

Jan. 18, 2024

To: Josh Green, governor of Hawaii,  
Richard Bissen, mayor of Maui,  
Robert J. Fenton Jr., administrator, Federal Emergency Management Agency, Region 9,  
Members of the Maui County Council and the Hawaii State Legislature

From: Keli'i Akina, president and CEO, Grassroot Institute of Hawaii

Re: Maui Interim Housing Plan

Dear Gov. Josh Green, Mayor Richard Bissen, FEMA Region 9 Administrator Robert Fenton Jr. and members of the Maui County Council and Hawaii State Legislature,

I write to you with Maui's August 2023 wildfires in mind. My heart goes out to those in Lahaina and elsewhere on the Valley Isle who lost their friends, families, homes and livelihoods to that terrible tragedy.

My purpose here is to comment on the recently announced \$500 million Maui Interim Housing Plan — established by yourselves, the Red Cross, the Hawaii Community Foundation and the Council for Native Hawaiian Advancement — which seeks to implement short- and long-term strategies to house Maui residents displaced by the wildfires.<sup>1</sup>

I think the plan is directionally sound and could provide much needed housing quickly, but I believe there are several ways it could be improved. As I explain in greater detail later, these include:

- >> Identifying state- and county-owned parcels near sewer and water infrastructure that could be speedily available for homebuilding.
- >> Waiving zoning density restrictions.
- >> Determining whether certain occupational licensing laws should be waived so out-of-state contractors and skilled tradespeople can help with local housing construction.
- >> Exempting from the state and county general excise and transient accommodations taxes any monies landlords are paid by the state, FEMA, the Red Cross and the Council on Native Hawaiian Advancement.
- >> Expanding Maui's emergency permitting statute to speed up permitting wait times, waive building permit fees and cover more types of buildings than just "one- and two-family dwellings and accessory structures."

## The current plan

Elements of the current Maui Interim Housing Plan include:

- >> A program in which displaced persons would live with host families.
- >> Leasing several hotels for an extended period of time to house fire survivors.
- >> Converting at least 1,500 second homes and short-term rentals into long-term rentals for fire survivors.
- >> Allowing people to return to habitable homes in and outside of Lahaina.
- >> Constructing 1,050 new homes by July 1, 2024.

This plan builds on previous actions intended to house displaced Maui residents. For example, in December, Maui County authorized property tax breaks for owners of short-term vacation rental, timeshare and non-owner-occupied properties if they rent to displaced persons.<sup>2</sup> The state also announced generous rental rates for those who housed such persons.<sup>3</sup>

At the time, these incentives were accompanied by public threats that these property owners might face higher property taxes if they didn't take advantage of the tax breaks<sup>4</sup> — or even that short-term rentals would be banned, if not enough of them opted into the rental program.<sup>5</sup>

The new plan does not suggest any such punitive actions, which is fortunate because it will limit the risk of costly lawsuits against the state for taking property without just compensation.

In addition, the county's rental and property tax incentives for short-term rental owners appear to be working: FEMA and the Council for Native Hawaiian Advancement said together they already are working with more than 1,500 short-term rental, second home and timeshare owners.<sup>6</sup>

Nevertheless, the Jan. 5 housing plan still could benefit from a few policy tweaks to help ensure it will work as intended, and in the spirit of “E hana kākou” (“Let's work together”), I offer the following suggestions — put together by my team at the Grassroot Institute of Hawaii — particularly regarding the goal of building 1,050 new homes.

## Proposed plan amendments

The interim housing plan envisions the construction of 1,050 temporary and permanent housing units by July 1, 2024. Some of these units will be prefabricated accessory dwellings built on county-owned land in Maui Lani. To facilitate the construction of these and other units, state and county policymakers should collaborate to do the following:

- >> **Create a survey of state and county-owned land on Maui.** This would help identify parcels that are near sewer and water infrastructure and could be speedily available for homebuilding. Policymakers already have valuable information on state and county-owned parcels on Maui thanks to a report conducted by the Office of Planning and Sustainable Development for the 2024 Legislature.<sup>7</sup> The areas identified in the

report would need to be further vetted to identify capacity of nearby infrastructure.

- >> **Maximize the amount of housing that can be built within budget and on available land.** Because funding is limited, the plan should focus on building as many units as possible, whether they be ADUs, duplexes or apartments. For example, instead of building one 1,800-square-foot unit on a parcel of land, build two 900-square-foot units.

This might require waiving zoning density restrictions, but this could be achieved through either the Build Beyond Barriers Working Group — authorized to waive such restrictions under the governor’s housing emergency proclamations — or by an emergency proclamation issued by Mayor Bissen.

- >> **Let private builders participate in providing emergency housing.** Many Maui landowners might own land that already has access to infrastructure. The state and county should work with such landowners to waive density restrictions and building and impact fees to speed the development of temporary and permanent shelter on these private lands.

For example, King’s Cathedral in Wailuku is building small homes for displaced residents on a parcel of agricultural land it owns.<sup>8</sup> Called the Ohana Hope Village, this project — and others like it — should receive exemptions from normal zoning codes and permitting fees.

- >> **Conduct an assessment of Hawaii’s skilled trade workforce, especially on Maui, to determine whether it would be appropriate to waive Hawaii licensing laws so workers from the mainland could help with local housing construction.**

State economist Eugene Tian and Carl Bonham, director of the Economic Research Organization at the University of Hawai‘i, have both pointed to a possible lack of skilled tradespeople to help with Lahaina’s recovery at a recent legislative hearing.<sup>9</sup>

If an assessment of the available workforce shows it might not be sufficient to construct all 1,050 units by July 1, 2024, Gov. Green could temporarily waive Hawaii’s state licensing laws so out-of-state contractors and skilled construction workers could help with the construction process. This waiver could expire on July 1, 2024, or when the interim plan meets its construction goals.

- >> **Direct the state Department of Taxation to issue guidance explicitly exempting monies that landlords receive from the state, FEMA, the Red Cross and CNHA from the state and county general excise and transient accommodations taxes.**

This is a common-sense move that would sweeten the rental incentives being offered to Maui landlords. Taxing this money seems counterproductive to the intent of the Maui Interim Housing Plan.

- >> **Amend the County’s emergency permitting statute to speed up approval times, waive building permit fees and expand the types of structures to which the statute applies.**

Maui’s emergency permitting statute requirements are found in Chapter 16.25.105 – Permits, subsection 105.2.2 of the Maui County Code, and apply to only “one-and-two family dwellings and accessory structures.”<sup>10</sup>

This statute says the county must approve requests to fix these limited types of structures damaged by an emergency within seven days, after which they are automatically approved. It also waives any building permit fees at the discretion of county building officials upon request of the applicant.

This chapter could be amended to expand the types of structures to which the code applies to multifamily buildings, businesses and temporary structures — including modular and prefabricated homes — and include structures that were not just damaged but completely destroyed by the fires.

These changes would ensure that permits for emergency repairs and temporary housing are issued in a timely manner and do not present a financial burden to the applicants.

Maui County could request that FEMA assist with staffing or paying for the expedited processing of these emergency permits, as the agency did after Hurricane Iniki on Kauai in 1992,<sup>11</sup> and which it has done elsewhere throughout the nation as well.

## Conclusion

As you can see, my staff and I at the Grassroot Institute of Hawaii have given the Maui Interim Housing Plan some careful thought. We share your goal of finding housing quickly for the many Maui residents displaced by the August 2023 wildfires, and I hope you will consider these suggestions we have made that could improve the effectiveness of the plan.

If you have any comments or questions about these proposals, or there is anything else my Grassroot team and I can do to help make your task easier, please let me know.

Mahalo for your attention, and my best wishes to all of you as you do good work on behalf of the Maui fire survivors.

Much aloha, and “E hana kākou,”

A handwritten signature in black ink, appearing to read "Keli'i Akina". The signature is stylized and written in a cursive-like font.

Keli'i Akina  
President and CEO  
Grassroot Institute of Hawaii

## Endnotes

- 1 ["Gov. Green, Mayor Bissen, Nonprofit and Community Leaders Announce Maui Interim Housing Plan,"](#) Office of the Governor, Jan. 5, 2023.
- 2 Allison Schaefer, ["Government proposals worry Maui short-term rental owners,"](#) Honolulu Star-Advertiser, Jan. 2, 2024.
- 3 Stewart Yerton, ["Hawaii Governor Wants To Entice Maui Property Owners To Rent To Fire Victims,"](#) Honolulu Civil Beat, Nov. 28, 2023.
- 4 ["Mayor Bissen proposes tax incentives to property owners who rent to wildfire victims,"](#) Hawaii Public Radio, Dec. 1, 2023.
- 5 Chad Blair, ["Hawaii Governor Weighs Moratorium On Maui Short-Term Rentals,"](#) Honolulu Civil Beat, Dec. 15, 2023.
- 6 Stewart Yerton, ["Officials Unveil \\$500 Million Agreement To House All Displaced Maui Households By July,"](#) Honolulu Civil Beat, Jan. 5, 2024.
- 7 ["Toward a Transit-Oriented Development Housing Investment Strategy: Report to the 2024 State Legislature In Response to SCR 162 and HR 188, 2023 Legislative Session,"](#) Hawaii Office of Planning and Sustainable Development, December 2023, p. 12.
- 8 Melissa Tanji, ["Modular home village aims to give 'hope' to displaced,"](#) The Maui News, Sept. 30, 2023.
- 9 Kevin Dayton, ["Hawaii Construction Boom Will Require Workers From The Mainland,"](#) Honolulu Civil Beat, Jan. 3, 2024.
- 10 Maui County Code, [16.25.105 - Permits.](#), accessed Jan. 10, 2024.
- 11 James Mak, Frank Haas and Paul Brewbaker, ["Economic Perspective of Maui's Devastating Wildfires,"](#) Economic Research Organization at the University of Hawai'i, Sept. 8, 2023; Jan TenBruggencate, ["FEMA to pay for emergency building permit agency,"](#) Honolulu Advertiser, Oct. 8, 1992; and ["Table 21.07-- Private Residential Construction and Demolition Authorized by Permits, by Counties: 1994 to 1999,"](#) State of Hawaii Data Book, 1999.