

HOUSING AND LAND USE COMMITTEE

Council of the County of Maui

MINUTES

July 2, 2025

Online Only via Teams

RECONVENE: 9:04 a.m.

PRESENT: Councilmember Tasha Kama, Chair
Councilmember Nohelani U'u-Hodgins, Vice-Chair
Councilmember Tom Cook, Member
Councilmember Gabe Johnson, Member
Councilmember Alice L. Lee, Member
Councilmember Tamara Paltin, Member (In 9:06 a.m.)
Councilmember Keani N.W. Rawlins-Fernandez, Member
Councilmember Shane M. Sinenci, Member (In 9:13 a.m.)
Councilmember Yuki Lei K. Sugimura, Member

STAFF: James Krueger, Senior Legislative Analyst
Ellen McKinley, Legislative Analyst
Carla Nakata, Legislative Attorney
Jennifer Yamashita, Committee Secretary
Ryan Martins, Council Ambassador

Residency Area Office (RAO):

Zhantell Lindo, Council Aide, Moloka'i Residency Area Office
Roxanne Morita, Council Aide, Lāna'i Residency Area Office
Mavis Oliveira, Council Aide, East Maui Residency Area Office
Bill Snipes, Council Aide, South Maui Residency Area Office
Clyde "Buddy" Almeida, Council Aide, Makawao-Ha'ikū-Pā'ia Residency Area Office

ADMIN.: Chris Nāhulu Nunokawa, Deputy Corporation Counsel, Department of the Corporation Counsel
Kristin Tarnstrom, Deputy Corporation Counsel, Department of the Corporation Counsel
Laksmi Abraham, Director of Communications and Government Affairs, Office of the Mayor
Matt Jachowski, Executive Assistant, Office of the Mayor
Kate Blystone, Director, Department of Planning
Ana Lillis, Deputy Director, Department of Planning
Greg Pfof, Administrative Planning Officer, Department of Planning
Maria Zielinski, Deputy Director, Department of Finance
Richard E. Mitchell, Director, Department of Housing

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OTHERS: Resource Personnel

Lynette Pendergast, Realtors Association of Maui
Jordan Ruidas, Lead Organizer and Founder, Lahaina Strong
Lauryn Rego, Strategic Advisor and Manager, Lahaina Strong
Caitlin Miller, Executive Director, Maui Vacation Rental Association
Kara Beltran, Mortgage Loan Officer, Security National Mortgage Company
Donna Ting, Broker and President, Tri Isle Realty & Development Co., Inc.

Others (90)

PRESS: *Akakū: Maui Community Television, Inc.*

CHAIR KAMA: . . .*(gavel)*. . . Will the recessed Housing and Land Use Committee meeting of June 9, 2025, come to order. It is now 9:04 a.m. on July 2nd, 2025. I am Tasha Kama, Chair of the Housing and Land Use Committee. This online meeting is being conducted in accordance with the Sunshine Law. Members, when your name is called, if you are not with me in the Council Chamber, please identify by name who, if anyone, is in your workspace with you today. And minors do not need to be identified. I'd like to say aloha kakahiaka to...let's go to Chair Lee for our morning greeting.

COUNCILMEMBER LEE: Thank you. So, Chair, if you're planning to go to Hong Kong this long weekend, and you want to pretend like you know the language, you can tell everybody ni hao.

CHAIR KAMA: Ni hao. Ni hao to you, Chair Lee, and aloha kakahiaka.

COUNCILMEMBER LEE: Thank you.

CHAIR KAMA: So, we're going to go to say aloha kakahiaka and ni hao to our Committee Vice-Chair, Nohe U'u-Hodgins.

VICE-CHAIR U'U-HODGINS: Aloha, Chair. Aloha, everyone.

CHAIR KAMA: And we're going to go to our Council Vice-Chair, and say aloha kakahiaka and ni hao to Yuki Lei Sugimura.

COUNCILMEMBER SUGIMURA: Ni hao, Chair. And so exciting to see this array of all these professionals from Administration who are going to be with us today. I look forward to that. And happy birthday, Kate Blystone, Planning Director.

CHAIR KAMA: Doesn't it make you want to just sing happy birthday?

COUNCILMEMBER SUGIMURA: Okay. Let's do it.

MULTIPLE SINGERS: Happy birthday to you, happy birthday to you, happy birthday, dear Kate, happy birthday to you.

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UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR KAMA: . . .*(laughing)*. . . Yeah, we keep going backwards. Want to say aloha kakahiaka and ni hao to our Councilmember Gabe Johnson.

COUNCILMEMBER JOHNSON: Ni hao, aloha, and good morning, Chair, Councilmembers, community members. There's no testifiers at the Lānaʻi District Office. I'm with my wet dog on...in my side of the office. It's pouring down rain here on Lānaʻi, so...but I'm here and ready to work. Mahalo, Chair.

CHAIR KAMA: Thank you. And we're going to say aloha kakahiaka and ni hao to our Councilmember Keani Rawlins-Fernandez, our cheerleading . . .*(inaudible)*. . .

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha kakahiaka, Chair. Mahalo for starting us off with that mele. And happy 29th birthday again, Director Blystone.

UNIDENTIFIED SPEAKER: . . .*(laughing)*. . .

COUNCILMEMBER RAWLINS-FERNANDEZ: I'm happy to be here in person. Mahalo.

CHAIR KAMA: Thank you. Want to say aloha kakahiaka and ni hao to our Councilmember Tom Cook.

COUNCILMEMBER COOK: Aloha kakahiaka and ni hao, Chair. Looking forward today to this very, very important discussion with our Administration. Looking forward to a constructive meeting. There's currently no testifiers...well, we don't have testimony, but the Kihei Regional Office is open. Thanks.

CHAIR KAMA: Okay. Thank you. Councilmember Shane Sinenci is excused, he's attending a funeral this morning. And I see Councilmember Tamara Paltin is in the Chamber this morning. Aloha kakahiaka and ni hao.

COUNCILMEMBER PALTIN: Aloha kakahiaka and ni hao kākou. Kala mai, Aunty Pattie ho'olewa i kēia lā.

CHAIR KAMA: And we have from the County Administration, from the Office of the Mayor, Laksmi Abraham, the Director of Communications and Government Affairs. Aloha kakahiaka and ni hao.

MS. ABRAHAM: Aloha kakahiaka. Good morning.

CHAIR KAMA: And we have from also the Office of the Mayor, Matt Jachowski, the Executive Assistant. Aloha kakahiaka and ni hao.

MR. JACHOWSKI: Aloha kakahiaka and ni hao.

CHAIR KAMA: And also we have, from the Department of Planning, our newly 29-year-old Kate Blystone, Director.

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MS. BLYSTONE: Aloha kakahiaka, Chair.

CHAIR KAMA: And we have with her, from the Administrative Planning Office, Greg Pfof. Aloha kakahiaka and ni hao.

MR. PFOF: Aloha, Chair.

CHAIR KAMA: And we have with us, from the Department of Housing, Richard Mitchell, the Director. Aloha kakahiaka and ni hao.

MR. MITCHELL: Good morning, Chair and Members.

CHAIR KAMA: And so, we have, from the Department of Finance, the Deputy Director Maria Zielinski. Aloha kakahiaka and ni hao.

MS. ZIELINSKI: Good morning.

CHAIR KAMA: And we have with us, from the Department of Corporation Counsel, the Deputies, Karen [sic] Tarnstrom. Aloha kakahiaka and ni hao.

MS. TARNSTROM: Aloha.

CHAIR KAMA: And we have also Nāhulu Nunokawa. Aloha kakahiaka and ni hao.

MR. NUNOKAWA: Aloha kakahiaka and ni hao. Thank you.

CHAIR KAMA: And we have with us, from the Department of Water Supply, the Deputy Director, who's available online, Mr. James Kimo Landgraf. Kimo, are you online with us now? *(pause)* Okay.

MR. KRUEGER: Chair, he...he might not be on currently, but --

CHAIR KAMA: Okay.

MR. KRUEGER: -- he is available on call if needed.

CHAIR KAMA: Okay. Thank you. And we have our Committee Staff, our Senior Analyst [sic] James Krueger. Aloha kakahiaka, James, and ni hao.

MR. KRUEGER: Good morning, Chair and Members.

CHAIR KAMA: And we have our Legislative Analyst, Ellen McKinley. Aloha kakahiaka and ni hao.

MS. MCKINLEY: Good morning, Chair and Members.

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CHAIR KAMA: We have our Committee Secretary, Jennifer Yamashita. Aloha kakahiaka and ni hao.

MS. YAMASHITA: Good morning, Chair and Members.

CHAIR KAMA: And we have our Legislative Attorney, Carla Nakata. Aloha kakahiaka and ni hao.

MS. NAKATA: Aloha, Chair and Members.

CHAIR KAMA: And we have our Assistant Clerk, who's taking testimonies out in the lobby, Lei Dinneen. Aloha kakahiaka and ni hao.

ITEM 4: BILL 9 (2025), AMENDING CHAPTERS 19.12, 19.32, AND 19.37, MAUI COUNTY CODE, RELATING TO TRANSIENT VACATION RENTALS IN APARTMENT DISTRICTS

CHAIR KAMA: So, thank you, Members, for attending today's HLU Committee meeting. We have a single agenda [sic] on today's agenda. It's Bill 9, Amending Chapters 19.12, 19.32, and 19.37 of the Maui County Code, Relating to Transient Vacation Rentals in Apartment Districts. We are scheduled to meet today until 4:30 this evening. During the reconvened meeting held on June 25th, we closed oral testimony, but we'll continue to keep...to accept written testimony into the record. I'm planning to recess this meeting for one mid-morning break around 10:20 a.m. for 15 minutes. I suspect, subject to your approval, that we will probably reconvene in some executive session, that I'm hoping that we can conclude that executive session before lunch around noon today. But after lunch, I am hoping that we can get into Bill 9 and consider any amendments Members would like to consider. My goal is to make a recommendation to the Council on Bill 9 by the end of today, but I also understand that if this Committee would like to take longer with this bill. I hope that by providing information now that Members and the public are better informed as to how I will be managing our meeting time. I ask for your full cooperation and participation. So, at this time, Members, I will be calling on you for the questions that you have for the Administration and our invited guests. But before we get into those questions, we need to formally recognize our invited guests as resources, based on their expertise regarding the matter before us. So, if there are no objections, I would like to designate the following as resource persons under Rule 18(A) of the Rules of the Council as follows. Caitlin Miller, the Executive Director of Maui Vacation Rental Association. Ms. Miller possesses expertise on transient vacation rental properties. From Lahaina Strong, Jordan Ruidas, Lead Organizer and Founder, and Lauryng Rego, Strategic Advisor and Manager. Ms. Ruidas and Ms. Rego possess expertise relating to the research conducted by Lahaina Strong on Minatoya list properties. When we last met, they submitted a report with Lahaina Strong's research. Kara Beltran, a Mortgage Loan Originator with Security National Mortgage Company. Ms. Beltran possesses expertise on assisting potential homebuyers with purchasing a home. And Donna Ting, Real Estate Broker and President of Tri Isle Realty and Development Company. Ms. Ting possesses expertise on real property management,

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including rentals, as well as real estate expertise. If there are no objections, Members, I'd like to continue.

COUNCILMEMBERS: No objections.

CHAIR KAMA: Thank you, Members. So, Members, now is the time to ask questions. I will start with my Committee Vice-Chair U'u-Hodgins, followed by Council Chair Lee, Council Vice-Chair Sugimura, and then continue for Members in your seating order. Yes, Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. To clarify, the questions --

CHAIR KAMA: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- that you're asking for are questions for the Admin team, for the additional resources --

CHAIR KAMA: Either/or, whatever.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- or for everyone? So, we're going to state our questions for the record, and then...but we won't have them answered at this time?

CHAIR KAMA: It is. No, you want them to answer it, right?

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh. Well, my preference would be to go into executive session first, so that some of the questions that have already been stated at the last meeting can be answered in closed session, so that we understand the legality. Because there were some things that were stated in testimony.

CHAIR KAMA: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: And, you know, when we were considering whether we would do some deliberation before today, Member U'u-Hodgins suggested going into executive session. And I heard a couple of Member Sugimura's questions that she immediately proposed, and those were also legal questions. So, if...if possible, I...I would really like to go into executive session first.

CHAIR KAMA: Okay. Members, is that your choosing? Because if it is, we could, unless there's a reason why we could not, Mr. Nāhulu or Ms. Tarnstrom?

MR. NUNOKAWA: I'm all right going into executive session, Chair.

CHAIR KAMA: Okay. Member Lee?

COUNCILMEMBER LEE: Thank you, Chair. I don't mind going in first, but I can foresee possibly going in again because we're...we have all the Administration representatives, and we're supposed to learn from their answers. So, you know, we're still formulating our opinions, and maybe some of our questions will be answered. Maybe some of our

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questions will, you know, trigger more questions for executive session. But I have no problem going into executive session first, knowing that we may go in again. Thank you.

CHAIR KAMA: Okay. Oh, I want to...before we continue, I'd like to welcome Member Shane Sinenci. Aloha kakahiaka and ni hao.

COUNCILMEMBER SINENCI: Aloha kakahiaka, Chair, and ni hao.

CHAIR KAMA: Thanks for joining us. Member U'u-Hodgins?

VICE-CHAIR U'U-HODGINS: Thank you, Chair. I'm happy to go into executive session as well, now that we have all our Members here.

CHAIR KAMA: Yes. Thank you.

VICE-CHAIR U'U-HODGINS: I know in the beginning, we were thinking we were going to be down two, so we were going to wait until we had everyone present...but now that we do, I'm happy to go into executive session to discuss some of the...the legality --

CHAIR KAMA: Yeah.

VICE-CHAIR U'U-HODGINS: -- about this bill. Thank you.

CHAIR KAMA: Yes, thank you. Any other comments, Members? Okay. So...

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair, for considering that.

CHAIR KAMA: Okay. So, let me get to the executive session notes. . . .(laughing). . .

UNIDENTIFIED SPEAKER: . . .(inaudible). . .

COUNCILMEMBER PALTIN: You want...you want me to make a motion to...

CHAIR KAMA: No, I'm...I'm --

COUNCILMEMBER PALTIN: Oh.

CHAIR KAMA: -- the Chair will entertain a motion to convene in executive session in accordance with--got to read all of this stuff--Section 92-5(A)(4), Hawai'i Revised Statutes, to consult with legal counsel on questions and issues pertaining to the powers, duties, privileges, immunities, and liabilities of the County, the Council, and the Committee. An affirmative vote of two-thirds of the Voting Members present, provided the affirmative vote constitutes the majority of the Members to which the board is entitled, is needed to convene. So...

VICE-CHAIR U'U-HODGINS: So moved.

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CHAIR KAMA: Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Second.

CHAIR KAMA: Okay. Thank you. I have a motion made by Member U‘u-Hodgins, and a second by Member Rawlins-Fernandez, to enter into executive session for Bill 9 (2025). Any further discussion?

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR KAMA: Yeah.

VICE-CHAIR U‘U-HODGINS: Are we going to...who are we going to have in our executive session? Are we going to have our resources, are we going to have Admin, or are we going to only have Corp. Counsel? Can...what...what are we going to?

CHAIR KAMA: That’s a good question. I was asking that this morning. Nāhulu, please.

MR. NUNOKAWA: I think for this initial executive session, it would just be the attorneys, along with the Councilmembers. Unless something comes up later that any of the resources are necessary, it would just be us explaining legality --

VICE-CHAIR U‘U-HODGINS: Okay.

MR. NUNOKAWA: -- to the Councilmembers.

VICE-CHAIR U‘U-HODGINS: Sounds good. Thank you so much, Chair.

CHAIR KAMA: Okay. Okay. Thank you. So, all those in favor --

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR KAMA: -- of the motion, please say “aye.”

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR KAMA: Yes. I’m sorry.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, aye. But I...I did have a comment. I...I...I just wanted to apologize to everyone in the gallery and, you know, to our resource folks for going into closed session immediately. But mahalo for everyone’s understanding.

UNIDENTIFIED SPEAKER: Second.

CHAIR KAMA: Okay.

UNIDENTIFIED SPEAKERS: . . .*(laughing)*. . .

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CHAIR KAMA: Well, thank you for seconding that apology on behalf of all of us. Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR KAMA: Okay. So, we took...okay. I'm going to do this again. All those in favor, please say "aye" or raise your hand.

COUNCILMEMBERS: Aye.

CHAIR KAMA: Okay. Member John...okay, there you are. Okay. Nine-zero is the vote.

**VOTE: AYES: Chair Kama, Vice-Chair U‘u-Hodgins, and
 Councilmembers Cook, Johnson, Lee, Paltin,
 Rawlins-Fernandez, Sinenci, and Sugimura.**

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: RECESS open meeting and CONVENE executive meeting.

CHAIR KAMA: Thank you. So, for the record, the following personnel will be attending the executive session meeting. All of the Councilmembers in attendance...myself as Committee Chair Tasha Kama, Committee Vice-Chair Nohelani U‘u-Hodgins, Councilmember Tom Cook, Councilmember Gabe Johnson, Council Chair Alice Lee, Councilmember Tamara Paltin, Councilmember Keani Rawlins-Fernandez, Councilmember Shane Sinenci, Councilmember Yuki Lei Sugimura. Office of the Council Services Staff...do we need...we need Staff in there, right?

VICE-CHAIR U‘U-HODGINS: Yeah, we need the Secretary and our Attorney.

CHAIR KAMA: Carla...Carla Nakata, our Legislative Attorney, and Jennifer Yamashita, Committee Secretary. So, Corp. Counsel, can I ask you to state from the Department of the Corp. Counsel or Administration who will be in exec sessions with us, and your titles?

MR. NUNOKAWA: I will be attending, Nāhulu Nunokawa, Deputy Corporation Counsel, and Kristin Tarnstrom will also be attending, also Deputy Corporation Counsel.

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CHAIR KAMA: Okay. Very good. So, at this time, the Chair would like to call for a recess so that we can go into exec session. We'll reconvene in 15 minutes. Is that good enough, or too much? It sounds like a long time.

COUNCILMEMBER PALTIN: Five minutes.

CHAIR KAMA: Yeah.

COUNCILMEMBER PALTIN: Oh.

CHAIR KAMA: Member Paltin?

COUNCILMEMBER PALTIN: Five minutes. Because we can always be late --

CHAIR KAMA: Oh, yeah, we're all here.

COUNCILMEMBER PALTIN: -- but we can't be early.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR KAMA: Okay. It's just clearing out the room, right?

COUNCILMEMBER PALTIN: Right.

CHAIR KAMA: Okay.

VICE-CHAIR U'U-HODGINS: Five minutes. Five minutes.

CHAIR KAMA: Five minutes. Okay. Sorry, guys, we have to kick you out. Can you please start leaving now?

UNIDENTIFIED SPEAKERS: . . .*(laughing)*. . .

CHAIR KAMA: Yeah, so we're going to reconvene at 9:25 --

VICE-CHAIR U'U-HODGINS: In executive session.

CHAIR KAMA: -- in executive session. . . .*(gavel)*. . .

RECESS: 9:25 a.m.

RECONVENE: 3:43 p.m.

CHAIR KAMA: . . .*(gavel)*. . . The recessed HLU meeting of June 9th will now reconvene. It is now 3:43 p.m.

MR. NAKOA: What time?

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CHAIR KAMA: 3:43 p.m.

MR. NAKOA: Just checking. Just checking.

CHAIR KAMA: So, Members, we have just completed our executive meeting on Bill 9. And so, at this time, I'd like to ask our Carla to provide the summary in accordance with the HRS Statute, Section 92-4.

MS. NAKATA: Thank you, Chair. The Committee convened in executive meeting under Section 92-5(A)(4), Hawai'i Revised Statutes, to consult with legal counsel on the rights and liabilities of the County, the Council, and the Committee. The Committee discussed Bill 9 (2025), its scope, and legal issues relating to the proposed phase-out with the Department of the Corporation Counsel. Nothing further, Chair.

CHAIR KAMA: Thank you. So, Members, the Mayor's team are all getting gathered on...online. So, while we wait for them to all gather and when...when they are...when they are all on, can Staff let me know? In the meantime, Members, we're more than likely to recess this meeting to July 23rd. So, I would like to, at this time, do a Rule 14 of the Rules of the Council. That that rule limits the recessed meetings to more than 14 days after the prior meeting. So, more than 14 days after July 9th takes us at the 23rd. So, July 23rd is the 21st day after today. So, I...I would like to entertain a motion to suspend Rule 14 of the Rules of the Council so we can recess to July 23rd at the appropriate time.

COUNCILMEMBER SUGIMURA: So move.

COUNCILMEMBER COOK: Second.

CHAIR KAMA: It's been moved by Vice-Chair Sugi [sic] Lei Yukimura...Sugimura, and seconded by Tom Cook. Thank you, Tom. So, please note that we need an affirmative vote from two-thirds of the Committee to approve the rule suspension. All those in favor of the rule suspension, please say "aye" and raise your right hand.

COUNCILMEMBER PALTIN: Oh, I'm sorry. What rule are we suspending?

CHAIR KAMA: Rule 14, to extend from 21 days to the 23rd, which gives us more time.

COUNCILMEMBER PALTIN: Oh, okay.

CHAIR KAMA: Yeah. Thank you.

VICE-CHAIR U'U-HODGINS: . . .(inaudible). . . Chair.

CHAIR KAMA: Sure.

VICE-CHAIR U'U-HODGINS: I think it's important to note that majority of this Council is going to go to NACo --

CHAIR KAMA: Yes.

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VICE-CHAIR U'U-HODGINS: -- next week. And so, we won't have Committee. And that is your next scheduled HLU --

CHAIR KAMA: Yes.

VICE-CHAIR U'U-HODGINS: -- meeting. So, that is the next time we have this Committee, which is --

MR. NAKOA: How come we're not doing 'em today?

VICE-CHAIR U'U-HODGINS: -- why we're doing it. But I just wanted to state that for the record.

CHAIR KAMA: Yes, that's why. Any other discussion, Members? Yes, Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I'm...I'm hoping we'll be able to come to a decision on the 23rd. I know there's a lot of things that we're all juggling, but in talking with my Staff, I'm willing to not have my Committee meeting the next day in case we --

CHAIR KAMA: I need to go.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- aren't able to complete and vote on the 23rd. So, I...I can...I can hold that day open --

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- for a recessed meeting if we need to.

CHAIR KAMA: Oh, that...we could have...I appreciate that.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

COUNCILMEMBER RAWLINS-FERNANDEZ: The day that we're going to have the public hearing, the 24th, my Committee meeting.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah, yeah, we're not going to do it, but since we're not going to do it, it's now --

CHAIR KAMA: Open.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- potentially open, so that we can complete our work if we're not able to on the 23rd. Because I would like to complete it as...as soon as possible.

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CHAIR KAMA: I agree.

COUNCILMEMBER RAWLINS-FERNANDEZ: And I'm happy to, you know, be part of the team, and provide more time if...if more time is needed.

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR KAMA: Member U'u-Hodgins?

VICE-CHAIR U'U-HODGINS: Thank you, Chair. I can check with my GREAT Committee Staff, but considering what Member Rawlins-Fernandez said, all of you folks are in the GREAT Committee. I don't know what we have scheduled on the 22nd, except for perhaps the 7(B) that I requested the other day with boards and commissions. And again, because everybody's in that Committee, just like this one, you guys should all have it available. I can ask if...if we have anything pressing for time with Corp. Counsel, and you can have that time as well.

CHAIR KAMA: We'll have to poll our members for that day, too.

VICE-CHAIR U'U-HODGINS: Okay.

CHAIR KAMA: Yeah.

VICE-CHAIR U'U-HODGINS: That'll be on the...the afternoon of the 22nd.

CHAIR KAMA: Yeah. Okay. And Member Rawlins-Fernandez, you're an all-day, right?

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah.

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Correct. On the 24th.

CHAIR KAMA: Yes. Okay.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

COUNCILMEMBER RAWLINS-FERNANDEZ: No public hearing.

UNIDENTIFIED SPEAKER: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah.

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CHAIR KAMA: Okay. So, Members, does that sound like something doable? But we'll do the poll for the 22nd. And so, would that be...Member U'u-Hodgins, that would be your afternoon, right?

VICE-CHAIR U'U-HODGINS: Yes.

CHAIR KAMA: Okay.

COUNCILMEMBER SUGIMURA: I have morning. So, if you need the morning --

CHAIR KAMA: Yes.

COUNCILMEMBER SUGIMURA: -- you know, let me know.

CHAIR KAMA: Okay.

MR. NAKOA: They'll be sleeping here until the 23rd, guys.

CHAIR KAMA: So, thank you. Okay. So, Member Sugimura offered her morning of the 22nd. So, we might poll for all day 22. And then, of course, 23 for sure. And then if we need the rollover to the 24th, we'll do that. Okay. So, just know, you'll get the poll coming out...if it's okay with Chair Lee to poll.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR KAMA: Okay. Thank you. Okay. I'll send the poll out.

COUNCILMEMBER SUGIMURA: Oh, yeah, poll.

COUNCILMEMBER RAWLINS-FERNANDEZ: On the suspension of Rule 14.

CHAIR KAMA: Oh, okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: When discussion is complete.

CHAIR KAMA: Yeah. Okay. We're good?

COUNCILMEMBER SUGIMURA: Okay.

CHAIR KAMA: So, all those in favor of suspending Rule 14, raise your hand and say "aye."

COUNCILMEMBERS: Aye.

CHAIR KAMA: I see nine "ayes." Thank you, Mr. Johnson, for being there.

COUNCILMEMBER SUGIMURA: Oh, what about you, Tamara?

CHAIR KAMA: So, we have nine "ayes," zero "noes." The motion's carried.

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VOTE: **AYES:** **Chair Kama, Vice-Chair U‘u-Hodgins, and Councilmembers Cook, Johnson, Lee, Paltin, Rawlins-Fernandez, Sinenci, and Sugimura.**

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **None.**

MOTION CARRIED.

ACTION: **SUSPEND Rule 14.**

CHAIR KAMA: So, the rules are suspended. Thank you very much. Okay. So, I’m not sure who’s online. Can we...James?

MR. KRUEGER: Chair, yes. We see Ms. Abraham from the Mayor’s office. She’s joined online, and we’ve made her a presenter.

CHAIR KAMA: Okay.

MR. KRUEGER: We’re on the lookout for other individuals to join us.

CHAIR KAMA: Okay. So, Laks is definitely online. And we’ll start, like I said earlier this morning, with the Vice-Chair [sic], and then we’ll go down the row...from Chair, Vice-Chair, Member Paltin, Member Johnson, and then down this way.

VICE-CHAIR U‘U-HODGINS: Thank you, Chair. I’m wondering if we have Department of Planning, and Director Kate Blystone on. And if so, can we ask her to please give...give us some answers from the Planning Commission, all three of them. They had really good questions that we obviously couldn’t discuss in executive session. But there are a couple good questions from the Planning Commission. And then if she is on, I would like to discuss some of the things that I asked that we needed to discuss in open session during executive session as well.

CHAIR KAMA: Okay. So, is Planning on, James?

COUNCILMEMBER SUGIMURA: It’s her birthday.

MR. KRUEGER: Chair, currently we...we don’t see an individual from the Planning Department online at this moment. Perhaps...I’m not sure if maybe they’ve gathered in the Mayor’s Office. Maybe Ms. Abraham might be able to --

CHAIR KAMA: Oh, okay. Let’s ask...

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MR. KRUEGER: -- confirm if someone's joining or...

CHAIR KAMA: Yeah, let's ask Laks.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR KAMA: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: While we're figuring --

CHAIR KAMA: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- that out, I just...I did get an opportunity to speak with Planning while we're on our recess. And they informed me that some of the questions that we transmitted to them, they have responded and transmitted back to us.

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: And I see...

CHAIR KAMA: It's on Granicus?

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, I don't know. We have to ask Staff if it...if it's posted.

CHAIR KAMA: 86 on Granicus.

COUNCILMEMBER RAWLINS-FERNANDEZ: Granicus number 86. Okay. Mahalo.

CHAIR KAMA: Okay.

MR. KRUEGER: Chair?

CHAIR KAMA: Yes.

MR. KRUEGER: Mr. Pfof from the Department of Planning has joined us.

CHAIR KAMA: Oh, okay. Member U'u-Hodgins, would you like to speak to Mr. Pfof?

VICE-CHAIR U'U-HODGINS: Sure. Thank you, Chair. I'll look for their response later. But I was just wondering, Mr. Pfof, if you could answer some of the questions that were asked by the planning commissions. I guess Maui Planning Commission discussed some of the properties that have Hotel zoning as well, and I'm wondering if you could tell us how to navigate that. In looking at some of the...the Minatoya list, we have a few that are zoned A-1, Business Resort, Open Space, and Planned Project District. What

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does that...what does mean? How do we navigate through the four different designations of zoning?

MR. PFOST: Thank you for the question. Yeah, I mean, there's different ways. I mean, in the zoning, you can go to Title 19, and it'll describe the...the zoning designation. So, in the...if I remember on that list, the...I think it was Hotel. So, you can go to the Hotel zoning designation under the Title 19. For the community plans, you have to go into the separate community plans and look at whatever description is defined within the community plan for that typical or that defined land use. I think there were only five on the Minatoya list that had multiple or...or had zoning designations that represented some sort of resort or hotel designation, either in community plan or zoning designation. Does that help?

VICE-CHAIR U'U-HODGINS: It does, except in deciding...well, one of the questions that Maui Planning Commission asked--where did it go?--was that they requested for us to consider excluding those properties that are community plan designated for hotel use and those properties that are already partially Hotel-zoned. How do we figure out what version of zoning outweighs another, especially when there's four different zonings, and they don't necessarily line up? Where do we associate the most weight with what zoning?

MR. PFOST: That's a good question. I'm not sure you can assign a weight. I mean, it's really the...it's either...either...Hotel Resort offers hotel-type use. So, I'm not sure if you can assign a weight, which is better or not. I think the...the point, and I think in recent correspondence that the...the Department provided in Granicus addressing this particular issue, is that it's...it's really...the hard part about the Minatoya list is, one, I think we've explained it, and within that correspondence, that it's not entirely accurate as far as zoning designations. And so, although the Planning Commission, you're right, did recommend that maybe some of these properties can be excluded, what the Department would recommend is that those properties actually go through a Code amendment process so that we can actually go through and dive in in more detail to determine whether or not these were actually...I mean, there's history on these properties, right?...on whether or not they actually acted as resort hotels at one time or not.

VICE-CHAIR U'U-HODGINS: Okay.

MR. PFOST: And reliance simply on the zoning designation, I don't...I'm not sure if that's the best way to go about doing it as far as we'd recommend that they go through actually a process in order to --

VICE-CHAIR U'U-HODGINS: Okay.

MR. PFOST: -- kind of do a more deeper dive.

VICE-CHAIR U'U-HODGINS: Thank you, Chair. Thank you, Mr. Pfof. I'm not too sure if there's a time limit. I haven't heard a bell, but I just want to make sure that I'm respecting my colleagues' time as well. James, do I have a time limit?

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UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

VICE-CHAIR U‘U-HODGINS: No, that’s okay.

MR. KRUEGER: Chair, we’ve been timing. We put a five-minute timer up. There’s 1 minute and 20 seconds about left on the timer.

VICE-CHAIR U‘U-HODGINS: Okay. Good. I have 1 minute and 20 seconds left.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

VICE-CHAIR U‘U-HODGINS: Because we’re going to use up all our time. I’ll...I’ll hold then. I’ll yield to my colleagues. Thank you, Chair.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR KAMA: . . .*(inaudible)*. . . Chair Lee?

COUNCILMEMBER LEE: Thank you. I think this would be for Laks, but Mr. Pfost, Planning...Planning, I guess, would be fine. We received an anonymous email regarding, I suppose, a conversation back and forth with the Mayor and various Staff people, Planning Department people, regarding seemingly a discussion on possibly changing the number of STRs to be affected by this ordinance. Who would like to take that question? Nobody. Oh, hi. Hi, Ana.

MS. LILLIS: Hello. Hello.

COUNCILMEMBER LEE: Okay.

MS. LILLIS: Ana Lillis, Deputy for Planning.

COUNCILMEMBER LEE: Okay. So, Ana, you recall that?

MS. LILLIS: I would need the context, Chair.

COUNCILMEMBER LEE: Do you recall that?

MS. LILLIS: Not by the description, but I’m sure that if I was provided a record, or --

COUNCILMEMBER LEE: Okay.

MS. LILLIS: -- more of a reference...

COUNCILMEMBER LEE: I can...I can send you a copy, but you’re on that thread...email. And I...and I guess the conversation was to ask whether or not the number should be reduced to 2,000 STR units. You recall that? And so, I was wondering, what was the basis for that conversation?

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MS. LILLIS: So, we went through many rounds of different discussions regarding this issue, analyzing it from multiple perspectives. And so, you know, the proposal...what we are standing on is before you today. So, I can certainly speak to a more direct question, Chair.

COUNCILMEMBER LEE: Okay. Another possible question would be, when you were discussing that topic, were you at one time thinking of just focusing on West Maui STRs? Because that runs about 2,000 or so units. If you don't know, that's okay.

MS. LILLIS: Yes, Chair. Yes, I truly...like I said, we...we discussed the both districts, you know, the bill comprehensively between South Maui, West Maui, because those have, of course, the most for this bill. But I --

COUNCILMEMBER LEE: Okay. My...

MS. LILLIS: -- was not sure...

COUNCILMEMBER LEE: It triggered my curiosity because I believe that conversation...or that discussion took place after you folks proposed...submitted your proposal, your initial proposal. Okay. If you don't have the answer to that, I will send it to you, and maybe you can respond after you receive my email. Okay? Thank you.

MS. LILLIS: Greatly appreciated, Chair.

COUNCILMEMBER LEE: Sure.

MS. LILLIS: Thank you.

COUNCILMEMBER LEE: Sure. Thank you.

CHAIR KAMA: Member Sugimura?

COUNCILMEMBER SUGIMURA: Yeah. So, also, at the Planning Commission, what happened to Ana Lillis? Deputy Director Lillis also recommended that some properties were designated...or they have Hotel or mixed...mixed use. So, the properties that were in...in your May 22nd, 2025, letter to HLU Chair states that five properties have zoning and/or community plan designations that, in addition to their Apartment-zoning designation, also includes another designation that would allow hotel-type uses. And it's Wailea Ekahi I, Wailea Ekahi III, Papakea, Hale Kā'anapali, and Maui El Dorado were the five properties that the Maui Planning Commission recommended the Council consider excluding these properties from the proposed bill.

MS. LILLIS: Yes, correct. And so, I'll just want to point out that Granicus item number 86 has our correspondence from Planning that we did transmit this morning, and we do speak more in detail to that element of the Planning Department's recommendation. And essentially, we feel as though it should go through the public process, but that Council could prioritize review of initiating those entitlements.

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COUNCILMEMBER SUGIMURA: So, what do you mean by public process? It should go through...

MS. LILLIS: Oh, the...yeah. So, you're...thank you...thank you, Councilmember. So, essentially, those properties could be Council...if this bill is passed, could be initiated by Council to update their land use entitlements to continue the TVR use. And that can be done within Bill 9, certainly, but we would want Corp. Counsel to weigh in on that...but essentially, we feel as though the best directive for this bill is to fully phase-out transient vacation rentals in the Apartment District to make it long-term use only. And then take a finer look at the properties that should be reviewed on an individual basis through the existing process, through the Change in Zoning and community plan amendments, on top of any other land use entitlements that might be required.

COUNCILMEMBER SUGIMURA: Thank you. So, that public process then would be a separate process to do a Change of Zoning for these individual properties that we mentioned, but the bill should stand as is, and then whoever...Council-initiated or whatever to change zoning for these. Is that what you're saying?

MS. LILLIS: Yes. Yes, thank you very much. That's exactly it.

COUNCILMEMBER SUGIMURA: Okay. Thank you.

CHAIR KAMA: Member Paltin?

COUNCILMEMBER PALTIN: I think my question might be for Finance. Is Finance on?

CHAIR KAMA: No, only Mr. Jachowski and Ms. Blystone...right, James?

COUNCILMEMBER PALTIN: Or...okay. I'll...I'll ask Ms. Lillis then. What are reasons that the Planning Department would support a Change in Zoning? Like if they're already community-planned Hotel, would that be a sufficient reason?

MS. LILLIS: That would indicate the community's intent. That would certainly be a weighted criteria, I would say, for the Department's consideration. If you look at the Change in Zoning criteria, a lot of it is also related to detrimental use, and looking at the other surrounding properties. And so, we...we would look at the compliance for Title 19 for Change in Zoning criteria, but that would certainly be a weighted element for sure.

COUNCILMEMBER PALTIN: And would the County...I mean, I know Council can initiate Change in Zoning, but can the Administration also initiate Change in Zoning?

MS. LILLIS: Yes, absolutely so. The Charter does provide that the Planning Director does have the authority to initiate changes in zoning, and general land use entitlements as well.

COUNCILMEMBER PALTIN: And so, has the...have you gone through any criteria? Like...I mean, for me, I wouldn't want to step in if not 100 percent of the owners are on board, for sure. Is that something that you guys have talked about at all?

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MS. LILLIS: We've not talked about consultation of the relative HOAs that exist on these properties, but that would certainly be part of a reasonable approach to the Administration looking at initiating ourselves land use entitlements for these properties is engaging the constituents that live there, absolute...or own there.

COUNCILMEMBER PALTIN: Because I...I remember previously, Member King had tried to do something, but not all the owners were in agreement. And so, we kind of just stepped back from that...which I thought was smart, but the Administration hasn't stated any policy as to all the owners have to be on board on one side or another.

MS. LILLIS: Yes. And I don't think we've looked at that specific issue, Councilmember, but I would say that our priority right now is to pass this bill, and return the Apartment District to long-term use, and any sort of consideration of properties afterwards. We're looking more so at fixing the permitting process to move these applications that we presume will...will come out from this. And so, that's where we're at, at this stage.

COUNCILMEMBER PALTIN: My last question is, if you had a single-family home . . . *(timer sounds)*. . . on apartment...oh, I guess I'll come back.

CHAIR KAMA: . . . *(inaudible)*. . .

COUNCILMEMBER PALTIN: I'll... I'll call you after, later on.

CHAIR KAMA: Member Johnson? Member Johnson?

COUNCILMEMBER JOHNSON: Thank you, Chair. All my questions have been answered at this time. Thank you.

CHAIR KAMA: Thank you. Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: I'm happy to yield to my colleague to my right, since you have questions. I don't have....I don't have questions for today.

CHAIR KAMA: Thank you. Member Cook?

COUNCILMEMBER COOK: Thank you, Chair. My question would be for the Deputy Director for Planning, Ms. Lillis. What's the difference...could you explain the difference between a Council- or Administrative-initiated Change in Zoning and an owner-initiated change of zoning?

MS. LILLIS: Wonderful question, Councilmember Cook. So, for those three categories, I'll start with what the Charter provides. So, the Charter provides that both the Planning Director and the County Council can initiate changes in zoning. And so, we...we work with our partners at the wonderful Department of Corporation Counsel to draft that legislation, and assign that to a planner to take it through the Planning Commission...the respective Planning Commission. And the Council-initiated changes in zoning are more...or I should say land use entitlements. So, Council-initiated land

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use entitlements have a special Charter provision that if...once...once Council passes a resolution to send a bill for a Change in Zoning, let's...for example, to the planning commissions, that we...we, Planning Department, have 120 days to take that through the Planning Commission. And if we...if 121 days are hit, then Council can take up the matter of itself without the Planning Commission's recommendation. And if two-thirds vote are had, it can...it can move on that ordinance. It can give it a thumbs up or a thumbs down, make amendments. And so, that's a difference between the two processes, as our process, if it...if we, Planning Director, or does not...if our Planning Director does not move on 120 days, there's no auto Council approval. So, that's a difference there, is ours has to go through and get a Planning Commission recommendation.

COUNCILMEMBER PALTIN: And --

MS. LILLIS: And so...and I'll go to...

COUNCILMEMBER PALTIN: -- to clarify --

MS. LILLIS: Oh, yes.

COUNCILMEMBER PALTIN: -- it's not 120 days from when it passes --

MS. LILLIS: 100...

COUNCILMEMBER PALTIN: -- it's 120 days from when they receive it. Because we got into that issue.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

MS. LILLIS: Yes. So, we do need to receive the...the resolution. Yes, that's provided in the Charter.

COUNCILMEMBER COOK: So, could you walk me through briefly the steps when...when it gets transmitted to the Planning Commission, and then A, B, C, D, E, F, what...what has to happen in order for it...the zoning to change?

MS. LILLIS: Oh, yeah. So, I can...I can certainly go into those details, but I want to get to your actual question, which I feel as though...so they...they look at our staff report, we walk them through the prescriptive criteria in Title 19, and essentially, they just make a recommendation based off of their analysis. And so, that recommendation is captured in a summary staff report, and we do the minutes, and we transmit that to Council. And so, that can take multiple meetings, and so that's what the Planning Commission does, is they review the application along...you know, our dedicated staff, and they make a recommendation to Council.

COUNCILMEMBER COOK: Okay. Thank you very much. That's all my questions for now.

CHAIR KAMA: Thank you.

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MS. LILLIS: And I didn't...I didn't get to the application side, but the applicant also does not have a trigger of 120 days, but they need to themselves create their application and packet, and it follows a similar process.

COUNCILMEMBER COOK: I'm sure there's a lot to it, and I'll get to it. Thank you. Thank you very much, Chair.

CHAIR KAMA: Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. Did you say that Ms. Abraham was on?

UNIDENTIFIED SPEAKER: Yeah.

COUNCILMEMBER SINENCI: Oh, okay. Mahalo, Ms. Abraham. It looks like during testimony, we received some testimony in support of Bill 9, however, with some recommendations, I guess...follow-ups to...to the bill should it pass. Does the Administration anticipate proposing any additional bills, companion bills, in response to some of these recommendations?

MS. ABRAHAM: Thank you, Member. Currently, the Administration sits on the language that is presented in the bill in its current form, based on the amendments that we presented. However, we do acknowledge that there will likely be next steps that will need to be done in unison with this bill, but at a later time. And, you know, as we mentioned in our presentation, those other steps would include potential tax amendments to offset revenue losses. But those are the...that's the main...those are the main things that we've discussed so far --

COUNCILMEMBER SINENCI: Okay. And...

MS. ABRAHAM: -- is the offset in revenue.

COUNCILMEMBER SINENCI: For now. Okay. And then...

MS. ABRAHAM: So, yes, there...there will be some follow-up steps, but that would have to be discussed with Council at a later time.

COUNCILMEMBER SINENCI: Right. I believe we received some recommendations from Stand Up Maui, as well as CNHA, for some follow-up. Okay. That's it, Chair. Thanks for now.

CHAIR KAMA: Thank you. I'm going to come back on this side. Chair Lee, any questions?

COUNCILMEMBER LEE: Yes, for...for Laks Abraham. Laks, can you expand on the offset in revenue? Where are we going to get \$100 million from?

MS. ABRAHAM: Thank you, Chair, for that question. I would defer to Finance. Unfortunately, our Director of Finance is on the East Coast, and she has gone to bed already. However,

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we'd be happy to answer those questions in...in follow-up if you could submit those questions to us.

COUNCILMEMBER LEE: All right. And...

MS. ABRAHAM: And I apologize. We were prepared to speak to that, but I had to let her go to sleep. . . .*(laughing)*. . .

COUNCILMEMBER LEE: Okay. So, we'll send you a letter in writing. Now, my understanding is, in the Mayor's presentation--and I believe you were a part of it to the Council initially--the...the key reason, it seems, for this proposed legislation is to address the issue of the lack of housing, especially for West Maui; is that correct?

MS. ABRAHAM: I think the intention of the bill overall is to address the overall housing crisis, not just West or South Maui. But given the circumstance that most of the TVRs that are in question are located in West and South Maui, yes, that would...that would be the...the main area of focus.

COUNCILMEMBER LEE: Okay. Great. So . . .*(clears throat)*. . . Sorry. If...if--this is just a scenario--if what we're proposing...or what you're proposing doesn't yield as many units, especially in the affordable range, do you have a backup plan? Are you simultaneously working on providing new, permanent housing?

MS. ABRAHAM: So, the...thank you, Chair, for that question. The first part of that is, we do have a broader housing strategy. The Director of Housing submitted a response to numerous questions outlining what that broader housing strategy looks like. So, certainly, Bill 9 is part of that broader housing strategy. And I'm sorry, what was the...what was the first question that you had?

COUNCILMEMBER LEE: What if this proposal doesn't yield the number of affordable units you're hoping it would? And because of that, because there's so much uncertainty about whether or not we're going to actually have a lot of affordable housing as a result of this proposal, this legislation on STRs, I asked whether...whether or not you have a...a plan . . .*(timer sounds)*. . . or what are we going to do to provide permanent housing? And I mean, not just a plan, but like when is it going to start?

MS. ABRAHAM: I think it's our position that we...we have never looked at these units as potentially affordable, we look at these units as potentially attainable, and adding capacity, and moving us in the direction of adding more units to the market. As far as how many units would result in this transition, the overall goal for us is to...is any amount of units that we can get to convert is considered success. Any amount of units that we can bring online for long-term housing would be a success from where we're sitting.

COUNCILMEMBER LEE: Can I still ask a question?

COUNCILMEMBER PALTIN: No, your time is up.

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CHAIR KAMA: No, your time is up.

COUNCILMEMBER LEE: Oh, okay.

CHAIR KAMA: Member Sugimura?

COUNCILMEMBER SUGIMURA: No, I'll...I'll wait. Let Member Paltin --

CHAIR KAMA: Member Paltin?

COUNCILMEMBER SUGIMURA: -- proceed.

COUNCILMEMBER PALTIN: I'd like to go back to Ms. Lillis. Hi. So, my question was, if you have...like say, a TMK that is zoned A-1, A-2, and they have either a single-dwelling unit, multiple-dwelling units, multifamily or a cottage accessory dwelling unit, but this TMK is owned by one family, they're allowed to do short-term rental without a permit because of the A-1, A-2 zoning, and they may have done it prior to April 20th, 1989, or something like that?

MS. LILLIS: That would be correct. So, the Minatoya list that...it's not...it doesn't go based off of the structure type.

COUNCILMEMBER PALTIN: And the one that you have, the list that you have, it's not necessarily exhaustive?

MS. LILLIS: That is correct. And our letter does address that as well. And we are looking at proactively reviewing certain properties that have come to our attention to see if they indeed qualify.

COUNCILMEMBER PALTIN: So, if that type of property is also occupied by the owner, they're still allowed to do short-term rental. And in that case, would you know that the tax classification should be Commercialized Residential, or can it be Owner-Occupied?

MS. LILLIS: A lot of different facets there. So, I probably shouldn't speak to Department of Finance questions, but I do understand that Commercialized Residential...my understanding is that that is only for bed and breakfast permit holders. That's that...that's the only way that that classification comes up. The properties that qualify for transient vacation rental use in the Apartment District can...there's no restriction on whether they are owner-occupied, long-term rental, and their default tax classification, my understanding is...is that they go by highest and best use. And so, if real...if the Real Property Assessments Division doesn't have any information of them having a qualifying exemption for a homeowner, long-term rental, what have you, then their default classification is the TVR/STRH tax classification.

COUNCILMEMBER PALTIN: Okay. I better dive deeper with Finance because it seems like maybe a special situation. But like if...if...what the A-1, A-2 thing, Minatoya thing says is specific to short-term rental, not to B&B, but if they're in that zoning and they have

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. . .*(timer sounds)*. . . a large house and they're living in it, it kind of is the definition of B&B?

MS. LILLIS: Sure, sure. So, if...I could see...I think I'm...I think I'm seeing what you're saying, that if I filed an Owner-Occupied tax classification, but I'm transient vacation renting because that's a lawful use, I believe we should confirm this with the Department of Finance, but that would inherently not make you qualify for the homeowner's exemption. But that should be confirmed with the Department of Finance. I thought...I believe that that's a caveat to that.

COUNCILMEMBER PALTIN: Okay. Thank you. I'll try to follow-up with them.

MS. LILLIS: Thank you.

CHAIR KAMA: Thank you, Member Paltin. Member Johnson?

COUNCILMEMBER JOHNSON: Thank you, Chair. I don't have any questions at this time.

CHAIR KAMA: Thank you. Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I have a couple of questions for Ms. Abraham. Aloha, Ms. Abraham. Mahalo for being with us today. Earlier, there was a question asked about the potential loss in revenue of \$100 million. I believe our Finance Director, Marcy Martin, projected 60 million, not 100 million. Is...is that your understanding? And that's also assuming that the rates were to stay the same as they're set now, and assessments also stayed the same. I don't see Ms. Abraham. I'm just going to answer my own question, and that's the correct answer. All right. I had another question for Ms. Abraham. Okay. Ms. Abraham. *(pause)* Can you hear me?

MS. ABRAHAM: Yes, Member.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, okay. Are you confirming what I said is correct?

MS. ABRAHAM: Yes, that is correct.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Great. Mahalo.

MS. ABRAHAM: The average estimated amount is 60 million that we anticipate would be a loss in RPT revenue. And that's in line...in alignment with what UHERO has estimated as well.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo for that. And then to an earlier question, what I understood from Mayor and his team's comments was that the purpose of Bill 9 wasn't just about housing, although it is a big part of it, it is also about water, taking up a larger percentage of water, preventing housing elsewhere being built, as well as correcting zoning. But it's also about restoring community. And we heard that a lot

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in testimony, that where there once was community, there no longer is. Is that a correct understanding?

MS. ABRAHAM: Yes, Member. That is absolutely correct, and in line with what we presented.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Ms. Abraham. Mahalo, Chair.

CHAIR KAMA: Thank you, Ms. Rawlins-Fernandez. So, Member Cook, any last questions?

COUNCILMEMBER COOK: Nope. It's late, and --

CHAIR KAMA: Okay.

COUNCILMEMBER COOK: -- there'll be another day for questions. Thank you, Chair.

CHAIR KAMA: Yeah. There will be. Member U'u-Hodgins?

VICE-CHAIR U'U-HODGINS: Chair, can I just confirm with you that whenever we come back, whether it be the 22nd or the 23rd is guaranteed, maybe the 22nd, maybe the 24th, that we're going to have all the other resources that were announced at the beginning of this meeting to ask questions to?

CHAIR KAMA: Well, we're going to have to re-invite them.

VICE-CHAIR U'U-HODGINS: Okay. We'll re-invite them.

CHAIR KAMA: So, I'm...I'm thinking that our resources that we invited, the Council invited, I assume that they're going to show because they were here today and --

VICE-CHAIR U'U-HODGINS: Yeah.

CHAIR KAMA: -- they want to speak, I'm sure. So, I'm sure that they will be here. In terms of the Mayor's team, we'll just have to re-invite them again, and then...

VICE-CHAIR U'U-HODGINS: Okay. Thank you, Chair. One of my questions is going to be to a banker. As I understand it, properties under litigation, when it comes to lending, have strict criteria, and it's very difficult to get a loan on property that's under litigation. And I wanted their perspective.

CHAIR KAMA: Okay.

VICE-CHAIR U'U-HODGINS: Most people I know don't have a few extra \$100,000 in cash laying around to buy one of these potential units, whether it's now or in a few years. And so, I wanted their perspective, and what we can do to ensure that the potential properties stay locally.

CHAIR KAMA: Okay.

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VICE-CHAIR U'U-HODGINS: But I'll save that question for when we come back. But that's an important question for me. Thank you, Chair.

CHAIR KAMA: Thank you. Member Sinenci?

COUNCILMEMBER SINENCI: No more questions, Chair.

CHAIR KAMA: Thank you. So, Members, we are definitely going to recess today's HLU meeting.

COUNCILMEMBER LEE: Point of order, Chair.

CHAIR KAMA: I'm sorry. Yes?

COUNCILMEMBER LEE: Yeah, I want to make a correction. As Laks mentioned, the 60 million was for RPT, real property taxes. I was including TAT, transient accommodation taxes, and GET, general excise taxes. Thank you.

CHAIR KAMA: Okay. Thank you. So...so, we're definitely going to return on the 23rd at 9:00 a.m. to the same place, to the same station at 9:00 in the morning. And I just want to ask all of you...my Staff just told me I'm not available on the 22nd, so I would've loved that. So, we're going to poll for the 24th. So, is everybody okay on the 24th...which is usually Keani's day, her whole day? Are you all good for the 24th?

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . . recess.

CHAIR KAMA: From the 23rd to the 24th.

COUNCILMEMBER PALTIN: I'm not using the second half of tomorrow, if anyone wanted to.

CHAIR KAMA: So, 24th, are we good? All day? All day?

COUNCILMEMBER RAWLINS-FERNANDEZ: I don't know if you...Chair, I don't know if you heard Member Paltin.

COUNCILMEMBER PALTIN: I...I took tomorrow's slot, but I won't be using the whole day, if you guys wanted to go a half day tomorrow.

CHAIR KAMA: But I have another meeting tomorrow too.

COUNCILMEMBER PALTIN: Oh, okay.

CHAIR KAMA: Different meeting.

COUNCILMEMBER PALTIN: Never mind then.

CHAIR KAMA: So, 24th?

COUNCILMEMBER PALTIN: 24th is fine with me.

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CHAIR KAMA: 24th is good? 24 good?

UNIDENTIFIED SPEAKER: My birthday is 29th, yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair, 20 --

CHAIR KAMA: 24th.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- 23rd --

CHAIR KAMA: I mean 23 and 24.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- and 24th, potentially. If we don't complete our work on the 23rd --

CHAIR KAMA: Correct. Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- then we would recess --

CHAIR KAMA: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- to the 24th.

CHAIR KAMA: 24 good, Mr. Sinenci? Ms. Hodgins? Mr. Cook? Is...is the 24th okay for you? Chair? Vice-Chair? Member Paltin? Okay. So, we're going to report back here on the 23rd, and 24th if we do not complete our work on the 23rd. So...yes?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

MR. NAKOA: . . .*(inaudible)*. . . Kā'anapali, brah. We going to stay there the July 9th...

COUNCILMEMBER RAWLINS-FERNANDEZ: For...for our reconvene meeting, I didn't see 'Ōiwi Department on. Can we request if --

CHAIR KAMA: Sure.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- they would be available to serve as a resource --

CHAIR KAMA: Sure.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- for us when we reconvene as well?

CHAIR KAMA: Sure.

COUNCILMEMBER RAWLINS-FERNANDEZ: So, we'll have Planning, Mayor's Office --

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CHAIR KAMA: We'll have everybody else that we invited.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- Housing --

CHAIR KAMA: We're just going to ask.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- Finance --

CHAIR KAMA: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- 'Ōiwi Department, Corporation Counsel, Water?

CHAIR KAMA: Water. Yeah, we invited Water.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Okay.

CHAIR KAMA: Anything else?

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, oh. And then we would have to also ask our volunteer --

CHAIR KAMA: Yes. Our resources.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- resource folks --

CHAIR KAMA: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- if they can...if they would be available as well.

CHAIR KAMA: Yeah. Right.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. And then on that day, do you have an idea how you would format the meeting? Like who we would take up first? So...because especially because like our volunteer folks...

CHAIR KAMA: So, did you want to do it by departments? Like, you know, we bring the Finance and everybody has a Finance question. Just ask them and they can go back. You guys want to do it like that? I was thinking about that today. Or just ask...everybody stays all day and just ask as the questions come up.

COUNCILMEMBER SUGIMURA: Then the questions flow --

CHAIR KAMA: Okay.

COUNCILMEMBER SUGIMURA: -- if everybody's there.

CHAIR KAMA: Okay. So, everybody stays, and we just...

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COUNCILMEMBER RAWLINS-FERNANDEZ: My concern was more about our resource folks who aren't paid to be here.

CHAIR KAMA: Is what?

COUNCILMEMBER RAWLINS-FERNANDEZ: And our volunteer resource folks. I was just concerned about them spending the entire day again, and --

CHAIR KAMA: I know.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- not having an...yeah, I know you know. I know that was a concern for you too.

CHAIR KAMA: Well, let's make sure that we ask the questions of them then, you know...utilize them while they're here. It's just...

COUNCILMEMBER RAWLINS-FERNANDEZ: I guess maybe when the Committee Staff reaches out to our volunteer resource folks that maybe you can report to us when we reconvene on the 23rd when they would be available. And then that way we can kind of also --

CHAIR KAMA: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- follow their schedule.

CHAIR KAMA: Okay. Did you get that, James? Okay. Thank you. Okay. Other than that, Staff, is there anything else that we need to take care of?

MR. KRUEGER: Chair, no...no, that'd be all. If you want, I could just announce the...the information about the recess if you want me to do that, or if...

CHAIR KAMA: Okay. Yeah. Do that.

MR. KRUEGER: So, Chair, then the...the Committee will be recessing. They'll be recessing to July 23rd at 9:00 a.m., using the same Microsoft Teams link and connections we're using today, with the same in-person location here in the Council Chamber.

CHAIR KAMA: Yeah. Is that it? Okay. Members, thank you for spending the whole day with us. Thank you, Mr. Nunokawa and Ms. Tarnstrom, for staying with us all day for all the recesses. Thank you to all of our Staff who is here from OCS. So, the June 9th HLU recess Committee meeting is now in recess until July 23rd, 9:00 a.m. Meeting now in recess. Thank you, Members. . . .*(gavel)*. . .

RECESSED: 4:29 p.m.

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CERTIFICATION

I, Daniel Schoenbeck, hereby certify that pages 1 through 31 of the foregoing represents, to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 23rd day of July 2025, in Wailuku, Hawai'i

A handwritten signature in black ink, reading "Daniel Schoenbeck", is positioned above a horizontal line.

Daniel Schoenbeck