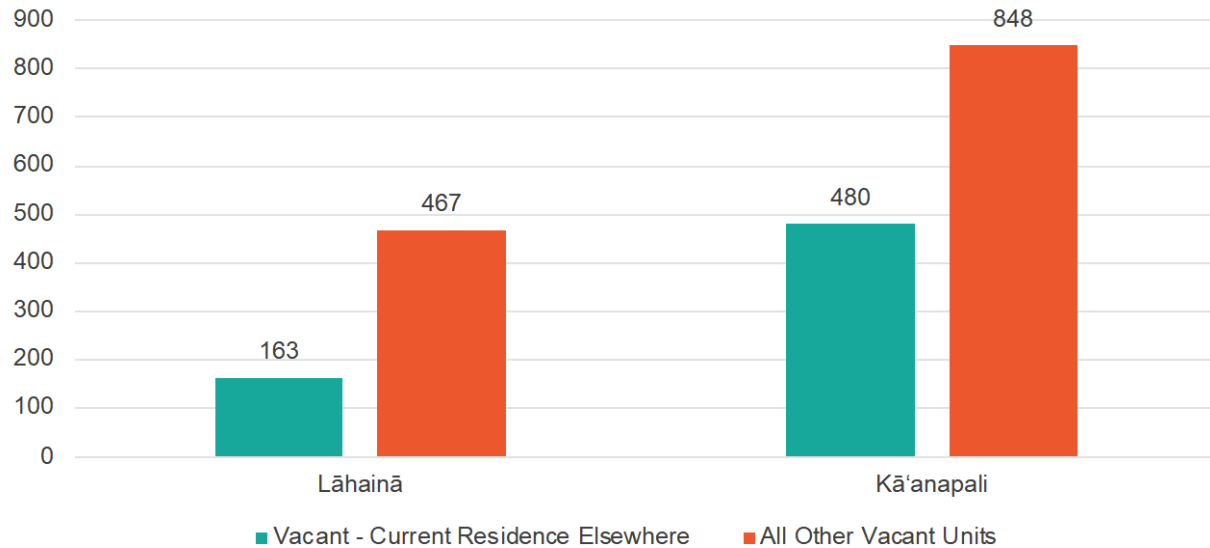


Source: ACS 2017-2021 5-year data

⁸ Given the size of the CDPs in the West Maui study area, it is not possible to cross-tabulate the data tables.

⁹ According to ACS 5-year data tables.

Figure 6: Residency for Vacant Units, Lāhainā and Kaanapali, 2021



Source: ACS 2017-2021 5-year data

TRANSIENT VACATION RENTAL HOMES

Transient vacation rental homes (TVRs) are typically furnished housing units available for short periods of time, anywhere from a few days to six months. TVRs are commonly known as short-term rental homes or vacation rentals. Recognizing the challenges and opportunities that come with TVRs is important in the West Maui study area. While offering one's unit as a TVR may offer an income-generating opportunity, a unit that is reserved solely for short-term renting rather than for year-round residents removes a unit from the West Maui study area's housing supply. It is difficult to get a conclusive count of the number of TVRs in the West Maui study area; however, this section summarizes the best available data, along with the associated caveats and limitations.

- According to the ACS, roughly 674 housing units or 10% of the housing stock in the West Maui study area function as TVRs or second homes. This figure is likely undercounting the number of TVRs given the substantial tourism industry in West Maui.
- Inside AirBnB identifies over 3,000 TVRs in the West Maui study area, including units that may be listed infrequently and potentially duplicate listings for different portions of the same property. Not all of these listings translate to units that are used as short-term rentals full-time.
- Over 16,000 TVRs operate legally throughout the County, many of which are in multi-unit buildings and single-family dwelling units. These units operate legally because they are located in a hotel, business, or historic zone. Others, located outside of the approved districts, operate legally through a conditional permit.
- Maui County Comprehensive Zoning Code prohibits properties outside of approved districts from serving as TVRs without a permit. Maui County allows West Maui up to 50 total TVR permits outside of approved districts.

HOUSING BY SCALE

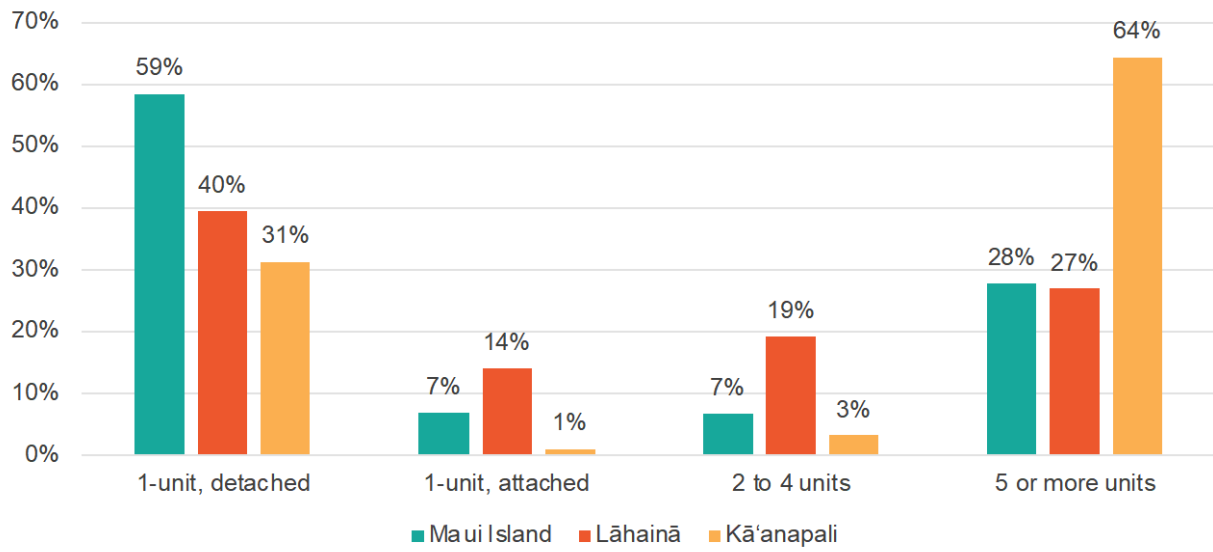
Figure 7 and Figure 8 show housing units by scale (number of units at the property). According to ACS data, West Maui contains 9% of all housing units on Maui. West Maui contains 5.7% of the island's single detached units and 12.5% of its multifamily units, but 32.2% of middle form housing units (attached single family and two- to four-unit developments), 92% of which are in Lāhainā. Both Lāhainā and Kā'anapali have a lower share of single detached units than Maui Island overall. Whereas single detached units make up 58.5% of Maui Island's housing stock, single detached units are only 39.5% and 31.4% of the housing stock in Lāhainā and Kā'anapali respectively. In Lāhainā, 33.3% of units are medium-density housing, a higher share than both Kā'anapali and the island overall. Kā'anapali has a significantly higher share of multifamily units than both Lāhainā and the island; multifamily housing makes up 64.3% of units in Kā'anapali, likely due to the prevalence of condo timeshares, vacation homes, and short-term rentals.

Figure 7: Housing Units by Scale, 2021

	Single Family	"Middle Housing"		Multifamily	Other	Total
	1 unit, detached	1 unit, attached	2 to 4 units	5 or more units		
Maui County	42,207	4,951	4,997	19,271	703	72,129
	58.5%	6.9%	6.9%	26.7%	1.0%	100%
Maui Island	38,727	4,552	4,435	18,374	57	66,145
	58.5%	6.9%	6.7%	27.8%	0.1%	100%
Lāhainā	1,625	579	789	1,106	11	4,110
	39.5%	14.1%	19.2%	26.9%	0.3%	100%
Kā'anapali	583	18	60	1,193	-	1,854
	31.4%	1.0%	3.2%	64.3%	0.0%	100%
West Maui Study Area	5.7%	13.1%	19.1%	12.5%	19.3%	9.0%

Source: ACS 2017-2021 5-year data

Figure 8: Share of Housing Units by Housing Type, 2021

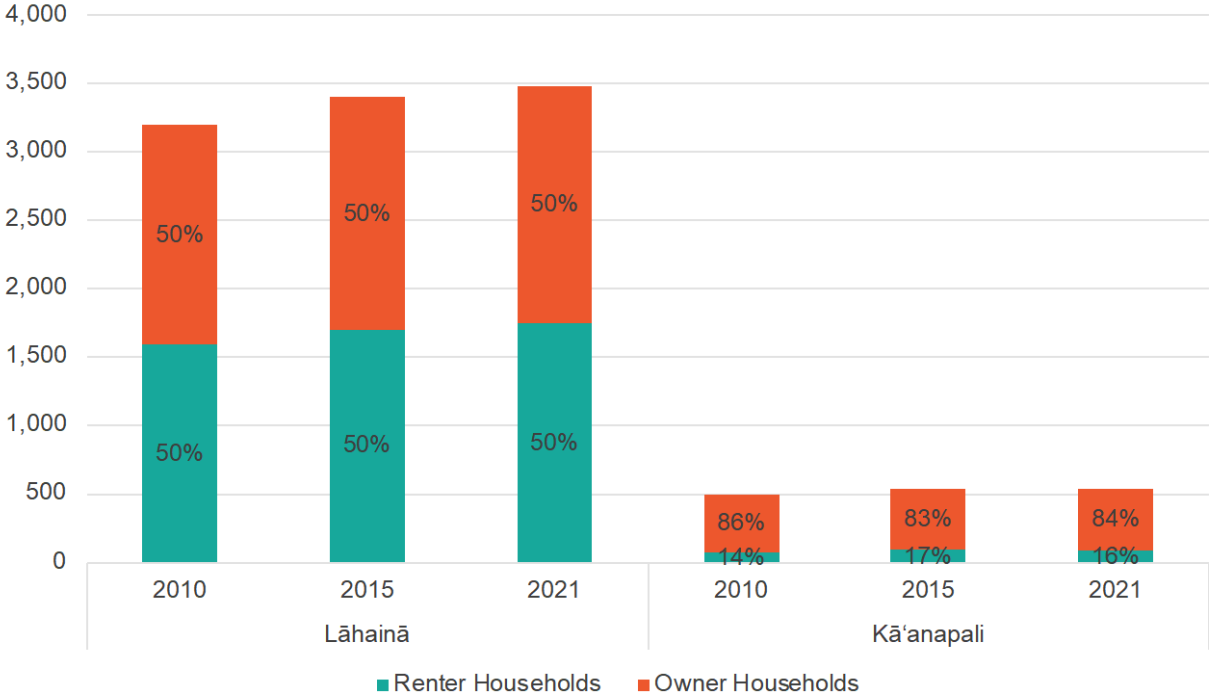


Source: ACS 2017-2021 5-year data

HOUSING BY TENURE

Figure 9 shows housing units by housing tenure (whether the unit is owner occupied or renter occupied) in occupied units in Lāhainā and Kā’anapali over time. Kā’anapali residents are much more likely to be homeowners than renters (84% to 16%, respectively, as of 2021). In Kā’anapali, total housing units and tenure distribution remained consistent from 2010 to 2021. Over the same period, the tenure distribution remained evenly split between renters and homeowners. As of 2021, the West Maui study area had a slightly higher rate of homeownership (54%) than the island overall (36%).

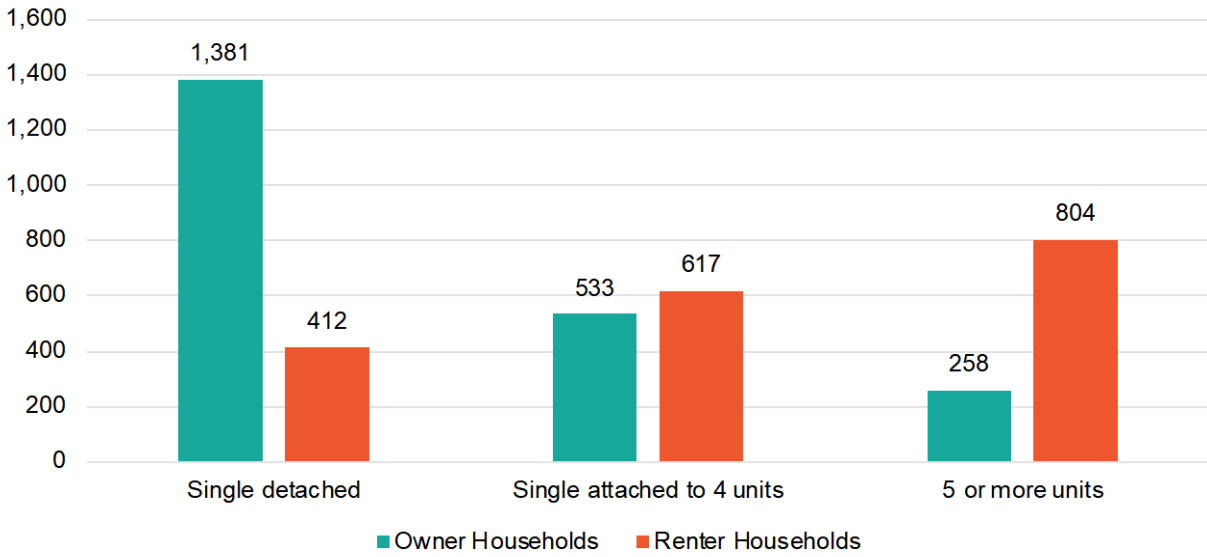
Figure 9: Housing Units by Tenure, 2010-2021



Source: ACS 2006-2010, 2011-2015, 2017-2021 5-year data

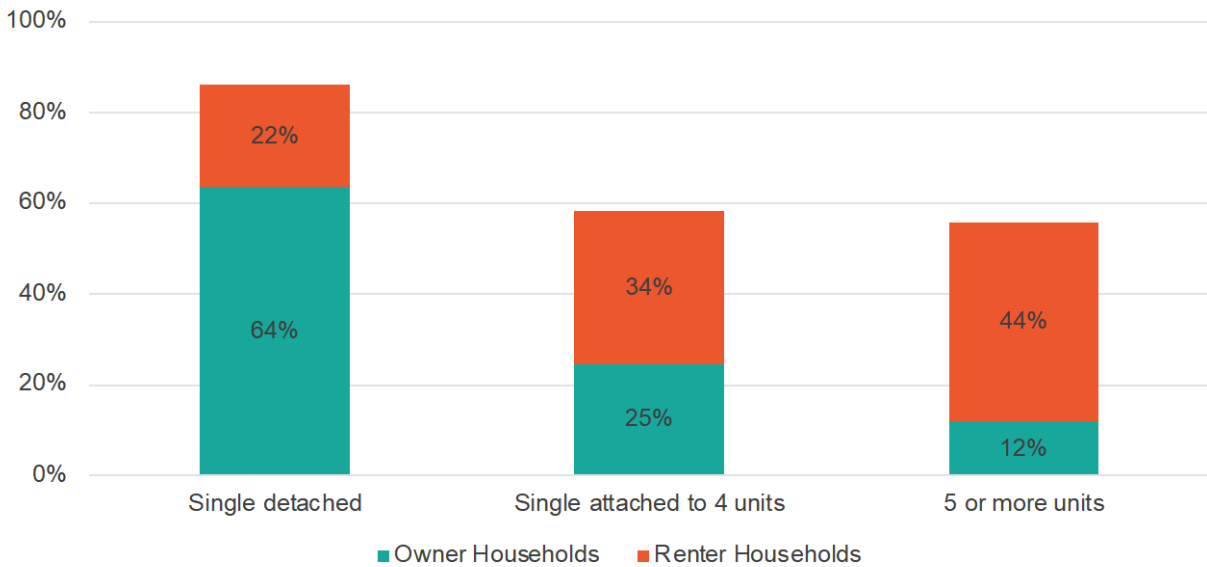
Figure 10 and Figure 11 show the breakdown of housing units by scale and tenure in Lāhainā and Kā’anapali. Most owner-occupied housing units are single-family detached housing (64% of owners), with the remaining middle form housing and multifamily condominiums. Renter-occupied units are more likely to be in multifamily structures (44% of renters). Middle-density housing ranging from single attached units to four-unit structures is occupied by similar rates of owners and renters.

Figure 10: West Maui Study Area Housing Units by Tenure and Scale, 2021



Source: ACS 2017-2021 5-year data

Figure 11: Share of West Maui Study Area Housing Units by Tenure and Units in Structure, 2021



Source: ACS 2017-2021 5-year data

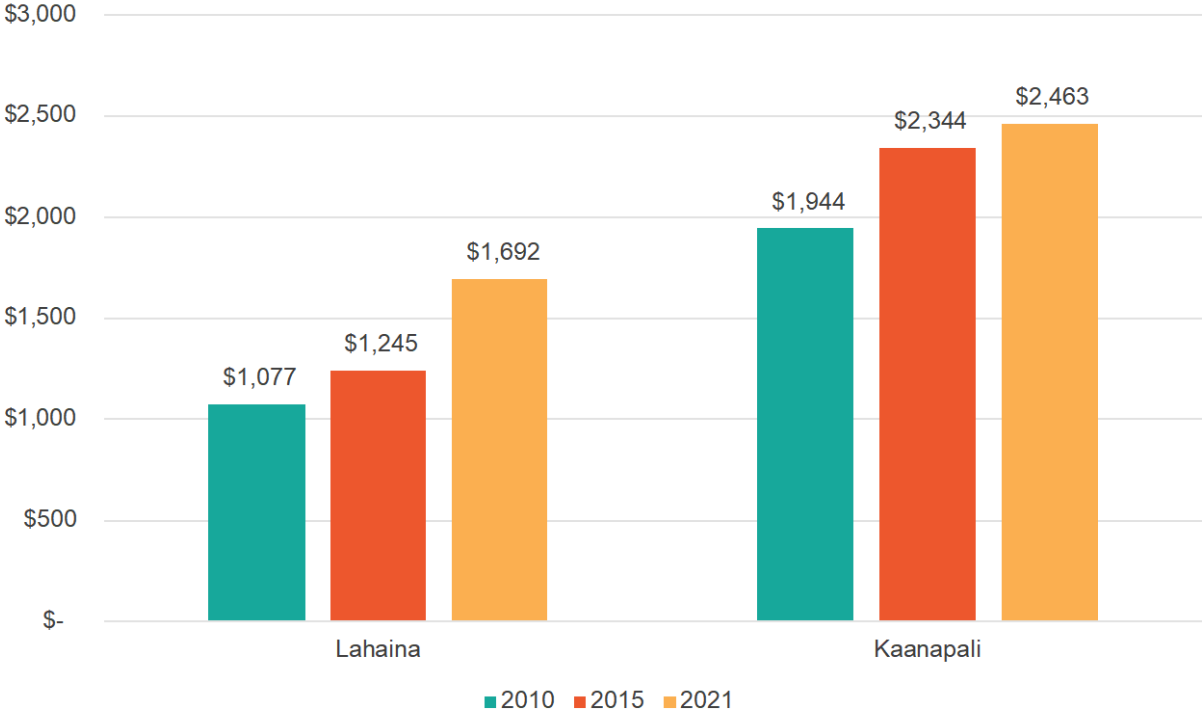
HOUSING COSTS

For most households—nationally and in Maui—housing is the single largest expense in a household budget. This section discusses trends in gross rents in the West Maui study area, as well as the share of household incomes spent on housing costs.

Gross Rents

Figure 12 shows the median gross rent charged in Lāhainā and in Kā’anapali from 2010 to 2021.¹⁰ Over this period, median rents in Lāhainā increased 57%, or \$615 for an annual average increase of \$56. Rents increased in Kā’anapali by \$519 or 27%, for an annual average increase of \$47.

Figure 12: Median Gross Rents, 2010-2021



Source: ACS 2006-2010, 2011-2015, 2017-2021 5-year data

¹⁰ The rent data included in this report is based on the ACS, which is from a sample of all households and 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.

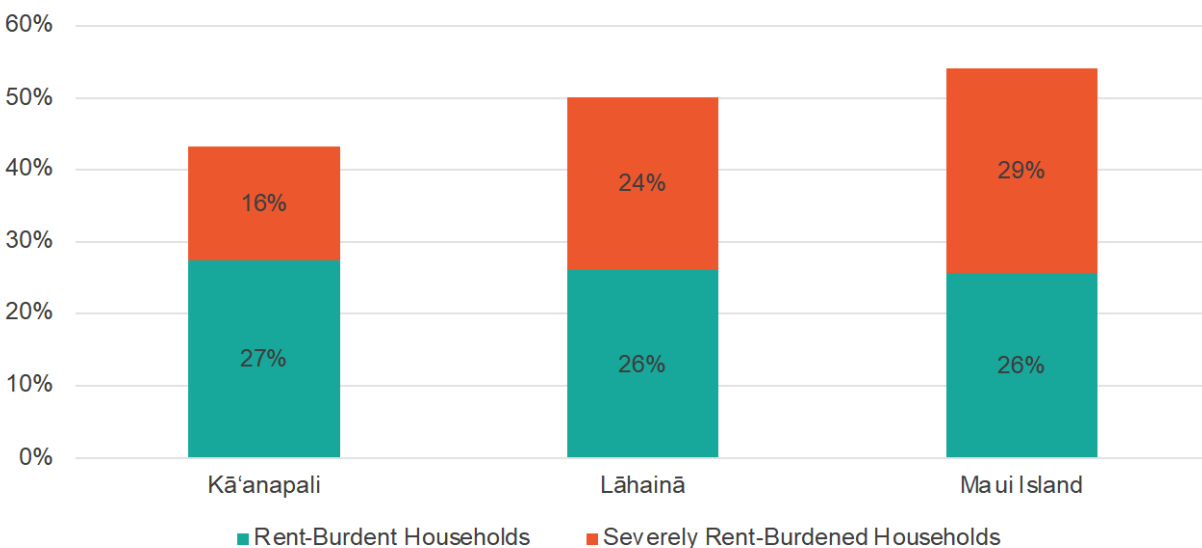
Renter Cost Burden

Households are considered cost burdened when they spend 30% or more of their gross income on housing. Households are considered severely cost burdened when they spend 50% or more of their gross income on housing. Housing cost burden is an important metric for planners and policymakers to consider because of its consequences for the affected households. When a household spends more than 30% of their income on housing, they have less disposable income available to pay for other necessities, such as transportation, childcare, food, or medicine. In addition, rent burdening¹¹ for low-income households means they may have very little cushion to absorb an unexpected cost, like a medical emergency, job loss, car repair, or rent increase. Because rent increases can occur without warning and exceed income growth, rent burdening can result in housing insecurity, housing instability, or homelessness.

In 2021, a household in Lāhainā would need a gross annual income of about \$60,900 to afford the median monthly rent of \$1,692 and avoid rent burdening. A household in Kāʻanapali would need a gross annual income of \$88,700 to afford the median monthly rent of \$2,463 without being rent burdened.

Figure 13 shows the share of households in each area that spends more than 30% of gross income on housing. While 55% of renters on Maui Island are rent burdened, rates of rent burdening are slightly lower in the West Maui study area, with 50% of renters in Lāhainā and 43% of renters in Kāʻanapali identified as rent burdened (Kāʻanapali has a low number of total renters—88 households—which may limit that accuracy of the data).

Figure 13: Share of Cost-Burdened Renter Households, 2021



Source: ACS 5-Year Data, 2017-2021

¹¹ Cost burdening analyses typically focus on renter households, largely because renters tend to have lower incomes than homeowners 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. 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.

Figure 14: Cost-Burdened Renter Households, 2021

	Rent-Burden Households	Severely Rent-Burdened Households
Kā'anapali	24	14
Lāhainā	455	424
Maui Island	4603	4131

Source: ACS 5-Year Data, 2017-2021

Housing and Transportation Costs

The Center for Neighborhood Technology's (CNT) Housing + Transportation Index (H+T Index) provides estimates of average housing and transportation costs at the Census block group level.

CNT models transportation costs on physical variables such as 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, CNT does not separate renter and owner housing costs, but rather calculates housing costs using ACS data as the average of both owner costs and gross rent, weighted by the ratio of owner-to-renter-occupied housing units.

Figure 15 shows CNT housing and transportation cost burden data for Maui Island, Lāhainā, and Kā'anapali. For all geographies on Maui Island, CNT assumes a typical median household income of \$80,948 (using 2019 ACS data). According to the index, a median-income household on Maui Island would have to spend 53% of their income on typical housing and transportation costs. The same median-income household in Lāhainā would have to spend a slightly lower share of their income on housing and transportation costs (48%) but would have to spend a higher share in Kā'anapali (73%) due to the higher housing costs in that area. The H+T index sets an affordability benchmark for housing plus transportation costs at no more than 45% of household income, suggesting that all three areas are relatively unaffordable, with Kā'anapali being the least affordable, even after accounting for slightly lower estimated transportation costs.

Figure 15: Housing and Transportation Costs as a Percent of Regional Median Household Income

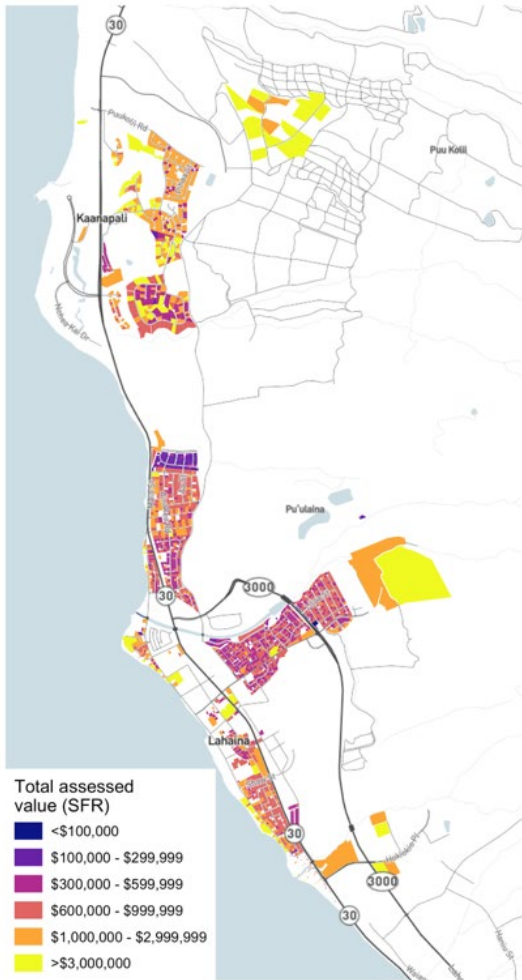
Area	Combined H+T Costs	Housing Costs	Transportation Costs
Lāhainā	48%	28%	20%
Kā'anapali	73%	54%	19%
Maui Island	53%	32%	21%

Source: CNT Housing + Transportation Index

Home Values

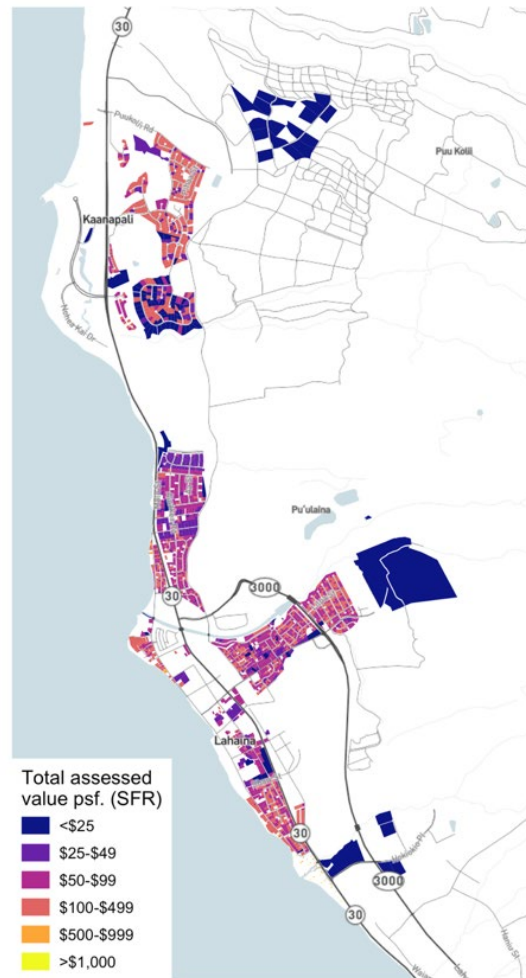
Per the Maui County assessor data detailing the total value of homes in the West Maui study area, single family homes tend to have a higher assessed value in Kā'anapali than Lāhainā. However, because homes in Kā'anapali tend to be larger, home values have a similar value per square foot of building area between the two areas. Homes closer to the ocean tend to have a higher total assessed value than homes farther inland; however, as seen in the figures below there are several large, high value properties farther inland.

Figure 16: Single Family Residential Assessed Values



Source: ECONorthwest, Maui County Assessor Data

Figure 17: Single Family Assessed Value Per Square Foot (home gross floor area)



Source: ECONorthwest, Maui County Assessor Data

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% of the area median family income (MFI), which is between \$34,250 and \$91,300 in Maui County for a family of four.

U.S. Department of Housing and Urban Development Median Family Income

Each year, the U.S. Department of Housing and Urban Development (HUD) calculates affordability and income limits for metro areas and counties. These are based on the area’s median family income (MFI),¹² which HUD calculates from Census data. In Maui, this area is the Kahului-Wailuku-Lāhainā, HI Metropolitan Statistical Area (MSA) and includes Maui County and Kalawao County.

In 2021, the HUD-calculated MFI for the Kahului-Wailuku-Lāhainā, Hawaii Metropolitan Statistical Area (MSA) was \$101,100 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% of MFI (see Figure 18). Based on these income limits, a family of four making \$60,000 per year would have an income just over 50% of the MFI. A family of two earning \$70,000 would have an income just under 80% of AMI.

Figure 18: HUD 2022 Income Limits for Kahului-Wailuku-Lāhainā, HI MSA HUD Fair Market Rent Area

Income Limit	Family Size (Number of People)							
	1	2	3	4	5	6	7	8
30%	\$24,000	\$27,400	\$30,850	\$34,250	\$37,350	\$42,780	\$48,210	\$53,640
50%	\$39,950	\$45,650	\$51,350	\$57,050	\$61,650	\$66,200	\$70,750	\$75,350
80%	\$63,950	\$73,050	\$82,200	\$91,300	\$98,650	\$105,950	\$113,250	\$120,550

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 18 the official 50% income limit for a family of four is slightly higher than half of the 100% income limit).

¹² This report refers to HUD’s MFI, but some past planning work refers to area median income or AMI. We use both to accurately state other planning data and analyses. HUD has offered the following explanation of AMI vs MFI, which the department considers to be equivalent: “HUD estimates Median Family Income (MFI) annually for each metropolitan area and non-metropolitan county. 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. 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 manor, 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/il18/FAQs-18r.pdf>

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 2,695 units of regulated affordable housing in 52 properties across eight areas (see Figure 19). Most units are located in Wailuku, Kahului, and the West Maui area, which together account for over two-thirds of all regulated affordable housing in the county. While 12 properties and 707 units are technically listed in the Lāhainā region in the HHFDC report, these units are separated into two locations—the census designated places (CDPs) of Lāhainā and Napili-Honokowai—in the figure below.

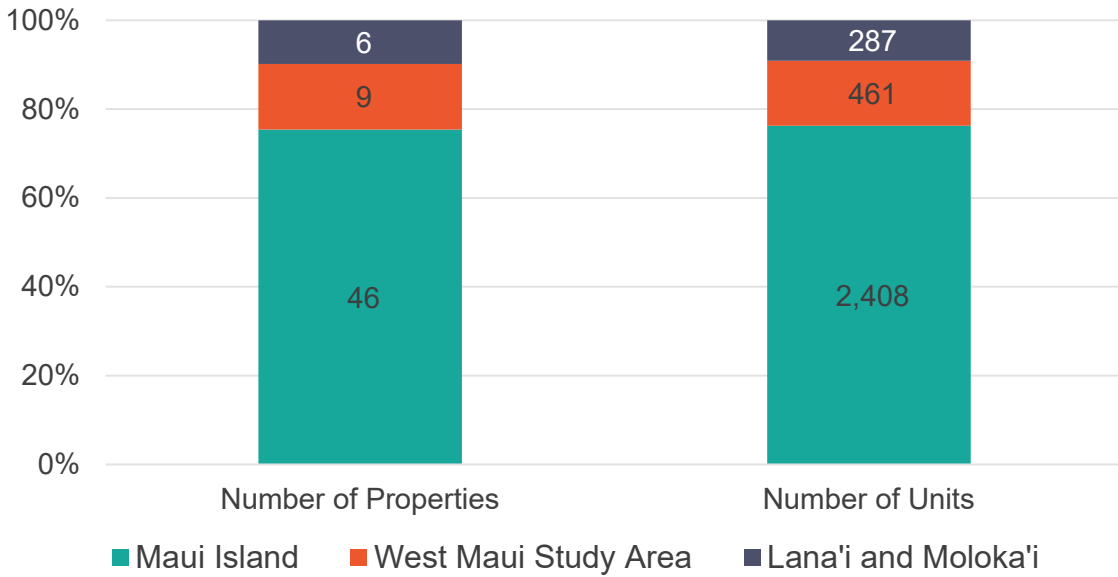
For this report, only the properties located within the Lāhainā CDP are included in the West Maui study area. The Lāhainā CDP contains nine affordable housing properties with 461 units; there are no affordable housing units in Kā'anapali. While the West Maui study area contains 8.3% of all housing units in Maui County, it contains 17% of all regulated affordable housing in the county.

Figure 19: Regulated Affordable Housing in Maui County, by Area and Unit Count, 2022

Area	Number of Properties	Number of Units	Average Units per Property	Share of Total Units
Lāhainā	9	461	51	17%
Napili-Honokowai	3	246	82	9%
Kahului	10	643	64	24%
Wailuku	12	514	43	19%
Kihei	8	443	55	16%
Moloka'i	4	215	54	8%
Makawao	4	101	25	4%
Lana'i	2	72	36	3%
Total	52	2695	52	100%
Maui Island	46	2408	52	89%
West Maui Area	9	461	51	17%

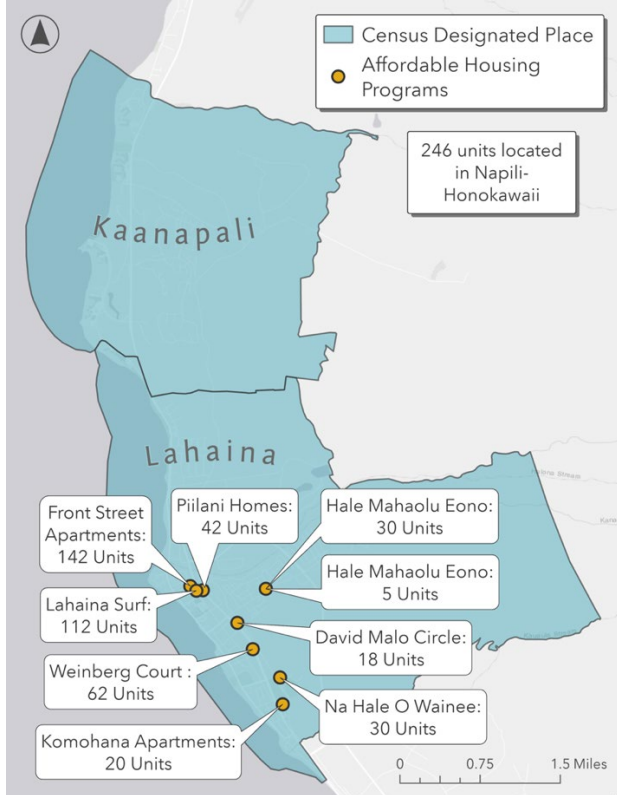
Source: Hawai'i Housing Finance and Development Corporation, 2022

Figure 20: Regulated Affordable Housing Properties and Units in Maui County by Subarea, 2022



Source: Hawai'i Housing Finance and Development Corporation, 2022

Figure 21: Map of Regulated Affordable Housing in Lāhainā and Napili-Honokowai, 2022



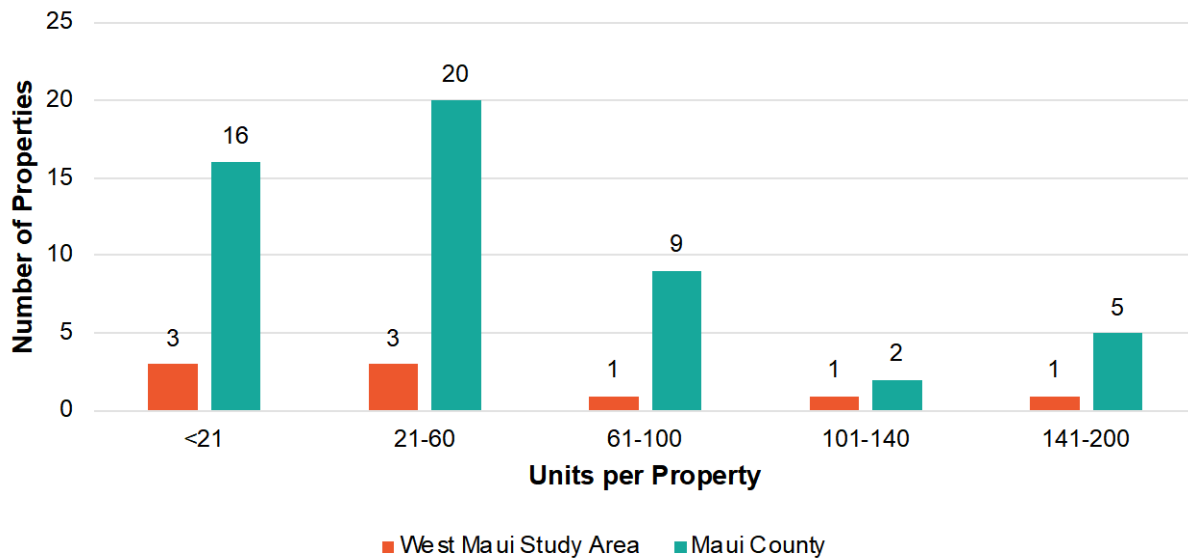
Source: Hawai'i Housing Finance and Development Corporation, 2022

Regulated Housing by Size

Across Maui County, properties with regulated affordable housing range from four units to up to 200 units. On average, Maui County's affordable housing properties have 51 units; properties trend larger in Honokowai, Kahului, and Kihei, and smaller in Makawao and Moloka'i. This average is skewed higher by a handful of large properties: the majority (69%) of regulated affordable housing properties in Maui County have fewer than 60 units (see Figure 22).

The distribution of properties by size is similar in the West Maui study area. Of properties in the area, 66% have fewer than 60 units, and the average number of units per property matches that of the county overall (51 units per property).

Figure 22: Regulated Affordable Housing Properties by Size, 2022



Source: Hawai'i Housing Finance and Development Corporation, 2022

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

Regulated Housing by Income Level

The data provided by HHFDC includes affordability levels for 44 of the 54 properties in Maui County. Of the 10 properties not included, nine are special-needs housing.¹³ Of the family and senior properties on Maui, the only property that does not have affordability limits available represents 2% of total units. Of the 43 total regulated properties with income data, 74% of units are affordable to households earning below 60% of MFI (see Figure 23).

Figure 23: Regulated Affordable Housing by Income Served, 2022

Income Level as a Share of Median Family Income (MFI)	Maui County			Lāhainā		
	Number of Properties	Number of Units	% of Total Maui Units	Number of Properties	Number of Units	% of Total Lāhainā Units
Housing Choice Voucher Program (HCVP)	2	219	9%	-	-	-
< 30% of MFI	-	-	-	-	-	-
30% - 60% of MFI	31	1,887	74%	5	319	80%
60% - 80% of MFI	10	432	17%	3	80	20%
Total Properties with MFI Information	43	2,538	100%	8	399	100%

Source: Hawai'i Housing Finance and Development Corporation, 2022

Of the 43 family and senior affordable housing properties in Maui County, 17 had multiple MFI affordability levels accounting for 940 of the total 2,538 units (37% 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. For example, in Figure 23 there are zero units and zero properties listed at 30% MFI or less, although 14 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. 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 nine properties in Lāhainā, seven include income data. While no property was solely restricted to households earning less than 30% of MFI, two properties had *some* units restricted to this income level.

¹³ Because none of the special needs housing has affordability information available, affordability calculations in this report consider only family and senior affordable housing.

Regulated Housing by Population Served

The data provided by HHFDC also includes information on the populations served at each property, including whether these populations were served in public housing¹⁴ (see Figure 24). Almost two thirds of the regulated affordable housing units in Maui County serve families (62%), while another 35% serve older adults. Only a handful of units serve people with special needs (95 units or 4% of the total). Special needs housing properties also tend to be smaller, with only 10.5 units per property compared to the average of 50.8 units.

Figure 24: Regulated Affordable Housing Properties, by Population Served, Maui County, 2022

Population Served	Number of Units	Share of Total Units	Number of Properties	Share of Total Properties	Average Units per Property
Elderly	895	33%	16	30%	55.9
<i>Elderly in Public Housing</i>	42	2%	1	2%	42.0
Family	1,477	55%	21	40%	70.3
<i>Family in Public Housing</i>	186	7%	6	11%	31.0
Special Needs Housing	95	4%	9	17%	10.6

Source: Hawai'i Housing Finance and Development Corporation, 2022

Of the nine properties in the West Maui study area, six properties are designated for family households and three are senior housing properties (see Figure 25). While the West Maui study area contains 17% of all regulated affordable housing in the County, the West Maui study area includes 23% of public housing properties dedicated to families. There are no special needs housing properties in the West Maui study area.

Figure 25: Regulated Affordable Housing Properties, by Population Served, West Maui, 2022

Population Served	Number of Units	Share of Total Units	Number of Properties	Share of Total Properties	Average Units per Property
Elderly	35	1%	2	4%	17.5
<i>Elderly in Public Housing</i>	42	2%	1	2%	42.0
Family	366	14%	5	9%	73.2
<i>Family in Public Housing</i>	18	1%	1	2%	18.0
Special Needs Housing	-	0%	-	0%	0.0

Source: Hawai'i Housing Finance and Development Corporation, 2022

¹⁴ 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.

Housing Choice Vouchers

In addition to regulated affordable housing units, the Housing Choice Vouchers (HCV) Program, administered by the Maui County Public Housing Administration, also provides affordable housing support. The program, which is commonly referred to as Section 8, provides rental assistance to very low-income families, elderly households, and households with disabilities.

In the HCV Program, tenants pay a portion of their income for rent and the voucher makes up the difference (typically 30% paid by the tenant and 70% covering the difference). The subsidy is paid directly to the landlord on behalf of the tenant, and the tenant can use vouchers in any housing where the landlord agrees to accept funding. Participants in the program are responsible for finding their own housing.

Across Maui County, 1,504 vouchers are available. As of November 2022, 1,496 were fully leased at rental units. There are 82 households using vouchers in Lāhainā and none in Kā'anapali. Compared to the rest of Maui County, fewer households in the West Maui study area use vouchers. The West Maui study area represents nearly 8% of households countywide, however, only 5% of HCV holders reside in the West Maui study area.

4 FUTURE HOUSING NEED

Maui County has developed several housing needs analyses and studies to estimate future housing needs by area, by housing type, and by tenure. To estimate the future housing units that will be needed in the West Maui study area, the section below summarizes previous work, as well as housing efficiency opportunities, amenities, unit preferences, and housing need forecasts.

SUMMARY OF PREVIOUS HOUSING NEEDS ANALYSES

As described in the introduction, the project team reviewed prior plans that document housing needs and conditions in the West Maui 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 West Maui 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 challenge across income groups in Maui. Per the State's Affordable Rental Housing Report (2018), affordability is particularly pressing for low-income households. The 2019 Hawai'i Housing Planning Study (HHPs) reports housing demands and projected housing needs by affordability level. The report identifies a need for 10,404 housing units in Maui County between 2020 and 2025; 41% of these are needed for households earning 80% AMI or below.¹⁵

The 2022 West Maui Community Plan (WMCP) also identified a demand for lower-priced housing, identifying housing affordability and availability as a central goal for the community. Leading contributors to the current 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. Additionally, many jobs in West Maui are lower-paying service industry jobs that make it difficult for people to cover high housing costs. The lack of affordable housing in the area has made it difficult for local employers to find and retain workers.¹⁶ 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 need to require long-term affordability.¹⁷

According to the WMCP, the County of Maui Land Use Forecast (2014) estimated that West Maui would need an additional 5,288 homes for a total of 13,358 housing units by 2040 (approximately 251 units per year from 2019 to 2040). From 2008 to 2017, development of new homes did not meet this demand. Policy 2.5.14 in the WMCP states that West Maui should "prioritize infrastructure for 100% affordable housing developments for resident households earning 100% AMI and below."¹⁸

¹⁵ Hawaii Affordable Rental Housing Report, 2018

¹⁶ West Maui Community Plan, 2022

¹⁷ Maui County General Plan, 2012

¹⁸ West Maui Community Plan, 2022

Housing for Long-Term Occupancy

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

Housing Efficiency

The 2030 Maui Island General Plan 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 WMCP identified a need to plan for a mix of housing types and housing densities, including through Transit Oriented Corridor (TOC) community plan designated areas. The three TOCs in West Maui should have a mix of medium- to high-density residential development alongside retail and other businesses to create "pedestrian-friendly activity centers and multimodal corridors with vibrant street life."

Housing Near Amenities

The WMCP and the HHPS commented on needs and preferences for housing near amenities, particularly near public transportation. Policy 2.5.11 in the West Maui Community Plan states that affordable housing projects should be developed near "jobs, schools, transit, and services, when possible." 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 were cited as specific needs. The WMCP also highlighted community demand for affordable housing near employment opportunities and set goals to provide affordable housing near jobs and transit.

Special Housing Needs

Based on the Maui County General Plan and the WMCP, Maui County needs expanded housing choices through 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, past plans also identified a need for the following:

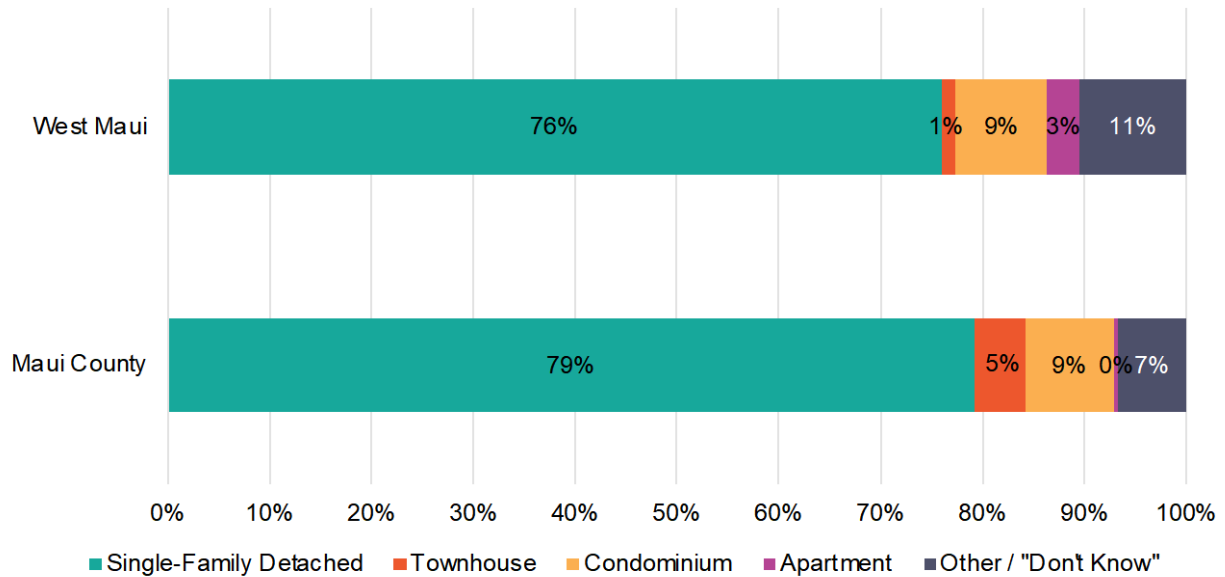
- Housing in mixed-income structures and communities (including mixed rental and for-sale housing in neighborhoods)
- Senior rental housing complexes, ownership units, and specially designed fee-simple¹⁹ units to accommodate growth in elderly populations
- Care homes and facilities
- Shelters, clinics, transitional housing, and permanent supportive housing for individuals and households experiencing homelessness

¹⁹ 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.

Housing Preferences

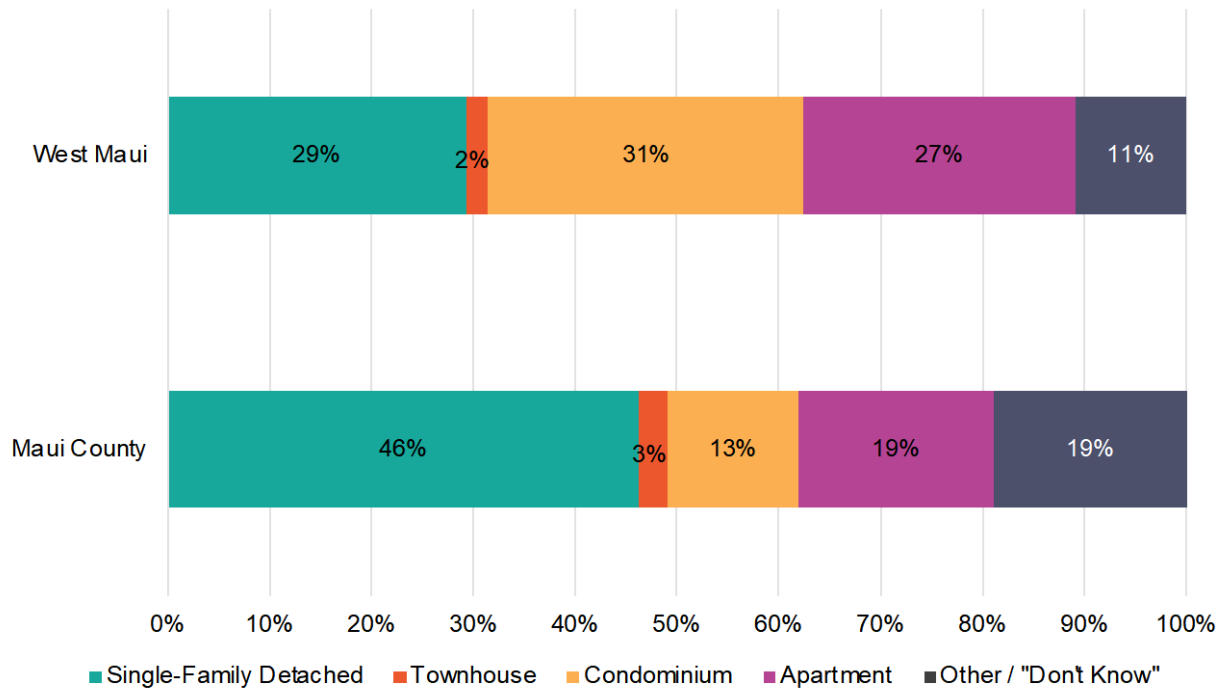
The 2019 HHPS provided information about housing preferences across the state. In Maui County, 79% of residents surveyed (both buyers and renters) indicated a preference for single-family detached homes, while only 9% indicated a preference for condominium units. Housing preferences for buyers across the county are similar to those of buyers in West Maui (Figure 26). Compared to renters across the county, renters in West Maui had a stronger preference for multifamily housing in the form of apartments or condominiums (Figure 27).

Figure 26: Preferred Unit Type for Buyers, Maui County and West Maui, 2019



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

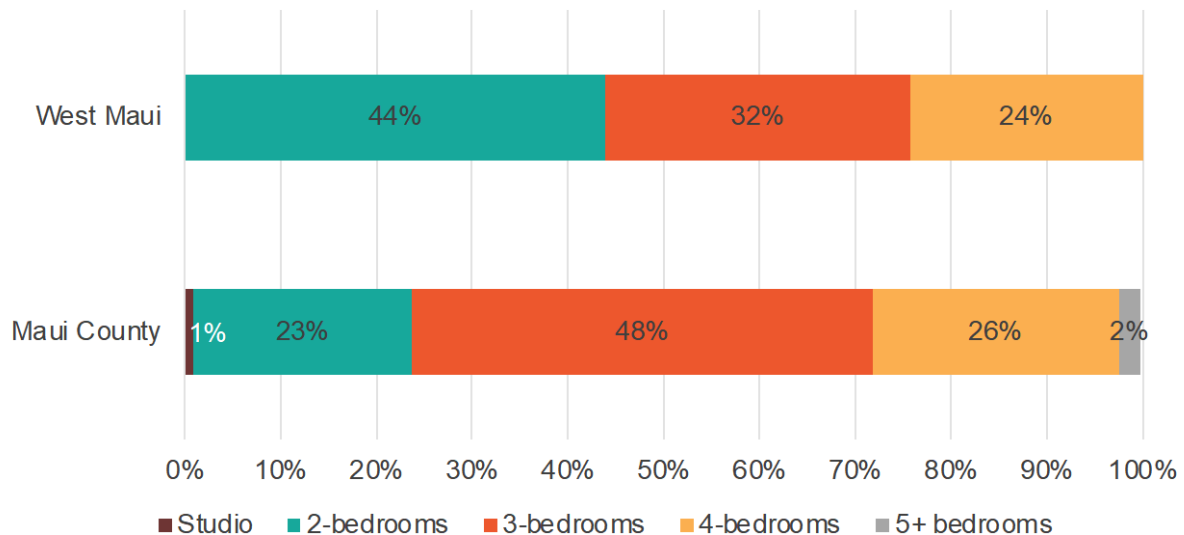
Figure 27: Preferred Unit Type for Renters, Maui County and West Maui, 2019



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

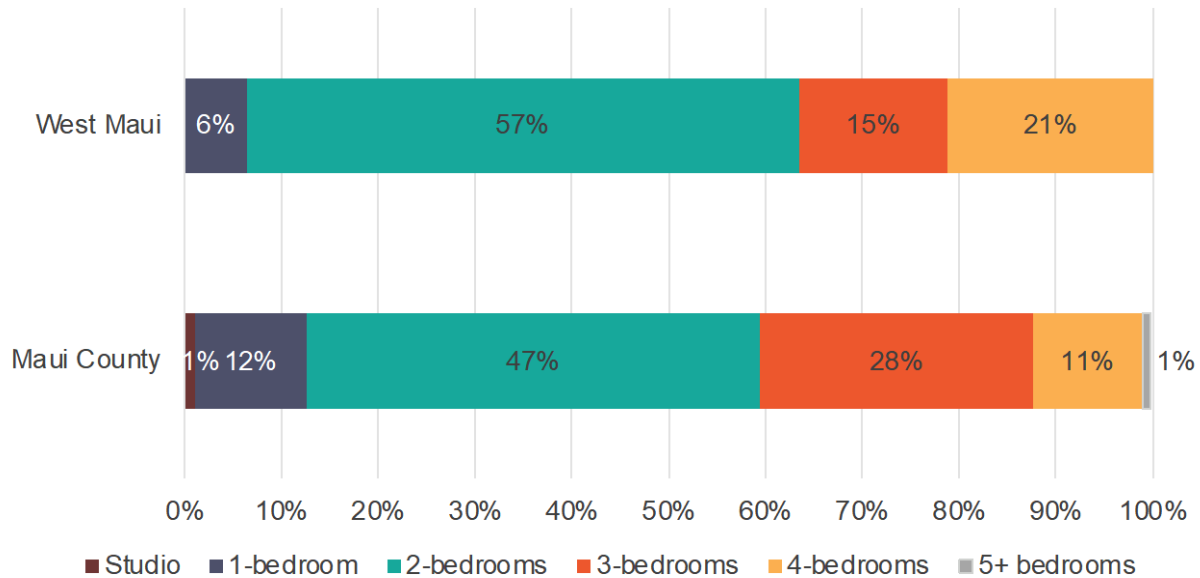
Across Maui County, buyer preferences skewed toward three- and four-bedroom housing units (48% and 26%), while renter preferences skewed toward two- and three-bedroom housing units (47% and 28%). Preferences for both buyers and renters in West Maui skewed toward smaller units than the county overall, with residents preferring two-bedroom units (44% of buyers and 57% of renters). Figure 28 and Figure 29 present detailed unit size preferences for buyers and renters in Maui County and the West Maui area.

Figure 28: Preferred Unit Size for Buyers, Maui County and West Maui, 2019



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

Figure 29: Preferred Unit Size for Renters, Maui County and West Maui, 2019



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

Future Dwelling Units Needed

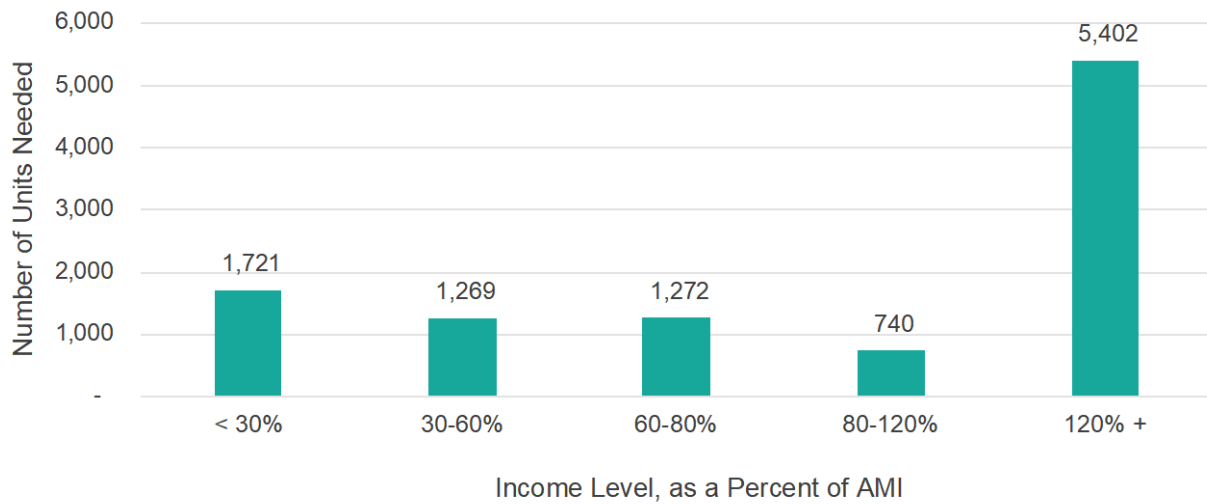
The 2018 West Maui Community Plan estimated that West Maui would require a total of 13,358 housing units in 2040, based off data from DBEDT 2018 and the 2014 County of Maui Socio-Economic Forecast. Based on units available in 2012, the West Maui Community Plan estimated West Maui would need to construct about 6,923 new homes, or 330 new units per year from 2019 to 2040 to account for both resident and non-resident demand for housing in the region. This production rate is higher than the rate based on the HHPS projections shown below (around 173 units per year).

In 2019, the HHPS showed that Maui County needs 10,404 new units between 2020 and 2025 (see figures below).²⁰ This translates to an average of about 2,081 new units delivered per year. These units are discussed in greater detail across various criteria below.

Of the 10,404 needed units, most of the need (67%) is for single-family units, and slightly over half of the need (56%) is for rental units that are either single-family or multifamily. About 41% of needed units are for households earning 80% of AMI or less, 7.1% are needed for households earning between 80% and 120% of AMI, and 51.9% are needed for households earning 120% of AMI or more.

²⁰ Hawaii Housing Planning Study, 2019

Figure 30: Estimates of Future Housing Need by AMI, Maui County, 2020-2025



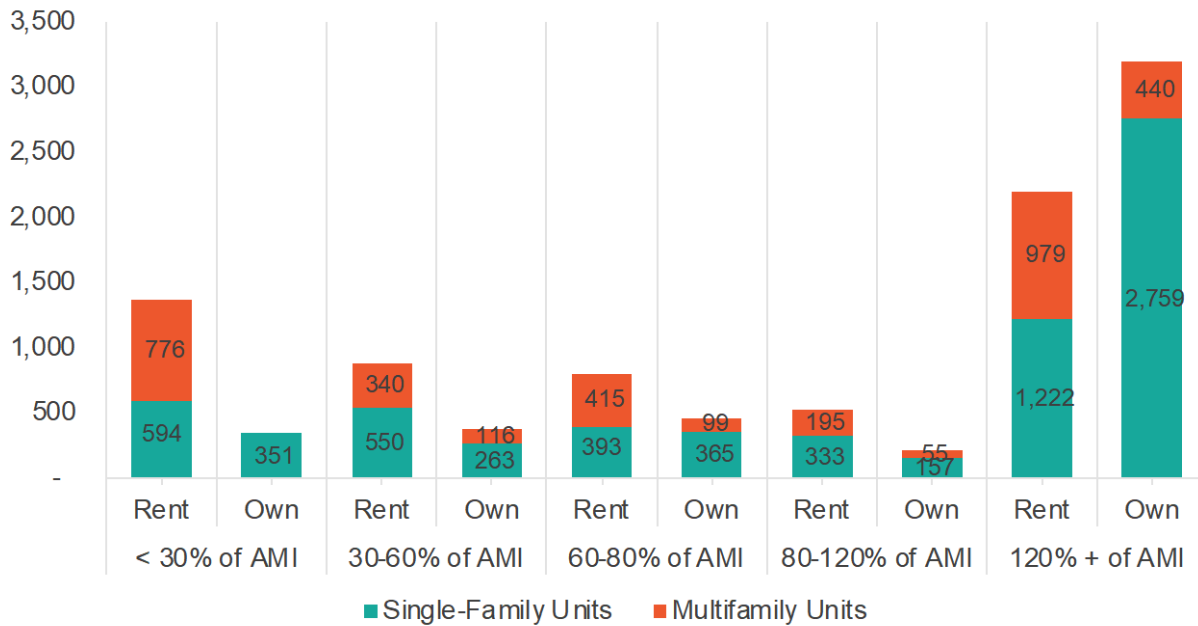
Source: Hawai'i Housing Finance and Development Corporation, Hawai'i Housing Planning Study, 2019

Figure 31: Estimates of Future Housing Need by AMI, Maui County, 2020-2025

AMI	< 30%	30-60%	60-80%	80-120%	> 120%	Total
Needed Units by AMI	1,721	1,269	1,272	740	5,402	10,404
Distribution by AMI	16.5%	12.2%	12.2%	7.1%	51.9%	100.0%
Ownership Units	351	379	464	211	3200	4,605
Single-Family	351	263	365	157	2759	3,895
Multifamily	0	116	99	55	440	710
Rental Units	1,370	890	808	528	2202	5,798
Single-Family	594	550	393	333	1222	3,092
Multifamily	776	340	415	195	979	2,705
% Ownership	20%	30%	36%	29%	40%	44%
% Rental	80%	70%	64%	71%	60%	56%
% Single-Family	55%	64%	60%	66%	84%	67%
% Multifamily	45%	36%	40%	34%	16%	33%

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

Figure 32: 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 33 and Figure 34 present the future housing need for older adult populations (62 years of age or older), indicating a need for 689 senior housing units. Of these units, 78% are needed as single-family units; 77% are needed as ownership units.

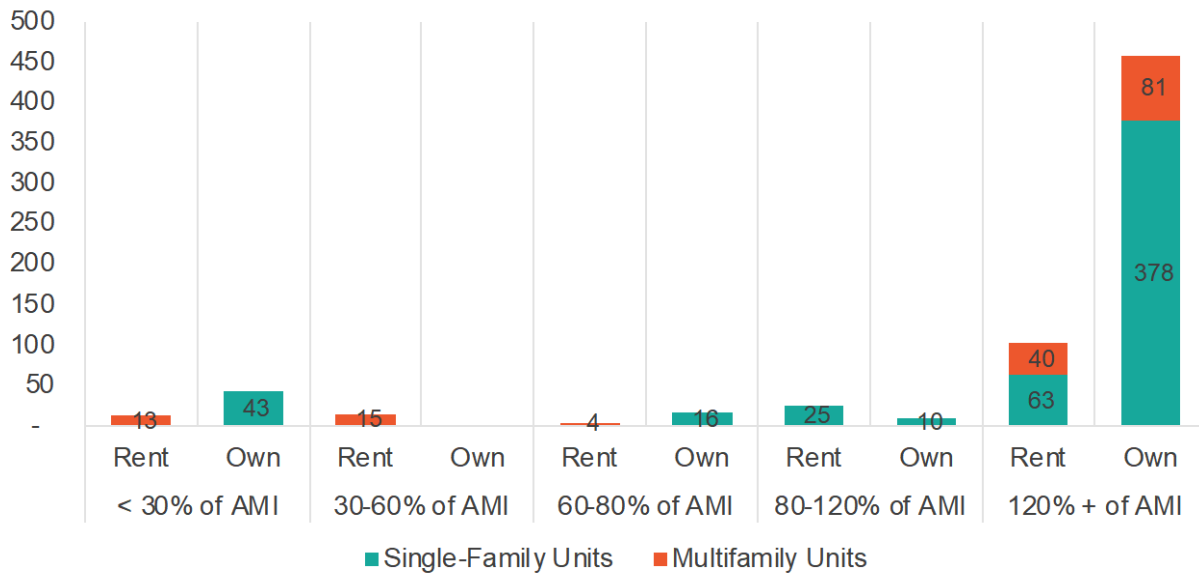
Further, 15.2% of these units are needed for households earning 80% of AMI or less, 3.8% are needed for households earning between 80% and 120% of AMI, and 81% are needed for households earning 120% of AMI or more.

Figure 33: Estimates of Future Housing Need for Elderly Populations by AMI, Maui County, 2020-2025

AMI	< 30%	30-60%	60-80%	80-120%	> 120%	Total
Needed Units by AM	62	22	21	26	558	689
Distribution by AMI	9.0%	3.2%	3.0%	3.8%	81.0%	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

Figure 34: 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 WEST MAUI STUDY AREA

Future estimates of housing need have not been developed for the West Maui study area. There are several ways to estimate the share of the county's future housing need that the West Maui study area should attempt to meet, including assuming a proportionate share relative to existing housing (either overall or by housing type). However, there are many reasons why the future mix in the West Maui study area could be different from the existing mix or different from the future needs in the county overall, including policy goals, a need to address housing cost burden, market conditions, and available land for (re)development.

To explore potential distribution scenarios, the following sections highlight what future housing in the West Maui study area could look like if:²¹

- The West Maui study area had the same distribution of the future housing needs as its current share of total housing units in the county (from Figure 2).
- The West Maui study area had the same total need calculated in (a) above, with the housing type and tenure based on the study area's current distribution of units by type and tenure (from Figure 7).
- The West Maui study area had the same total need calculated in (a) above, with the housing type and tenure based on the desired housing preferences of those living in West Maui (from Figure 26 and Figure 27).

²¹ The figures shown here list the number and share of housing units on Maui Island, in the CDPs of Lāhainā and Kā'anapali, and in the West Maui study area. Because prior planning documents only estimate future housing needs in Maui County and not Maui Island, calculations based on the West Maui study area's share of total island housing units will have a small discrepancy. Maui Island accounts for roughly 93% of all housing units in Maui County.

In each scenario below, we estimate the amount of need in the study area from the total Maui County future housing need (from Figure 35) based on proportion or desire.

Proportionate Share of County's Need

Figure 2 identified that the West Maui study area contains 8.3% of all the housing units across Maui County, regardless of type, size, or income level. Applying this 8.3% share to the County's future housing needs estimated in Figure 31 yields the estimates of future housing need shown in Figure 35 below. By this estimation, West Maui would require an additional 864 housing units, or 173 units per year, from 2020 to 2025. Of these units, 596 would be in Lāhainā and 268 would be located in Kā'anapali.

Figure 35: Estimates of Future Housing Need, Maui County and West Maui Study Area, 2020-2025

Housing Type	Maui County	West Maui	Lāhainā	Kā'anapali
Total Units Needed	10,404	864	596	268
Ownership Units	4,605	382	264	118
Single Family	3,894	323	223	100
Multifamily	711	59	41	18
Rental Units	5,799	481	332	149
Single Family	3,092	257	177	80
Multifamily	2,706	225	155	70
Total Single Family (rent or own)	6,986	580	400	180
Total Multifamily (rent or own)	3,417	284	196	88

Source: ECONorthwest, ACS 2019 5-year, Hawai'i Housing Planning Study, 2019

Maintain Current Housing Mix

As shown in Figure 9, the West Maui study area is composed of 48% ownership housing and 52% rental housing. The West Maui study area is also composed of 40% single-family housing attached or detached (either rental or ownership) and 60% multifamily housing (either rental or ownership). Applying these shares to the future housing needs estimated above yields a breakdown that is weighted more toward multifamily housing than a proportionate share of Maui County's overall future housing needs (see Figure 36 below).

Figure 36: Estimates of Future Housing Need by Housing Type, Maui County and West Maui Study Area, 2020-2025

Housing Type	Maui County	West Maui	Lāhainā	Kā'anapali
Total Units Needed	10,404	864	596	268
Ownership Units	4,605	415	260	221
Single Family	3,894	292	191	126
Multifamily	711	124	69	95
Rental Units	5,799	448	336	47
Single Family	3,092	132	95	29
Multifamily	2,706	316	241	18
Total Single Family (rent or own)	6,986	424	286	155
Total Multifamily (rent or own)	3,417	439	310	113

Source: ECONorthwest, ACS 2019 5-year, Hawai'i Housing Planning Study, 2019

Future Housing Needs by Preferences

Figure 26 and Figure 27 list current Maui County residents' preferences for future housing needs by type. These figures demonstrate that 76% of buyers in the West Maui area would prefer a single-family detached home; 13% would prefer a townhouse, apartment, or condominium; and 11% would prefer something else. For renters, only 29% would prefer a single-family detached home; 60% would prefer a townhouse, apartment, or condominium; and 11% would prefer something else. Applying these preferences to the future housing needs estimated above yields the estimates shown in Figure 37. For the purposes of these calculations, residents in Lāhainā and Kā'anapali were assumed to have the same preferences as West Maui overall. These calculations yield an even split between single-family housing and multifamily housing in the West Maui study area.

Figure 37: Estimates of Future Housing Need by Resident Preference, Maui County and West Maui Study Area, 2020-2025

Housing Type	Maui County	West Maui	Lāhainā	Kā'anapali
Total Units Needed	10,404	864	596	268
Ownership Units	4,605	382	264	118
Single Family	3,647	290	200	90
Multifamily	958	92	63	28
Rental Units	5,799	481	332	149
Single Family	2,685	141	97	44
Multifamily	3,114	340	235	105
Total Single Family (rent or own)	6,332	432	298	134
Total Multifamily (rent or own)	4,072	432	298	134

Source: ECONorthwest, ACS 2019 5-year, Hawai'i Housing Planning Study, 2019