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**TESTIMONY IN SUPPORT OF INCLUDING WAIOHULI BEACH HALE, KIHAI
IN H-3/H-4 ZONING**

Council Chair Alice Lee, thank you for the opportunity to testify. My name is Kim Smith, and I am an owner at Waiohuli Beach Hale, Kihei. I am submitting this testimony in strong support of including Waiohuli Beach Hale in the H-3/H-4 zoning designation.

Waiohuli Beach Hale was built in 1979 and has operated as a transient vacation rental property for nearly fifty years. This is not a workaround — it is the property's original, legally documented purpose. Both of its founding condominium declarations, one from 1974 and one recorded with the State Bureau of Conveyances in 1978, expressly authorize transient rental alongside owner occupancy. Owners bought their units relying on that right, after the developer itself marketed the property for vacation rental use.

For the past twenty years, more than 77% of Waiohuli Beach Hale's occupancy has been short-term rental. The property is staffed and maintained accordingly, with a full-time manager, weekly groundskeeping, pool service, and ongoing skilled-trade maintenance — the operating profile of a vacation rental property, not a conventional apartment building.

Three reasons Waiohuli Beach Hale belongs in H-3/H-4:

- Legal history and intent — Transient use is written into the property's governing declarations from before it was ever sold, and owners purchased in reliance on that right.
- Economic necessity/affordability — Oceanfront proximity commands a significant price premium over comparable properties located just two or more blocks inland. This premium places the units at Waiohuli Beach Hale well outside the reach of affordable housing, making the location fundamentally incompatible with that goal. Oceanfront exposure and a wood shake roof push annual taxes, insurance, utilities, and maintenance to roughly \$8,138 for a one-bedroom and \$9,606 for a two-bedroom unit. Combined with a mortgage, these costs exceed what a long-term or workforce tenant could reasonably support. Transient rental is the only use that sustains these units financially.
- Shoreline risk — PacIOOS sea level rise scenarios show meaningful long-term coastal hazard exposure at this site. This risk is a reason to favor flexible, short-duration occupancy over permanently housing families in a location facing increasing hazard. This property is a poor fit for housing policy goals, and one that could later require difficult and disruptive displacement of long-term residents as conditions change. Transient vacation rental use, by contrast, is inherently short-duration and flexible: it does not anchor permanent households to a location with rising long-term risk and allows the property's use to be adjusted more readily as shoreline conditions evolve.

The Waiohuli Beach Hale has been a transient vacation rental property in practice, in law, and in the expectations of its owners since its inception. I respectfully ask the Committee to include it in the H-3/H-4 zoning designation. Thank you for your consideration and I am happy to answer any questions.

Mahalo,
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