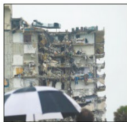




## Jio pleads guilty

Crash killed Hannah Brown

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## Condo collapse

100 missing in South Florida

On Page A5



## Back on the water

Keiki crews get chance to race

On Page B1

# The Maui News

Winner of 21 SPJ-Hawaii 2019 Excellence in Journalism Awards

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## Vacation rentals contribute the most to affordable housing fund

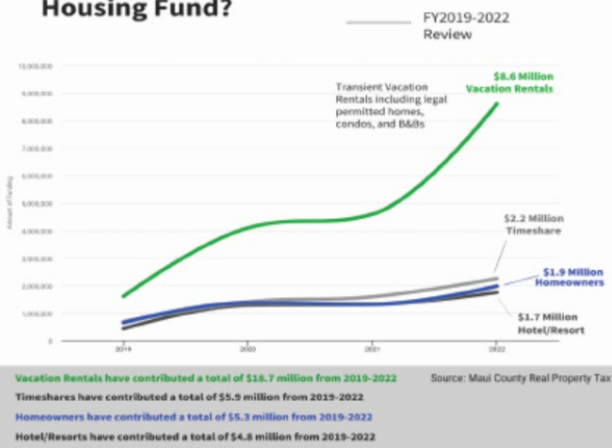
### VIEWPOINT JEN RUSSO

This may surprise many, but Maui's vacation rentals are in fact the largest contributor to Maui's affordable housing fund. Since 2018, Maui's vacation rentals have contributed \$18.9 million towards affordable housing, more than all the hotels, all the homeowners and all other businesses combined. In the same time period, timeshares, hotels and homeowner properties together have contributed \$16 million. By law at least 3 percent of real property tax goes toward the affordable housing fund, and this year the County Council voted to have 6 percent of real property tax appropriated to the fund. While much has been said about the impact of vacation rentals, without them there would be dramatically less money available for the county budget and specifically for affordable housing.

Vacation rentals include legal permitted short-term rental homes, condos and bed and breakfast operations. This year alone, short-term rentals will supply Maui County with \$142.4 million in real property tax revenue. That is more than one-third of all the real property tax collected countywide. As such, vacation rentals are the largest source of funding for the Affordable Housing Fund, raising \$8.6 million this year alone, and have been the biggest source of funding for the last three years. The second highest contributor is non-owner-occupied properties with \$5.8 million (this tax classification includes long-term renters).

Compared to other visitor-related accommodations, vacation rentals are the only segment to have increased their tax contributions this year. Timeshares saw a 7

### Who Pays for Maui's Affordable Housing Fund?



percent decrease in their assessed value, and will contribute \$2.2 million less than last year. Hotel and resort classification saw a 19 percent decrease in assessed value this year resulting in a \$3.7 million decrease from last year. Meanwhile, vacation rentals will generate \$28.6 million more in property tax revenue this year, a staggering 25 percent increase from last year.

The council and administration depend on short-term rental properties to fund our county. Likewise, vacation rentals support Maui's homeowners as well, by subsidizing lower taxes for residents. Right now Maui homeowners generate \$33 million in real property taxes. Without the \$142.4 million in taxes generated by vacation

rentals, homeowners would have to more than quadruple their taxes to keep the same county budget. Plus, Maui's vacation rentals also generate local jobs, supporting a network of small businesses like accountants, contractors, landscaping, cleaning, restaurants, shops and interior design professionals, all of whom in turn spend money, sustaining the economic circle.

While vacation rentals are often criticized, and seldom praised, it's worth considering the value vacation rentals bring to the table as a whole to fully understand the context of the situation.

■ Jen Russo is the executive director of the Maui Vacation Rental Association.