



Bill 88 (2026) - Proposed Bill for an Ordinance Establishing New H-3 and H-4 Hotel Zoning Districts

Housing and Land Use Committee

May 26, 2026

Received at HLU meeting on 05/26/2026
from Planning



Background:

- ▶ January 7, 2026 – County Council adopted Resolution No. 25-230, FD1, referring the proposed bill to the Planning Commissions

- ▶ Maui PC – February 24
- ▶ Lānaʻi PC – March 18
- ▶ Molokaʻi PC – April 8

- ▶ Purpose of Bill
 - ▶ Create new H-3 and H-4 Hotel Districts (Step 1)
 - ▶ Accommodate future land use changes for properties affected by Bill 9 (Step 2)



Background: Planning Commission Report/Hearings

- ▶ **December 15, 2025 – Council Meeting - Bill 9, CD1, FD1: Ordinance 5909 – Adopted**
 - ▶ Discontinues TVR use in Apartment Districts after amortization period
 - ▶ Removed 19.12.020.G – Allowed TVR use in buildings and structures meeting certain criteria
- ▶ **August 13, 2025 – Council Meeting - TIG Created – Purpose**
- ▶ **October 14, 2025 - HLU Committee Meeting – TIG Report/Recommendations:**
 - ▶ 1. Introduce legislation establishing new H-3 and H-4 Hotel Districts that are like-for like with A-1 and A-2 Apartment Districts – allowing for potential future land use changes
 - ▶ 2. Conduct Council-initiated CIZ for specific properties (“Exhibit 2”).
- ▶ **January 5, 2026 – HLU Committee Meeting**
 - ▶ Resolution 25-230 – referring the proposed bill to the Planning Commissions.
 - ▶ Minutes provided by HLU Committee Chair requesting Commission review
- ▶ **January 7, 2026 – Council Meeting**
 - ▶ Adopted Resolution 25-230, FD1 referring the proposed bill to the Planning Commissions



Bill 88 - Proposed Code Amendment

- **Implements the TIG's recommendation #1**

- **Proposed Revisions:**
 - Establishes new H-3 and H-4 Hotel Districts
 - Purpose: Establish new zoning districts reserved for specific properties (A-1 and A-2 Apartment Districts) affected by Bill 9 to allow continued TVR use
 - Like-for-like – Same development standards and uses permitted in A-1 and A-2 to be replicated in new H-3 and H-4

- **Does not affect any properties at this time (Step 1 of 2-step process)**
 - Step 2: Future CIZ/CPA will be necessary to move specific properties into H-3 and H-4
 - May or may not include all properties in TIG's "Exhibit 2"
 - Requires future review by respective Planning Commission(s) and Council approval



Department Recommendation

- ▶ **Department supports the proposed Bill**

- ▶ Only creates the base H-3 and H-4 zoning districts – does not affect any property
 - ▶ Future CIZ/CPA will need to be analyzed before moving properties into the new zoning districts
- ▶ H-3 and H-4 Districts replicate the A-1 and A-2 District's list of uses and development standards exactly
 - ▶ Uses and development standards of other Hotel Districts (H-1, H-M, H-2, Hotel) will not apply to H-3 and H-4
- ▶ Generally consistent with Maui County General Plan – LRD list of Policies

Department Recommendation

► Department recommended modification:

- Clarify that only those properties that met the criteria to operate TVR use in the Apartment Districts are permitted in the H-3 and H-4 Districts
- Transfer same criteria from the Apartment District to the H-3 and H-4 Districts, as follows:

"B. The following uses are permitted in the H-3 and H-4 districts:

1. Any use permitted in residential and apartment districts.

2. ~~Transient vacation rental uses that were legally permitted the day before the effective date of the ordinance requiring transient vacation rental uses to be phased out in the A-1 and A-2 districts.~~

2. Transient vacation rentals in buildings and structures meeting all of the following criteria:

a. The building or structure received a building permit, special management area use permit or planned development approval that was lawfully issued by and was valid, or is otherwise confirmed to have been lawfully existing, on April 20, 1989.

b. Transient vacation rental use was legally conducted in any lawfully existing dwelling unit within the building or structure prior to September 24, 2020 as determined by real property tax class or payment of general excise tax and transient accommodations tax.

c. The number of room or units allowed for transient vacation rental use may not increase beyond those allowed for such use as of January 7, 2022. Existing transient vacation rentals may be reconstructed, renovated, or expanded if no new rooms or transient vacation rental units are added.

d. The property owner or operator holds general excise tax and transient accommodations tax licenses and is current in payment of State and County taxes, fines, or penalties assessed in relation to the transient vacation rental."



Planning Commission Recommendations

- **Maui PC Recommendation (February 24, 2026):**
 - Recommend Denial
- **Lānaʻi PC Recommendation (March 18, 2026):**
 - Recommend Denial
- **Molokaʻi PC Recommendation (April 8, 2026):**
 - Recommend Denial



Department Recommended Minor Change

- ▶ Ordinance - Section 6 – Section 19.14.050 Development Standards
 - ▶ Table on Page 6 of Ordinance – “Side” should read:
 - ▶ “10 feet for the portion of the building 35 feet or less in height, and **[20] 15** feet for the portion of the building taller than 35 feet”