

Recessed HLU Committee meeting of June 9, 2025

HOUSING AND LAND USE COMMITTEE
Amendment Summary Form

Legislation: Bill 9 (2025), entitled "A BILL FOR AN ORDINANCE AMENDING CHAPTERS 19.12, 19.32, AND 19.37 MAUI COUNTY CODE, RELATING TO TRANSIENT VACATION RENTALS IN APARTMENT DISTRICTS."

Proposer: Tasha Kama, Chair
Housing and Land Use Committee.



Description: These amendments acknowledge concerns with certain language in the preamble to my proposed CD1 version of Bill 9 (2025), expressed in response to Question 7 in the Planning Director's correspondence dated May 22, 2025, and are intended to alleviate those concerns.

Motions: First, in Section 1 of my proposed CD1 version of Bill 9 (2025), move to amend the last sentence in the first paragraph to add the word "effectively" after the word "exceptions." The sentence would read as follows:

"Ordinance 1797's exceptions effectively allowed some multi-unit buildings in the Apartment Districts to have Transient Vacation Rentals as lawful nonconforming uses."

Second, in Section 1 of my proposed CD1 version of Bill 9 (2025), move to amend the second to the last paragraph to read as follows:

"[As of May 3, 2024, Subsection 46-4(a),] Act 17, Session Laws of Hawai'i 2024, amended Section 46-4, Hawai'i Revised Statutes, [provides] to explicitly provide that, "over a reasonable period of time," uses that allow transient accommodations "may be phased out or amortized in any zoning district by county zoning regulations. As it relates to Section 46-4, Act 17 took effect on May 3, 2024."

HOLD FOR MEETING

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Reasons: These amendments address the second and third bullet points on page 8 of the Planning Director's response dated May 22, 2025.

Attachment: Pages 7-8 of Planning Director's May 22, 2025, response to Committee Chair's request dated April 30, 2025, Question 7.

hlu:ltr:004aasf04:cmn

Attachment

Honorable Richard T. Bissen, Jr
For Transmittal to:
Honorable Tasha Kama, Chair
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Thus, besides this specific unit, all the remaining 6,208 units appear to be operating as TVR's and do not have an associated approved Short-term Rental Home Permit.

6. ***Thank you for transmitting a copy of the UHERO report, entitled "An Economic Analysis of the Proposal to Phase Out Transient Vacation Rentals in Maui County Apartment Districts," dated March 31, 2025. Please provide any comments the Department may have in response to the report that may help the Committee's analysis of Bill 9.***

We have reviewed the UHERO report and offer some observations for the Council to consider. First, it is important to preface that from a land use perspective, the Department believes that the provision of long-term ownership and rental uses should be a priority in the County's Apartment districts as outlined in the "Purpose and intent" section (MCC 19.12.010) of the Apartment District. Further, the General Plan acknowledges our current housing shortage and provides policy direction on the importance of expanding housing opportunities and balancing the potential impacts of TVR uses on the provision of long-term housing. The General Plan also provides policy direction related to the economic value of visitor-serving uses. As noted in the Department's June 25, 2024 report to the Planning Commissions, achieving an appropriate balance between resident needs and visitor-serving uses and accommodations is a delicate endeavor.

As discussed in the Department's June 25, 2024 report to the Planning Commissions, the Department identified potential issues related to affordability, loss of employment, and reduced tax revenue to the County and discussed these items with the commissions. While the commissions did not have the UHERO Analysis as part of their deliberations, the Analysis confirms that these issues are valid and the potential social and economic impacts may be significant. The Department notes that the UHERO report did not explore the economic impact of maintaining TVR use in the Apartment district. The long-term impacts of allowing this use to continue while local residents struggle to find housing could also be significant. The Department recommends that the Council invite experts on the economic impact of this proposal to help weigh these potential impacts in its policy discussion of the proposed bill along with any alternatives to achieve the balance implied through General Plan policy.

7. ***Attached is a copy of the proposed CD1 version of Bill 9 (2025) pending with the Department of the Corporation Counsel for review. Please provide any comments you would like to share on the proposed CD1 version.***

The Department worked closely with Corporation Counsel on the version that was transmitted by the Planning Department to the County Council Chair on December 30,

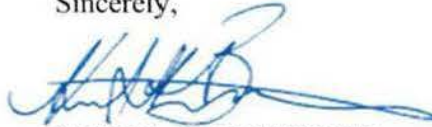
Honorable Richard T. Bissen, Jr
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2024. Given the high probability that the proposed ordinance may be challenged, the Department is encouraged that you are also requesting review of the CD1 version by Corporation Counsel. While the CD1 version appears consistent with the intent and purpose of the December 30, 2024 version, the Department has identified the following items that may need further consideration.

- Generally, Sections 1, 9 and 10 of the CD1 version differ substantially from Sections 1, 7 and 8 of the December 30, 2024 version. As noted above, Corporation Counsel should opine upon these differences from a legal perspective.
- The last sentence of the first paragraph of Section 1 of the CD1 version references the terms "multi-unit" and "nonconforming" regarding Ordinance 1797's exception, but Ordinance 1797 does not utilize these terms.
- The second to last paragraph in Section 1 of the CD1 version indicates that "*As of May 3, 2024, Subsection 46-4(a), Hawai'i Revised Statutes, provides that, "over a reasonable period of time," uses that allow transient accommodations "may be phased out or amortized in any zoning district by county zoning regulations."* While this is a correct statement, as it specifically relates to this Bill, it should be noted that HRS already allowed this to occur in Apartment Districts prior to May 3, 2024. As such, reference to the May 3, 2024 date may be misleading.

Thank you for the opportunity to provide this information. If you have any further questions, please do not hesitate to contact me.

Sincerely,



KATE L. K. BLYSTONE
Director

cc: Ana Lillis, Deputy Director (pdf)
Laksmi Abraham, Director of Communications & Government Affairs
Mimi Desjardins, Corporation Counsel
Kristin Tarnstrom, Corporation Counsel
Gregory Pfost, Administrative Planning Officer (pdf)

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