

To: Housing and Land Use Committee
Re: Bill 78 (2026) – Accessory Dwellings on Residentially Zoned Lots
May 20, 2026

Aloha Chair U‘u-Hodgins and Committee Members,

I support reasonable accessory dwellings and understand the intent behind increasing housing flexibility for local families, multigenerational living arrangements, caregivers, and long-term residential use. I also recognize Maui County is under pressure to comply with State Act 39 and HRS Section 46-4.8 requiring counties to allow at least two accessory dwelling units on residentially zoned lots by December 31, 2026.

However, from both a resident and real estate perspective, this discussion must be approached honestly and comprehensively.

This is not simply a housing bill.

It is also:

- a land-use bill,
- an infrastructure bill,
- a density bill,
- a property-rights bill,
- and a property-value bill.

The County should openly acknowledge that expanding development rights on residential lots will likely increase:

- property values,
- redevelopment pressure,
- investor interest,
- financing leverage,
- and income-producing potential across residential neighborhoods.

That is how real estate markets function.

When additional units become legally permitted on more lots, the market does not only interpret that as “housing.” The market also interprets it as expanded investment opportunity and increased return-on-investment potential.

A property that may have previously supported one dwelling may now support multiple living spaces and additional rental income potential. Buyers, lenders, appraisers, and investors will factor that into valuation models and acquisition strategies.

That may benefit some property owners. However, the County should also recognize the possible secondary effects:

- upward pricing pressure,
- increased speculative acquisition behavior,
- increased redevelopment activity,
- greater neighborhood density,
- parking strain,
- wastewater impacts,
- and additional pressure on already limited infrastructure systems.

More legal units do not automatically create affordable housing.

In many cases, additional units may instead become:

- higher-rent accessory dwellings,
- investor-driven income properties,
- inherited family density without infrastructure upgrades,
- or additional occupancy pressure in communities already struggling with roads, drainage, water, parking, and enforcement capacity.

This is especially important on Maui where:

- buildable land is limited,
- infrastructure expansion significantly lags development pressure,
- permitting remains slow,
- wastewater systems remain constrained,
- cesspool conversion requirements continue,
- and many communities already experience traffic, runoff, drainage, and parking concerns.

Even the Planning Commission discussions acknowledged concerns regarding:

- cesspools,
- shallow groundwater,
- runoff,
- wastewater impacts,
- infrastructure limitations,
- enforcement concerns,
- and compatibility with existing community plans.

The Planning Department itself recommended multiple modifications involving:

- water adequacy,
- infrastructure limitations,
- rural exemptions,
- and zoning compatibility.

That should make clear that these concerns are not anti-housing. They are practical concerns rooted in infrastructure, planning, environmental protection, and operational reality.

Housing policy without infrastructure policy becomes unmanaged densification.

One of the most important realities here is the growing disconnect between State mandates and County operational capacity.

The State increasingly establishes broad housing mandates, while counties inherit:

- the infrastructure burden,
- the wastewater burden,
- the drainage burden,
- the enforcement burden,
- the emergency response burden,
- and the political consequences experienced directly by residents.

Meanwhile, residents live with the actual impacts:

- crowded roads,
- limited parking,
- drainage failures,
- increased runoff,
- overloaded infrastructure,
- groundwater concerns,
- and declining neighborhood functionality.

Maui County should not simply implement state mandates mechanically. The County should implement them responsibly and in a manner consistent with actual infrastructure capacity and long-term sustainability.

For that reason, I respectfully request the Council consider the following amendments and safeguards before final passage of Bill 78:

1. Infrastructure Adequacy Requirement
Require written verification that adequate infrastructure exists prior to permit issuance, including:
 - water availability,
 - wastewater capacity,
 - drainage capacity,
 - roadway access,
 - and emergency service access.

2. Water Supply Verification
Require proof of adequate and sustainable water supply before approval of additional dwelling permits, particularly in areas already experiencing water limitations.
3. Wastewater and Cesspool Protection Standards
Require evaluation of septic and cesspool impacts, especially in areas with shallow groundwater, runoff concerns, or environmental sensitivity.
4. Long-Term Residential Occupancy Requirement
Maintain and strengthen restrictions prohibiting accessory dwellings from being used as:
 - transient vacation rentals,
 - short-term rentals,
 - or hotel-type operations.
5. Parking Standards
Require adequate on-site parking standards appropriate for occupancy levels and neighborhood conditions.
6. Rural and Low-Density Community Protections
Preserve exemptions or additional review standards for rural and low-density districts where infrastructure and community character were never designed for increased density levels.
7. Hazard Area Review
Require additional review or limitations in areas vulnerable to:
 - flooding,
 - wildfire,
 - erosion,
 - evacuation constraints,
 - or drainage deficiencies.
8. Enforcement Accountability
Require annual reporting back to the Council documenting:
 - permits issued,
 - completed units,
 - code violations,
 - enforcement actions,
 - wastewater complaints,
 - infrastructure impacts,
 - and compliance with long-term residential occupancy requirements.
9. Early Infrastructure Consultation Process
Create a formal pre-application infrastructure review process so residents and property owners can understand limitations before investing substantial time and money into projects.

I believe many residents support practical housing flexibility and responsible accessory dwellings for local families. But residents also expect honesty regarding infrastructure realities, market impacts, long-term planning consequences, and the County's actual ability to manage increased density responsibly.

I respectfully urge the Council to adopt strong safeguards, measurable infrastructure protections, and meaningful enforcement mechanisms before final passage of Bill 78.

Thank you for the opportunity to testify.

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