

# HOUSING AND LAND USE COMMITTEE

Council of the County of Maui

## MINUTES

September 16, 2024

Online Only via Teams

**CONVENE:** 5:42 p.m.

**PRESENT:** Councilmember Tasha Kama, Chair  
Councilmember Tom Cook, Vice-Chair  
Councilmember Gabe Johnson, Member  
Councilmember Alice L. Lee, Member  
Councilmember Tamara Paltin, Member  
Councilmember Keani N.W. Rawlins-Fernandez, Member  
Councilmember Shane M. Sinenci, Member  
Councilmember Yuki Lei K. Sugimura, Member  
Councilmember Nohelani U‘u-Hodgins, Member (Out 8:02 p.m.)

**STAFF:** James Krueger, Senior Legislative Analyst  
Ellen McKinley, Legislative Analyst  
Eric Arquero, Legislative Analyst  
Carla Nakata, Legislative Attorney  
Jennifer Yamashita, Committee Secretary  
Lei Dinneen, Council Services Assistant Clerk  
Jean Pokipala, Council Services Assistant Clerk  
Ryan Martins, Council Ambassador

Residency Area Office (RAO):

Jade Rojas-Letisi, Council Aide, Makawao-Ha‘ikū-Pā‘ia Residency Area Office

**ADMIN.:** Yukari Murakami, Deputy Corporation Counsel, Department of the Corporation  
Counsel  
Richard “Remi” Mitchell, Director, Department of Housing  
Marcy Martin, Director, Department of Finance

**OTHERS:** Eric Rohozinski  
Colleen Rohozinski  
Christine Kapiioho  
Alana Kay, Organizer, Maui Tenants & Workers Association  
Lori Carter  
Manuel Santiago  
Samuel Santiago  
Desilee Santiago, Member, Maui Tenants & Workers Association  
Elizabeth Ray, Volunteer, Maui Tenants & Workers Association  
Tracy Claudio  
Dhyan Sandhya, Maui Tenants & Workers Association  
Krizhna Bayudan, Maui Tenants & Workers Association

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Ann Pitcaithley  
Stoph Kasak, Maui Tenants & Workers Association  
Nelson John Salvador, Director of Organizing, Hawai'i Workers Center  
Penny Souder  
Lauren Lopez  
Candace Shaw  
Jade Moreno, Maui Housing Hui  
Livit Callentine  
Keisha-Ann Dela Cruz  
Alan Lloyd, Consultant and Member, Maui Tenants & Workers Association  
A. Christopher  
Nara Boone, Maui Housing Hui  
Edward Codelia  
Diann Colton  
Ian Hodges  
Jason Economou

*Resource Personnel*

Alan Lloyd, Consultant and Member, Maui Tenants & Workers Association  
Desilee Santiago, Member, Maui Tenants & Workers Association  
Leil Koch, Representative, Realtors Association of Maui  
Jason Economou

Others (49)

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

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CHAIR KAMA: . . .*(gavel)*. . . Will the Housing and Land Use Committee meeting of September 16, 2024, come to order. It is now 5:42 p.m. 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're not with me in the Council Chamber, please identify by name who, if anyone, is in your workspace with you today. Minors do not need to be identified. Do we have any questions before we begin, Members? Okay. So, I'd like to say aloha 'auinalā to Committee Vice-Chair Tom Cook.

VICE-CHAIR COOK: Aloha, Chair.

CHAIR KAMA: And also, I want to say aloha 'auinalā to Councilmember Gabe Johnson.

COUNCILMEMBER JOHNSON: Aloha, Chair, Councilmembers, community members. There's no testifiers at the Lāna'i District Office, and I'm here and ready to work.

CHAIR KAMA: Thank you. I also want to say aloha to all of our online Members, beginning with Council Chair Lee.

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COUNCILMEMBER LEE: Aloha, and oki from the Blackfoot Nation in Montana. I'm here in my workspace. Koa is outside because the sun is still out, so she's still playing. Thank you.

CHAIR KAMA: I want to say aloha to Council Vice-Chair Yuki Lei Sugimura, and oki.

COUNCILMEMBER SUGIMURA: Aloha, Chair Kama, and nice to see you. Oki, and looking forward to an interesting meeting. Thank you.

CHAIR KAMA: Thank you. I want to say good evening and oki to Councilmember Tamara Paltin.

COUNCILMEMBER PALTIN: Good evening. Aloha ahiahi and oki. Streaming live and direct from Nāpili. I got one male named George Vierra, two unnamed minors, and two named dogs. Thank you.

CHAIR KAMA: Thank you for that report. We have also with us Councilmember Gabe Johnson...oh, I said good morning...good evening. We also have with us Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha ahiahi kākou, mai Moloka'i Nui a Hina. I'm at my private residence. I have one unnamed minor, and possibly one more coming home soon, and then my husband, Makena Fernandez, will likely be home soon, too. And there are currently no testifiers at the Moloka'i District Office.

CHAIR KAMA: Thank you. We also have from Hāna, our Councilmember Shane Sinenci.

COUNCILMEMBER SINENCI: Ahiahi, Chair, and oki. Here at my home office, a couple animals running around. And the East Maui Office is closed right now, so no testifiers, Chair, at the office.

CHAIR KAMA: Thank you. And Members, we have many testifiers who have signed up tonight, and if you would, without objection, allow me to give each testifier two minutes because I would like to get this meeting over with by 8:30. And I'm trying not to talk a whole lot, and to conserve my strength. I've asked the Office of Council Service to help me throughout this evening in terms of reading some of the things that you need to be informed of. So, without objections, Members?

COUNCILMEMBERS: No objections.

CHAIR KAMA: Thank you. We also have with us, from the Department of Corp. Counsel, Yukari Murakami. Aloha.

MS. MURAKAMI: Hi. Good evening, Chair.

CHAIR KAMA: Oh, I'm sorry. I forgot and skipped over our Councilmember Nohe U'u-Hodgins. Good evening, Nohe.

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COUNCILMEMBER U‘U-HODGINS: Good evening. I’m at the Pā‘ia District Office with Jade Rojas-Letisi, and there are no testifiers here right now. Thank you.

CHAIR KAMA: Thank you. And we’re going to go back to our introducing, from the Department of Housing, our Housing Director, Richard Mitchell. Good evening and aloha.

MR. MITCHELL: Aloha, Chair and Members.

CHAIR KAMA: We also have with us, from the Department of Finance, our Director, Marcy Martin. Aloha. I didn’t hear her, but I’m assuming she’s going to be on. We also have with us other resources. We have Mr. Alan Lloyd from the Maui Tenants & Workers Association. Aloha. He’s sitting right here. We have with us also Desilee Santiago from the Maui Tenants & Workers Association also, which was here earlier. We have Mr. Jason Economou and Mr. Leil Koch on behalf of the Realtors Association of Maui. We have with us our Committee Staff, James Krueger, our Senior Analyst. Good evening, James. And we have with us Ms. Ellen McKinley, our Legislative Analyst. Good evening.

MS. MCKINLEY: Aloha, Chair. Aloha, Members.

CHAIR KAMA: We have our other Legislative Analyst, Eric Arquero.

MR. ARQUERO: Good evening, Chair.

CHAIR KAMA: And we have with us our Committee Secretary, Jennifer Yamashita.

MS. YAMASHITA: Good evening, Chair and Members.

CHAIR KAMA: We also have with us our Legislative Attorney, Carla Nakata.

MS. NAKATA: Aloha, Chair and Members.

CHAIR KAMA: Thank you. Our Assistant Clerk, Lei Dinneen, and our Assistant Clerk, Jean Pokipala. So, Members, without objection, I’d like to designate the individuals I have introduced as resources under Rule 18 of the Rules of the Council, based on their expertise or experience with the subject matter we will be discussing today, rent stabilization.

COUNCILMEMBERS: No objections.

CHAIR KAMA: Thank you.

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**ITEM 3(20): RENT STABILIZATION (RULE 7B)**

CHAIR KAMA: So, thank you, Members, for attending today's HLU Committee meeting. We have a single item on tonight's agenda, HLU-3(20), Rent Stabilization. So, in accordance with the Sunshine Law, as Chair, I will be calling for testimony for our single agenda item after we receive presentations from our resources. After the presentation, I'll be asking the Administration to comment, and then we will receive testimony. Members, I ask that you would please hold all of your questions for the presenters and the Administration until after testimony...after testimony has been closed. So, Members, I believe that many of you are familiar with the concept of rent stabilization or rent control, especially since Mr. Lloyd has been reaching out to many of you regarding the legislation he would like the County to consider enacting. We'll be hearing from Mr. Lloyd about this proposed legislation as a matter of information only. This meeting is not to consider legislative action. I asked Council Chair to hold this meeting in the early evening to encourage participation by those in our community who would be directly affected by it, tenants and landlords. Given the time, I intend to conclude this meeting no later than 8:30 p.m. So, I will be asking our Committee Staff to watch the timer during testimony, and when we ask our questions. I would advise our resources that if Members get a sufficient answer from you during the question period, they may cut you off to maximize the use of their allocated time. So, Members, I have thought about this matter since being approached by Mr. Lloyd, and provided my thoughts about handling the issue of spiraling rents in a letter to our resources for this meeting. Now that we have convened this meeting, Staff has distributed that letter to the Committee, and has uploaded it to Granicus. We can discuss my thoughts when we get to our deliberations. So, thank you, Mr. Lloyd, for being here. Please proceed with your presentation, and please be mindful of the time allotted for your and other presentations. Mr. Lloyd.

MS. SANTIAGO: Thank you, Chair. Thank you, Committee Members, for being here tonight. Thank you to all the testifiers that showed up, and everybody online. Super important stuff, and right, let's get to it. So, we are Maui Tenants & Workers Association, and we are fighting for mandatory rent stabilization for Maui County. Next slide, please. So, this is our vision statement. Our vision, as tenants, is to make Maui affordable again, keeping families together, and stabilizing rent to reflect the true median household income. We strive to promote respectful and transparent relationships between landlords and tenants while providing a supportive and safe space where everyone feels heard and reassured. By fostering empowerment and encouragement, being the difference, supporting one another, speaking up, we aim to stabilize rent, ensure just cause evictions, and increase tenant rights to create a better future for our keiki and 'ohana. Next slide. What is rent stabilization? A set of rules designed to keep housing affordable by controlling how much landlords can increase rent annually. Next slide. Alan?

MR. LLOYD: All right, I'm going to do this slide. So, rent stabilization has four basic components. The first is a base rent, that's the rent you start with in the beginning of the ordinance, the beginning of the program. And then from there, from that base rent, there can be annual increases based on CPI, Consumer Price Index. The next

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component of that is--I'm going to skip to the last one--mandatory registration of rentals. So, we need to have mandatory registration of rentals so we can have the base rent, so then we can...so then they can have annual increases based on the CPI. So, those increases by the CPI basically stops the exorbitant increases right now of rent. And then the last component is that if a landlord would like additional increases beyond the CPI, then they can make an application to the Department of Housing for approval.

MS. SANTIAGO: Next slide, please. This is just a small timeline, just to give you an idea that we were already under a horrible pre-existing housing crisis for our island with COVID, trying to recover from COVID, and then a devastating wildfire that ravaged Upcountry and Lāhainā. Over 2,000 structures destroyed, and now we're in a greater need for affordable housing. Next slide, please. This is a list of some of the current housing projects. If you can see, most of them are temporary, which is up to the five years that was just changed, the law for temporary structures, temporary dwellings. So, we don't know after five years what's going to happen to those, or what's going to happen to the people. Can we still use those? Kaiāulu O Kūku'ia was already pre-existing. It just got built. People just moved in, and it burned. And so, they're rebuilding that.

COUNCILMEMBER PALTIN: That's not correct.

MS. SANTIAGO: No?

COUNCILMEMBER PALTIN: It's Kupuohi --

MS. SANTIAGO: Oh, I'm sorry.

COUNCILMEMBER PALTIN: -- and that was 89 units.

MS. SANTIAGO: Kupuohi.

COUNCILMEMBER PALTIN: That one is being...Kūku'ia is going to be new.

MS. SANTIAGO: Kūku'ia is the one coming down the bypass, right? Sorry, Kupuohi. Yes, thank you.

COUNCILMEMBER PALTIN: On both sides of the bypass.

MS. SANTIAGO: Thank you, Councilmember. Kaulana Mahina is by Kehalani Foodland in Wailuku. That was affordable, I think. They're still continuing construction on that one. So, current housing projects, we estimated about 1,209 potential units. Total displaced households were...was over 4,500. FEMA Direct Leasing Program is set to expire February of 2025, affecting at least 1,200 households. Insurance Assistance expiration usually is within a year of the devastation or disaster. In my line of work, the community is concerned what will happen once the insurance payments stop and nobody is...and they're put into the same kind of market...rental market, as the rest of us. So, that's...yeah, that's a high concern right now. Next slide, please. Quote from Mayor at his State of the County address. He said, "What people need is safe, stable,

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secure housing.” And we’ve heard that over and over again for us here on Maui. Next slide, please. Five facts supporting rent stabilization. First one, stabilizes communities, addresses rising housing costs, prevents displacement, supports economic recovery, and prevents against inflation. Next slide, please. How are locally-owned businesses being affected? We know that a lot of our local-owned businesses are our residents, you know, our community, our people, our mom, dad, uncle, grandpa, grandma. Maui County lost 5,000 jobs since the August 2023 wildfires, down 6 percent. Business owners are unable to afford the rent, leading to closure of business. Unable to hire employees due to rental costs and lack of housing for those employees. Lack of workforce to service the businesses, and increased overhead costs passed on to consumers. Unemployment rates in Maui County increased 2.4 percent, going from 3 percent to 5.4 percent. Next slide, please. I took this from the UHERO Hawai‘i Housing Factbook 2024. These figures here were from Craigslist 2023. Median rents are shown for all listings recorded from Craigslist in 2023. As you can see, Maui County is usually the most expensive out of everyone. If you go to the three-bedroom, it’s averaging about \$3,500 from 2023. Next slide, please. These are screenshots from Facebook Marketplace as of a week and a half ago. You see, I did Makawao, Kula, Ha‘ikū, Lāhainā. A shared bedroom in...in someone’s house is 1,600 a month, you know, and it goes up from there. A one and...one bedroom, one-and-a-half-bath house in Kihei is 3,200 a month. And these are real prices. These are real rents. We just signed a lease September 1st, my family and I, after we were, you know, wrongfully evicted, and we pay \$4,000 a month for a three-bedroom. Next slide, please. Priced out of paradise...but where’s the help? We’ve been kicking and screaming for a long time trying to get people to hear us, not just our fellow community members, our Councilmembers, Attorney General’s Office, Mayor’s Office, anybody that will listen. So, we do appreciate this time that you guys are taking, Chair, for us today. So, these are just the most recent news...news stories from our community. Tenants are experience...experiencing frustration at the slow to no response to skyrocketing rents in the last four years. Next slide, please. So, just to summarize, all local residents should have access to dignified and affordable housing. Our lives are not your investment. We need mandatory rent stabilization now. Next slide...last slide. Mahalo for everybody’s time tonight.

MR. LLOYD: Okay. Next presentation. Can you make it bigger? That’s all it’ll go? Okay. All right, here we go. Why stabilize rents? Because they provide stability to tenants, stability is really important, and a reasonable return to landlords. And that is called rent stabilization. Next slide. Okay. Most people believe if you increase the supply of housing, rents will decrease to affordable levels, but research shows the opposite. Next slide. All right. So, there’s...I’m going to look at a few studies here. This is a study where for every 100 units, they added one new unit, and they found that rents were only reduced by 0.4 to 0.7 percent. And we can go to the next slide. This is another study, and I...the...you should have a packet of the same information that I have, which shows that rents...well, it’s called housing supply and affordability. Basically, it says that if...that even if you increase supply, demand will also get increased. And one of the ways at the end it talks about is that people who are living with families or...or are couch surfing will then go out and look for their own place. So, let’s do next slide. All right. So, we’re going to take a sample, Austin, Texas, in...yeah. And so, in 2021, the monthly rents rose by 25 percent. And at the same time, builders built 5,000...51,000 homes.

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But now, the rents in Austin are down 4 percent. But the senior economist from Zillow says that those rents are down, but they're not affordable. And he does also predict that the rents will go back up again. So, the average monthly rent there is 1,500 to 1,800. And if you take a 4 percent decline of 1,800, it's \$72. That's not a big decline. All right. Next slide. All right. As I've been talking to people in the community and Councilmembers, some of the Councilmembers. They have told me arguments against rent stabilization. So, first, a landlord won't participate in the program. They won't register. So, I'm going to say, let's just not assume that as an assumption that landlords won't register. And at the same time, if you have legislation and proposed legislation, you can put in an incentive and a consequence for not registering. We found recently in New York when landlords won't...were not registering because there's annual registration, and New York increased the penalty to \$500 a day, and they got a 99 percent rate of landlords signing up. Next slide. Rent stabilization is perfectly legal. It's been upheld in the U.S. for over four decades, that's 40 years. Next slide. Ah, yes. There's a study in Winnipeg which says...so the question was, does rent stabilization impact new housing? A study in Winnipeg basically says that rent...they call it rent controls, but rent stabilization/rent controls, did not, in fact, decrease the amount of new housing. And in fact, they...they found that what contributed most to local housing construction was the overall health of the economy, not rent control or rent stabilization. Next slide. So, I've had people say to me, well, landlords are going to take their rentals off the market, remodel, and sell. Well, if the rent stabilization bill includes a clause in it that says that if a...if a unit has just been sold, and it still has to be stabilized, then that's not an incentive to do that. Next slide. And there's a concern among myself and others in the Tenant Association, as well as on this island, that...that we don't want to hinder generational wealth. Well, rent stabilization does not hinder generational wealth. Next slide. When we rebuild Lāhainā, should we assume that those units could be used for long-term rentals? Well, an article in *Maui Now*, September 1st, says that 40 percent of the housing in the area that was burned were short-term rentals. Okay, next slide. Rent stabilization is better...is for the local population rather than out-of-towners, and it makes housing less attractive to investors, and is good for the community and for community stabilization. Next slide. What is not rent stabilization? A property tax relief program to reduce rents. We've seen that in other jurisdictions where landlords are voluntarily signing up to reduce their rents. Many of the landlords on Maui are owner-occupied, and they get a better property tax relief than if they had a long-term rental, so there's no incentive for them to participate. Next slide. All right. So, this slide basically compares if a landlord maintained their rents at market rate versus took a long-term rental exemption. So, if for...annually, if a landlord maintained their rents without taking the exemption, they would garner 31,428 more dollars per year versus the \$3,183 tax savings. So, there is no incentive in property tax relief for a landlord to take that...financial incentive. Okay, next slide. So, one of the concerns, as I thought about property tax relief, is if the County is losing \$3,000 in income each year, and let's say there's 3,000 rentals, that's \$9 million. How will the County make up that tax loss of \$9 million? Will they cut the County budget? Will they raise property taxes? Next slide. Okay. We tried last year for voluntary participation of landlords and STRs, and we found that just 1 out of 17 of the Minatoya STR owners participated in the property tax relief. That's 6 percent. So, we have a track record to show that most landlords don't sign up for voluntary programs. Next slide. Thank you for your time. Mahalo.



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CHAIR KAMA: Thank you very much for that presentation, Mr. Lloyd. Mr. Koch, are you ready for your presentation?

MR. KOCH: I am.

CHAIR KAMA: Thank you.

MR. KOCH: I am ready. Aloha, Chair Kama and County Councilmembers. You got it? You can click the next slide. I'm Leil Koch, speaking on behalf of the Realtors Association of Maui. I want to thank everybody for their time here tonight. First off, let's get one thing straight. There is a great need for affordable rentals, also market rentals, affordable housing, mid-price housing, investment housing. We need all types of housing. Second, this issue was not brought on by the Lāhainā fires, although it was accentuated. It has accentuated the issue. This is also not unique to Maui or to Hawai'i. It's in every community across from New Zealand, the mainland, and into Europe. Every community is facing the same issue. There's a shortage of every type of housing, both rental and residential, throughout the world. There are solutions, not quick, but things we can do together, that is government and private industry working together to create opportunities. Next slide, please. But most importantly, it is not rent control. Thirty-three states prohibit rent controls because of its negative effect on the housing market. That includes the States of Washington, Arizona, Florida, Massachusetts, and Minnesota. There's a link in...in the presentation that the Councilmembers can go through and see each particular state that has done that. There's a bunch of studies...several studies of New York, Boston, Los Angeles, San Francisco, Santa Monica, Washington, D.C. found rent control reduces...actually reduces available housing. For example, the number of total rental units in Cambridge and Brookline, Massachusetts, fell by 8 percent and 12 percent after those cities imposed stringent rent controls, while the number of rental units in most nearby communities increased during that same period. In Berkeley and Santa Monica, California, the total supply of rental units dropped 14 percent and 8 percent, respectively, between 1978 and 1990. Again, the rental supply of most nearby cities during that same period rose. As you constrict market forces, the market will expand in other areas. It does the total opposite of what you're trying to do when you try to force the market. Also, there's another thing, there's three or four hotlinks in that thing. You can go through and read all of the studies. There's about a 3,000-page study done in San Francisco, has all sorts of graphs, all sorts of different things that they did. The conclusion of it--I'll just read a couple of the things that were in the conclusion of the...of the report--says the impact, landlords reduced the supply of available rental housing by 15 percent. Further, they found that there was a 25 percent decline in the number of renters living in units protected by rent control, as many buildings were converted to new construction or condos that were exempt from rent control. That means that they were fleeing the stringent controls in order to...to get away from that. So, all of that things means that the...what...what you're actually trying to achieve has a 180-degree wrong effect of...of...of that. So, this particular measure of rent controls has the opposite effect of what you're trying to do. Also, rent control contributed to the gentrification of San Francisco, contrary to what was stated when they originally passed those laws to begin with. Rent control also

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reduces the quantity of available housing. Tenants may also suffer from fewer options of rental type and location, meaning as the funnel gets smaller for potential rental units, you lose the ability to have your choice of studio, one-bedroom, two-bedroom, three-bedroom, Upcountry, everywhere else. If it were to happen on Maui, you lose the ability to choose what kind it is because the...the availability is a lot less. Rent control programs come with significant administrative costs, and this would be a County cost annually that would have to be done. Maintenance spending from an owner standpoint continues to decline. As you reduce the amount of rents coming in, the owner will not continue to pay for maintenance. As maintenance on the unit continues to dwindle, values of the homes go down. As the values go down, home prices go down. As home prices go down, property taxes go down. It just kind of keeps going down. The effect, the actual effect of what happens on Maui, we've got condos, we've got residential. You put into effect a rent-controlled set of rules. Take condos, fixed costs, perfect. Owners got fixed rental coming in. What the heck do you think happens with all the other costs? Lease rents, if any, go up. Homeowners' Association fees go up. Insurance costs go up. Adjustable rate mortgages go up. At some point down the road, the owner is going to be upside down on a monthly basis. They can choose to either lose money every month or leave the program. I hear that the new proposal is that you can't leave the program without some kind of a penalty. That's even worse. But what I can tell you, what's going to happen, which happens across the whole country and that's why these things fail, is that the owner will leave. They're not going to lose money in order to just be in the program. So, you'll lose available property for rentals. That's why it actually causes the opposite effect of what you're trying to do. As people pull their units out of the pool, you've got less and less units. Prices will start to go up. It's got nothing to do with high prices of rents, got nothing to do with everything else, it's all about supply and demand. Developers will not build new stuff if they're constrained on what kind of return they're going to get. You have to provide incentives in order to get them to build units. Other than that, it's not going to happen. Nobody else is talking about what all the ancillary stuff is. You put in a rule like this, you're going to start losing ancillary jobs, ancillary companies, and those are rental companies, janitorial companies, landscaping companies. All these people are going to start losing their jobs as their...as the funnel gets smaller and smaller for long-term rentals. All this will result in lower property tax revenue, and that will impact vital County services as you get going down the road. This is what I call--and I hate to call it this, but it is actually what happens--it's the death spiral of development. And on an island, it is...it is critical because there's nowhere to get away from it. On the mainland, you've got land areas. As I mentioned before, there's land areas outside where people have made this decision to go down this path. There are land areas outside of that where you can start to correct the mistake. You can start to develop areas and work your way back in to try to correct the mistake of rent controls. On an island, especially with the zoning and everything that we have, there is nowhere to...to change that. Sorry, I didn't change the slides. So, there's no room for error. So, if...you either get ocean, you get to move to O'ahu, or you get to move to the mainland. If you do this thing, it's a spiral downward where you're going to kill all of the rentals. You couple that with the short-term rentals, not building Lāhainā back correctly, and you got the trifecta of let's just put a closed sign out. And you won't have to worry about high rents because there won't be any jobs. There won't be anything else here to do anything. And you can get affordable rentals all day long. It's all about supply and

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demand with stuff. Now, it's not all gloom and doom. There is always a way to solve problems. There is a solution to this also. It's not a quick and easy solution. You need to increase supply. It's Econ 101. Streamline the County building and SMA permitting process to expedite things. Increase rental subsidies by increasing appropriations to the Rental Assistance Program. Continue to expand tax incentives to landlords that offer long-term rentals, including greater incentives for owners that provide rentals to low- and very low-income tenants. Next slide. Provide fast track pre-approved plans for housing development to expedite permit review process. Conduct extensive zoning reform to permit all residential districts to build multiple units. Remove minimum lot size. Reduce setbacks. Increase height and density limits. Encourage the County to purchase existing units, buildings, and vacant office to create immediate available...availability of rentals. We can talk for four days about the...the adaptive reuse of commercial space. I mean, that's what I do around the country, going around. You go to cities, you go to Portland, Oregon, 50 percent of the city is vacant. You got just concrete sitting vacant. At some point, we, as a...as a world, need to figure out what the heck we're going to do with all this space. We've got empty space here on Maui. You've got Ka'ahumanu Shopping Center. You've got...you've got . . .*(inaudible)*. . .that own the stuff on Dairy Road sitting vacant for the last 15 years. They won't do anything with it. We need to be able to decide, as a...as a government, as a people, on what we're going to do with all of this...with this stuff. We need to find solutions together between government, the private sector, and...and...in order to...to solve this. The only way you create affordable rentals is to create vacancy. And that sounds weird, but you need to have vacancy in every healthy market. If you have vacancy, a 10 percent vacancy in a market, that means that you have the ability to move into a market, to downsize into a market, somebody that has a bigger apartment, they want to have a smaller apartment. They're going to downsize. There'll be empty nesters. They want to move from a three-bedroom, they want to move into a studio. You need that ability...

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair? Chair?

CHAIR KAMA: Yes, Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo. How long did you say each presenter had? Because you cut the testifiers down to two minutes each, and I know that you wanted to get through this meeting.

CHAIR KAMA: Yes, thank you. I gave each of them ten minutes, and I think Mr. Lloyd went over by about five, and I think Mr. Koch here is just about getting there.

MR. KOCH: I got like one-and-a-half minutes left, Chair.

CHAIR KAMA: You may complete your presentation.

MR. KOCH: Thank you. So, you need to create vacancy, which means you need to create product. And there's an opportunity to work between County, State, and developers in order to provide the incentives to create inventory. And I think that's the direction you're going. And, like I said, this is not an easy fix. It's not going to be done tomorrow. But

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rent controls will set us on a pathway that will have the absolute opposite effect of what you're trying to do, and is not recoverable on an island to be able to do that. I agree totally with trying to solve the issue of affordable rentals. We need affordable housing. We need a little bit of everything. The whole world needs a whole bunch of everything, and that means trying to build stuff. And I want to thank everybody for their time, and I look forward to your questions.

CHAIR KAMA: Thank you. Mr. Economou?

MR. ECONOMOU: Thank you, Chair. I...

CHAIR KAMA: Comments, either one...comments on either side?

MR. ECONOMOU: Yes, I've got a few comments. I did not create a presentation. I am not with either the Realtors Association or the tenants group, though I...I will admit that I used to be the paid shill for the Realtors. So, I'm...I'm deeply familiar with the arguments against rent control because I used to make those arguments. That being said, my first comment is going to be --

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

MR. ECONOMOU: -- that I...that I don't disagree with what Mr. Koch said about potential solutions.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR KAMA: Yes, Ms. Rawlins --

COUNCILMEMBER RAWLINS-FERNANDEZ: I'm sorry, Mr. Economou.

CHAIR KAMA: -- Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: In your earlier remarks, you...you...you included Mr. Economou as part of RAM. So, if...if...he...so he just said he's not representing RAM.

CHAIR KAMA: No, he does not represent RAM.

COUNCILMEMBER RAWLINS-FERNANDEZ: For the record, will you explain his expertise on why he is a resource person for the Committee?

CHAIR KAMA: Mr. Economou?

MR. ECONOMOU: Yes. I was designated an expert on housing and Maui County governance issues by Argonne National Laboratories, and their work that they did on behalf of FEMA for the Federal recovery effort. As I said, I've worked in housing policy for the Realtors for five years. I'm an attorney who's been just focused on housing policy exclusively for

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about seven or eight years now. I had a podcast called *The Argonaut* that focused on housing policy issues in Maui County. I worked with HomeAid Hawai'i, the State's affordable housing contractor. I worked with the Council for Native Hawaiian Advancement to assist with the early days of setting up their affordable...or their temporary housing program. So, I have a background in housing, and housing policy specifically. And...and yeah. I don't work for the Realtors anymore, but...but I don't know if that...that knowledge necessarily goes away, thankfully. But if that's okay, can I continue?

CHAIR KAMA: Absolutely, Mr. Economou.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Because that needed to be explained to the record...for the record.

CHAIR KAMA: Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Because he's not with RAM --

CHAIR KAMA: Correct.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- and that's what was said earlier when we designated him a resource personnel.

MR. ECONOMOU: Yeah. Well, she said my name --

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

MR. ECONOMOU: -- and then she introduced Leil, and then said that Leil was with RAM. It was a little bit unclear. I am not with the Realtors Association of Maui anymore. I apologize for any lack of clarity for something I did not say. Now, what I was going to say was that Mr. Koch is right. There...there's a lot of solutions that could increase housing inventory for Maui County, including adaptive reuse, including basically everything he said as far as the zoning reform. However, I do want to attack some of the veracity of...of the scary language that he used. He talked about how, you know, if you put in rent control, it reduces the availabil...availability of housing. And that's because one of the "consequences of rent control" is that people don't move as often, so there's less turnover in housing. So, it keeps people staying in one place. Now, generally speaking, when economists talk about rent control, they focus on pure rent control, which is just a hard cap, a hard stop on increasing rentals. They don't necessarily talk about rent stabilization, which is often what proposals like this RVU does. It's a rebranding. So, if we're talking about either rent stabilization or rent control, people's rents tend to stabilize, stay the same. They don't go up the same amount with inflation. So, they move less. So, yes, that reduces the available inventory at any given moment because people move less. But he's also not wrong about some of the other consequences of a plan like this, like the significant administrative costs. And that, I think, is...is the thing that Maui County really needs to focus on as we're coming up with ways to address the rental housing crisis here. We don't have...I mean, just

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consider for a moment how many people were announced at the beginning of this one County Council meeting. How many Councilmembers, how many Staff members, how many volunteers sitting here it takes to run a single County Council meeting in the evening. Now, let's talk about a new department, the Department of Housing. How much money, how many people, how many volunteers it's going to require to get this new department fully operational? And then you're going to saddle it with a whole new task of determining rents for every rental in the island. Then, we have to create new technology to register every rental in the island. And then you're telling people that you're not going to use this registration information for Building Code enforcement, but the truth is, the owners aren't going to trust you. They're not going to trust that the County won't use these rental registrations to enforce Building Code infractions. So, you have an uphill battle to get any semblance of this program off the ground. We can't fill our paid vacancies that provide good pay and solid benefits. We can't fill our volunteer vacancies. Yet now, you want to create a whole new program, and have it run largely by volunteers to determine the appropriate rental rates. You're not going to be able to make that system work now, but you got to do something. So, I think this is something that...that should be worked on, but at the same time, maybe...maybe there's...there's steps that can be taken. You know, if...if you consider that the Justice Department is suing RealPage for algorithmic price schemes that harm millions of American renters. This is a software that is used by realtors in property management, and it is used to essentially fix prices to push for the highest possible level of "fair market value." Now, Mr. Koch talked about how we can't...we can't force the free market, but it seems all right when realtors and property managers are using algorithmic advantages to force the free market and force rents higher than they need to be. So, I think we need to address that. I think we need to address the types of ownership and the types of landlords that we want to see in this community. Mom-and-pop landlords do exist. I have a lot of people that I know on this island who are only here because there's a family that they know, and they rent the unit out...a two-bedroom unit for \$1,200. These rents are unheard of now if you're looking at Facebook, but they're out there, and those are the types of owners that we want to incentivize ownership for. So, maybe we do something like a program that incentivizes voluntary deed restrictions. If you are a local owner, then maybe you get a few thousand dollars in your pocket today to put a promise on your own deed that says I will only sell to somebody who has a work history in Maui County of five years. Maybe that'll help. Maybe if ownership transfers only to local people who have committed themselves to this island. And I'm not talking about the trust fund kids who don't have a work history. I'm talking about people who have put money and time and effort into this place and its local economy. Incentivize that. And maybe we need to disincentivize some other types of owners who aren't really a great part of the community. Maybe if a corporation owns 100 rental units, they should pay a significantly higher tax rate than a mom-and-pop rental. So, I think we need to come up with ideas that are innovative. Carrots and sticks for the things that we want to see and that are actually workable instead of trying to create this huge program, which is incredibly difficult to run in a city of millions of people, let alone a County of 160,000 people. So, that's my comments for now. Thank you.

CHAIR KAMA: Thank you very much, Mr. Economou. Director Mitchell, do you have any comments on behalf of the Department of Housing?

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MR. MITCHELL: Thank you, Chair, for the opportunity to attend this meeting. And no, the Department of Housing does not have a presentation or comments at this time.

CHAIR KAMA: Thank you. Director Martin? Finance. Do you have any comments?

MS. MARTIN: Thank you. Yes, thank you, Chair. The Department of Finance is always willing to work with this body to look at ways to incentivize long-term rentals and increasing housing. So, we are...we are listening and here to answer any questions and gather any data that you might need in the process of this discussion.

CHAIR KAMA: Thank you. So, Members, I would like to ask our Staff to provide the standard pre-testimony comments as we enter into our testimony time.

**. . .BEGIN PUBLIC TESTIMONY FOR ITEM HLU-3(20) . . .**

MR. KRUEGER: Chair, proceeding with the presentation of oral testimony. For Microsoft Teams participants logged in via web or the Teams app, please indicate that you would like to testify by clicking the raise-your-hand icon in the top right of your window. Staff will add your name to the testifier list. If you have joined by telephone, star-5 will raise your virtual hand, and Staff will put your name on the testifiers list. Please keep your audio and video muted until you are called to testify. Individuals in the Chamber wishing to testify should sign up with the Staff in the lobby. Written testimony is encouraged and can be submitted via the eComments link at [mauicounty.us/agendas](http://mauicounty.us/agendas). Oral testimony is limited to two minutes per item. When you reach the one-minute mark, you will hear an audible notice. If you are still testifying when the notice sounds, please complete your testimony within the remaining minute. When testifying, we ask that you state your full name for the record, but anonymous testimony is also accepted. Decorum will be maintained throughout this meeting. Violation of decorum may result in being removed from the Chamber or the online meeting. You can also view the meeting on *Akakū* Channel 53, Facebook Live, or [mauicounty.us/agendas](http://mauicounty.us/agendas). Thank you all for your cooperation. Chair, the first individual we have signed up to testify is Eric Rohozinski, to be followed by Colleen Rohozinski.

MR. ROHOZINSKI: Good evening, Councilmembers and Tasha. My name is Eric Rohozinski. I'll cut the chase real quick, so I've got two minutes. On September 3rd, I was invited personally to SBA to have a one-on-one meeting about Maui's economy here. It was a two, three-hour discussion about our situation here. The main points that popped up was, again, the employment level, costs for our employees, because that's one of my highest costs for me to run a business, to have a medical business, and also the cost of rent. Okay. So, as a practitioner in physical therapy for 30 years here in that, and also having an office in Lāhainā, which we later became our rental, which got burnt down and we lost that structure. I lost all that. At the end of the day, what we came through is that basically we found out that 30 percent of small businesses already left Maui. So, we have lost potential employers. I employ personally 11 people. If I leave, I have 11 people who will not be getting a paycheck. What's killing me right now

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. . .*(timer sounds)*. . . is the cost for me to pay employees to have rent. A quick story. One of my employees, she's...her and her fiancé went to that new place down here at Maui Lani, and they applied for a place to rent. And they got fast-tracked through a couple of years ago. In 2017, when they presented for the project, they were saying that for a one-bedroom, it would be \$1,300, all right? Well, when they got approached right now, that one-bedroom is \$2,067 for that Maui Lani project up there, which is workforce housing, by the way. It went up \$700. What the hell is going on here, okay? So, they couldn't apply. So, her fiancé and her are living at home with mom and dad. I have one of my boys working, living at home, who works at Harbor Division, who's doing essential work as an IT guy. He makes \$24 an hour. He cannot move out of home. My other son is working in Australia as a doctor in physical therapy. He's not coming home because he can get...buy a house in four years there. My niece from Punahou is a doctor . . .*(timer sounds)*. . . not coming back. We have to change something. So, I'm saying, so rent is the biggest thing as an employer, and health insurance. I'm going to be going belly up. I have not paid rent for two years because I'm lucky because I own my property since 1999. And so, we need to do something. Now, the issue is both situations are right, but water is the issue. We only have enough water in Lāhainā to do Lahainaluna only. When we do those rebuilds, they have to come back down and put people back in their homes. Water is the issue. We're not an endless resource here. We're limited. So, you're right. And so, we have to strategize who's going to be getting. So, this workforce housing shouldn't be flipped in two or five years, it should be grandfathered in so the next workforce person comes in. I will have friends who own in Pā'ia at the...and the firemen that all flip their house is gone. In that neighborhood of 15 homes on the street there's only 2 that live there. They're all owned by someone off island. We see this, okay. And then our County employees can't get a place here. So, I'm advocating that there has to be some balance of some sort. . . .*(timer sounds)*. . . Anyway, that's what I want to say. And there needs to be further discussion with our community. And I will be going belly up in a few...in a year or two, and I'll have to lay off all my employees because I have not paid myself this month. I pay my employees. Real quick, medical. We're the only State in the country that pays GET tax on Medicare and Medicaid programs . . .*(inaudible)*. . . patients. No other state in America pays GET tax. Ours went up from 4 to 5...4.5. And our fee schedule in Hawai'i got cut last four years by 12.5 percent. If I were in Alaska, I'm paid 147 percent more. I treat doctors here. They work two weeks in Alaska. Their kids go to Seabury and they play golf and foil all day. And I'm working my ass off here for my community because my wife's local. She's fourth generation and . . .*(inaudible)*. . . battalion . . .*(inaudible)*. . . and my family's tired. So, for me, family's important. 'Ohana's important. Grandma lived with us. She was 97. She was at Pearl Harbor when it got bombed. So, I want my family to come home. Thank you.

CHAIR KAMA: Thank you. Members, any questions for our testifier? Seeing none. James?

MR. ARQUERO: Chair, our next testifier...

COUNCILMEMBER PALTIN: Oh, I had a question.

CHAIR KAMA: Oh, I'm sorry.



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COUNCILMEMBER PALTIN: My question was --

CHAIR KAMA: Can you come back please? Member Paltin has a question.

COUNCILMEMBER PALTIN: -- is the workforce housing development that he was referring to next to Maui Lani, was that the Kaulana Mahina workforce housing? And he said that the rent went up \$700? Or I didn't understand.

MR. ROHOZINSKI: Yeah. Sorry about that.

COUNCILMEMBER PALTIN: I wanted to clarify.

MR. ROHOZINSKI: I have it right here. This is what they put. This is what it currently is. That's Kaulana Mahina, right, workforce housing. Currently, as I rang up today and asked them, what is the one-bedroom at 100 percent AMI is 200...\$2,067, okay? When they proposed that project back in 2017 to the County Council, it got fast-tracked. Their proposal for the one-bedroom at 100 ASI [sic] was \$1,305. I've got it here. This is the original document through the County Council. And I'm going, wow, \$700.

COUNCILMEMBER PALTIN: And then is that including the parking? Because I heard that they're charging for parking.

MR. ROHOZINSKI: Oh, yeah. Parking is another story. One parking lot [sic] is \$45. You have two people, another \$45. You have an A/C, there's no A/C for that, and it's \$50 on top of that. And you have a pet, it's another 50 bucks. . . .(inaudible). . .

COUNCILMEMBER PALTIN: And that's \$45 a month, or for the year?

MR. ROHOZINSKI: A month. Because my employee went there with her fiancé and she can't do it. And I can't afford to pay her anymore.

COUNCILMEMBER PALTIN: And...and...and it's still qualified as workforce housing at 100--sorry, my dog's a heavy breather, I don't know if you can hear that--but --

MR. ROHOZINSKI: Yes.

COUNCILMEMBER PALTIN: -- 100...it's still considered workforce housing right now at those prices with all the amenities, like if you want A/C or parking?

MR. ROHOZINSKI: I wish you could . . .(inaudible). . . that. I just rang up this morning. And then my girls told me that's what they were told when they applied for it. So, it needs to be followed up on.

COUNCILMEMBER PALTIN: Okay.

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MR. ROHOZINSKI: I'm not 100 percent of those numbers. But I know that my girls went there with their fiancé to apply for a place to live there, and that's what they were told...it's going to cost them 2,300.

CHAIR KAMA: Thank you.

COUNCILMEMBER PALTIN: Okay. Thank you. Maybe Mr. Mitchell can check into it if they're in compliance.

CHAIR KAMA: Thank you. Eric?

MR. ARQUERO: Chair, our next testifier is Colleen Rohozinski, followed by Christine Kapiioho, and then Alana Kay.

MS. ROHOZINSKI: Hi. My husband covers a lot of ground. We talked to a lot of different people in our community. And I'm really encouraged that we're bringing a lot of different points of view up, but we have to have a discussion on it. Because everybody has something super valid that makes sense. I talked to Lāhainā people displaced, Safeway, Costco, on the phone. And all of these points are...are super valid. The County might be able to afford this rent control, but I...our insurance, I was told, is double now. So, all of those costs as individual landlords are scary. Somebody had a sign earlier that said...it lumped all the landlords in together, and landlords are bloodsuckers. I'm like, wow, I must . . .(timer sounds). . . I just own a little piece that we...I started in 1970, grew up, after college, we worked hard. We achieved, like all of you, strategized to survive here. Let's talk together what makes sense. We need to get control of our environment, our water. We need to put our money where it's going to make a difference. We can't solve all the problems right away, but let's talk.

CHAIR KAMA: Absolutely. Questions for our testifier, Members? Seeing none. Eric? Thank you.

MR. ARQUERO: Chair, our next testifier is Christine Kapiioho, followed by Alana Kay, and then Lori Carter.

MS. KAPIIOHO: Aloha. Aloha and good evening. Councilmembers, Chair, my name is Christine Kapiioho, and I've been a resident of Kula and Kihei, Maui, for 14 years, and of Hilo, Hawai'i, for four-and-a-half years. I am here this evening to...to express my strong support for mandatory rent stabilization in our community. I am 50 percent Native Hawaiian. I'm 3,307 on the Department of Hawaiian Home Land's list of over 29,000, and will most likely not get awarded a lot in my lifetime. As a resident renter of Maui and Disaster Case Manager for the fire survivors, I have witnessed firsthand the struggles and...struggles of both renters and homeowners, and have witnessed rents continuing to increase with no end yet in sight. This instability doesn't just force us out of our homes. It lingers always on our minds . . .(timer sounds). . . of whether or not we'll be able to afford rent on the 1st, causing underlying consistent stress to our bodily systems, increasing mental health breakdowns, and physical health situations that can sometimes be fatal. Having rent stabilization will keep housing affordable for those who

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work jobs that are vital to everyday life on Maui. I'm not breaking any personal and identifying information, but I know of a single 70-year-old woman who rented a place in Lāhainā for \$500 a month, working at a sandwich shop making \$14 an hour, who lost their place that they were renting. They lost everything, 20-plus years on Maui, doing a simple job of making sandwiches for...full-time. They were just offered a unit to rent for \$2,000 a month once they leave their unit provided by FEMA. How are they going to afford that? They won't be able to. They'll most likely move back to their country of birth. There may be concerns that . . .*(timer sounds)*. . . rent control might discourage new development, but I see development all over the island. We can work together--community, builders, legislators like yourselves--to design policies that protect tenants while still allowing growth. We can say cities like...we can say cities have done it and Maui is unique, but together, we can be successful.

CHAIR KAMA: Thank you.

MS. KAPIIOHO: In closing, please support rent stabilization. It is a vital step in ensuring that our community remains a place where all of us, as 'ohana, can affordably live and thrive. Mahalo for the chance to speak, and for your time to hear my perspective on this very important issue. Mahalo.

CHAIR KAMA: Thank you. Members, question for our testifier? Seeing none. Thank you. Eric?

MR. ARQUERO: Chair, our next testifier is Alana Kay, followed by Lori Carter, and then Manuel J. Santiago.

MS. KAY: Aloha. I'm Alana Kay. I'm a resident of Maui for 26 years, and I am currently an organizer...currently an organizer with the Maui Tenants & Workers Association. I...I don't have much time, so I'm going to tear into this. . . .*(laughing)*. . . We are in a crisis and need to develop a substantial rent stabilization bill ASAP. As we all know, Maui is a major tourist destination and a magnet for the ultra-wealthy. As such, and not unlike other luxury destinations, Maui has a high need for workforce personnel coupled with an extreme polarization and income disparity. With some of the highest housing prices in the nation, affordable workforce housing is a perennial problem here. But in recent years, between record inflation levels, housing shortages caused by the Lāhainā fire, and price gouging, we have reached a crisis level wherein the...the workforce simply cannot afford to live here anymore. I literally mean that. They cannot afford . . .*(timer sounds)*. . . to live here anymore. As a result, we are incurring a gradual reduction in the workforce, causing many small businesses to reduce their hours of operation because they are understaffed. When the moratorium on rent increases lifts this week, more people will be forced to leave. Continued workforce drain will have a catastrophic effect on our economy. Rent stabilization that is modeled after successful initiatives in the mainland where landlords enjoy moderate annual increases in the rent with customizations suited to Maui's unique circumstances--for example, having a residency requirement for occupants...occupants of rent-stabilized properties--is the best all-encompassing solution. Current models for affordable rentals have failed to keep up with demand because they largely rely on developers and investors, and are not

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kept affordable in perpetuity. The current proposal on the table in the Housing Commodity...Committee seeks voluntary inclusion in a program that includes an income limitation, which is in direct opposition to the goal of creating the circumstances where the workforce might eventually own their own home because as soon as the family improves their circumstances, they . . .*(timer sounds)*. . . would have pulled out of their property. Rent stabilization will be beneficial to everybody, including property owners. It will ensure a more stable economy, and it will make our existing rentals affordable without damaging the ecosystem with huge housing developments that don't stay affordable in perpetuity anyway. Finally, as we examine the various solutions, I believe that the opinions of the workforce and the residents who were born here should be weighted more heavily than the opinion of others.

CHAIR KAMA: Thank you.

MS. KAY: Any questions?

CHAIR KAMA: Thank you so much.

MS. KAY: Thank you.

CHAIR KAMA: Members, questions for our testifier? Seeing none. Thank you so much. Eric?

MR. ARQUERO: Chair, our next testifier is Lori Carter, followed by Manuel J. Santiago, and then Samuel Santiago.

MS. CARTER: Good evening. My name is Lori Carter, and I've been a resident of Maui for ten years. I'm here today to express my strong support for mandatory rent stabilization in our community. As a resident, I've seen firsthand the challenges many of us face in securing affordable housing. While working full-time as a concierge on West Maui, I had to live out of my car for six months because I could no longer afford my monthly rent after the 2018 fires impacted tourism, and the hotel I worked for cut shifts...working full-time. After the COVID shutdowns, I decided to change industries and entered a recession-proof industry. But now, the lack of affordable housing has been exacerbated by the August 2023 fires, with rent skyrocketing almost overnight. I make a good living, but like many others working full-time jobs and contributing to the Maui community, I'm waiting to see if I can afford to continue to live on Maui when my apartment complex can finally renew . . .*(timer sounds)*. . . leases and raise rents following the expiration of the Governor's Emergency Proclamation, or if I need to join the hundreds of families who have left Maui this past year. Is anyone here interested in managing a portfolio of condo associations? I may know of an opening here real soon. Instability in housing actually impacts our physical health and our emotional well-being. It drives up healthcare costs and impacts businesses' ability to provide reliable services and customer satisfaction. Rent stabilization is not just about keeping housing affordable. It's about supporting a diverse, vibrant, and resilient workforce to keep Maui a healthy community and a desirable destination. I've also heard the arguments that rent control might discourage new development, but as many have spoken to here today, other cities have found ways to design policies to both protect

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tenants that allow for growth. Maui can too. In closing, I strongly urge you to support rent stabilization. It's a vital step in ensuring that our community remains a place where . . .*(inaudible)*. . . .*(timer sounds)*. . . people can live, thrive, and be a part of this amazing community. Thank you for your time and for considering my perspectives on this issue.

CHAIR KAMA: Thank you. Thank you. Members, questions for our...Chair Lee?

COUNCILMEMBER LEE: I have a question.

CHAIR KAMA: Yes.

COUNCILMEMBER LEE: Yeah, thank you. A clarifying question. I think the speaker said something about inflation-free employment. Do you want to explain that?

MS. CARTER: Recession-proof industry, one that wasn't shut down during COVID. . . .*(laughing)*. . .

COUNCILMEMBER LEE: Oh. So, what business is that?

MS. CARTER: Association Management. I manage condo and homeowners' associations.

COUNCILMEMBER LEE: Okay. All right. Thank you.

CHAIR KAMA: You're welcome. Seeing no others. Thank you so much, Ms. Carter. Eric?

MR. ARQUERO: Chair, our next testifier is Manuel J. Santiago, followed by Samuel Santiago, and then Desilee Santiago.

MR. M. SANTIAGO: Hi, my name is Manuel Jeffrey Santiago. I was born and raised in Maui. I grew up in Happy Valley. I lived in Hāli'imaile for the last 11 years until just recently. I am here to show my strong report...support in favor of mandatory rent stabilization. I have been on Maui my whole life, and I have seen my parents struggle with finding affordable place to live. When COVID-19 happened and everyone was forced to shelter at home, it shook our lives and our children's lives. They stayed home with virtual learning, which was no learning, in my opinion. People lost their incomes, businesses, and some were on the verge of homelessness. There was a moratorium at that time that prevented evictions, no matter what. And just when our islands was beginning to rebuild our lives and the economy, we had something unimaginable happen to our community. The morning before, we could smell the smoke and see the mountains on fire like lava flowing. We couldn't imagine what would . . .*(timer sounds)*. . . happen in such a short amount of time. By the time we were all caught up, we got confirmation Lāhainā Town was gone, just gone. Kula homes were burned to nothing, and the surrounding areas were negatively impacted as well. The aftermath of the August wildfires couldn't prepare us for what was about to happen to our workforce-class families outside of the burn zone. While FEMA Direct Leasing Program did not intend to drive up the rental market, it did. Our landlord, like many others, are finding ways

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to evict working class local families in order to get some of that FEMA monies. Like COVID, there was a moratorium that prohibited evictions, but this emergency proclamation did not have the provisions it needed to protect us and our families, despite the numerous calls and emails to the Governor's Office. This has not only affected us, but everyone around us, our families, friends . . .*(timer sounds)*. . . co-workers, and sadly, our children. It disrupt...it disrupted our lives and affect mental health. It had also been extremely difficult dealing with this unnecessary stress. How do they expect us to pay rent? It exceeds more than half of our income, then on top of that, food, utilities, commodities, gas, et cetera, has doubled or tripled in cost. When does the hard work pay off? Does hard work pay off anymore? What will it take to get help that is needed for working families? How do we fix this? How do we fix something that is broken by broking it...by breaking it further? Rent stabilization is not the only solution . . .*(timer sounds)*. . . but it is a needed solution now. It is not only to keep housing affordable, but it's about keeping Maui, Maui. It's about keeping us here with our ancestors and our rich cultural history. If the price us out...force us to leave, then what will Maui become then? This is our home, and we need to continue to stand up for each other and fight the injustice that is happening on our island...not just our island, all the islands. Thank you.

CHAIR KAMA: Thank you. Members, questions for the testifier? Seeing...oh, is that Member Paltin?

COUNCILMEMBER PALTIN: Thank you. Thank you, Chair. Thank you, Mr. Santiago, for your testimony. My...my question...I...I assume you watched the whole presentation. Are you concerned what they said, the RAM presenter, that this could cause less availability, or not...you don't believe it?

MR. M. SANTIAGO: I don't believe that to be true. This is not the mainland. This is Hawai'i. This is a community. I don't believe that to be true.

COUNCILMEMBER PALTIN: Thank you.

MR. M. SANTIAGO: Thank you.

CHAIR KAMA: Thank you, Member Paltin. Eric? Thank you, Mr. Santiago.

MR. ARQUERO: Chair, our next testifier is Samuel Santiago, followed by Desilee Santiago, and then Elizabeth Ray.

MR. S. SANTIAGO: Aloha. My name is...my name is Samuel Hemakana Nuimai Keakoa (*phonetic*) Santiago. I was born in Maui Memorial Hospital. I'm 12 years old and attend the Samuel Enoka Kalama Intermediate School. In Makawao, as a seventh grader, I'm here today to tell you that we need mandatory rent stabilization in Maui now. I've seen the stress and hardship that my parents have...have had to face since the...since the August wildfires. Even before that, when we had COVID and was forced to stay home, I couldn't attend school for almost two years. I couldn't attend for almost two years. It was hard to do virtual learning. I was behind in school when we finally

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got to go back. I have sensory integration disorder, and I need a lot of help in school sometimes. With the help of my awesome teachers and staff at Makawao Elementary School, I was able to get back on track. Since the August wildfires, I've seen our community come together to help. Even if people didn't have much to give... . . .(timer sounds). . . even if people didn't have much to give, they gave what they could. They gave money, their time, and compassion. We were evicted from my childhood home that I've lived in since I was one. It's the only home that I know. Our landlord wanted more...more money when he saw people getting 5,000 to 10,000 a month for their homes. My parents tried to fight back and get some help from the Attorney General's Office, but no one helped us. We moved out a couple weeks ago when my parents finally found a rental after looking for the past six months. Our rent is now two-and-a-half times our old rent, and I see my parents stressing to figure out how to pay it. It is a lot farther than our old home, and I don't have a bus there. I used to ride the bus to and from school so that my parents could work, but now my mom has to take me to school and pick me up, or sometimes I have to wait at school for a couple hours until my parents get off work. I don't know who has the power to help us, but...but we all need help . . .(timer sounds). . . now. We need...we need to keep our family and friends here at Maui. Maui is our home, and our lives matter too. Thank you for your time.

CHAIR KAMA: Thank you so much. Members, questions for our testifier? Seeing none. Thank you. Eric?

MR. ARQUERO: Chair, our next testifier is Desilee Santiago, followed by Elizabeth Ray, and then Tracy Claudio.

MS. SANTIAGO: I don't know how I'm going to follow that without crying. Aloha. My name is Desilee Ka Makani Ka'ili Aloha Ailana (*phonetic*) Santiago. I was born and raised in Waihe'e. We've been living in Hāli'imaile for the last 11-1/2 years until recently. I represent the Maui Tenants & Workers Association, as well as myself. As a mother and grandmother, I am fearful that my children and grandchildren will not be able to stay on Maui in the near future. I am...I am in complete support of rent stabilization for their sakes, as well as our entire community. Rent stabilization is vital in keeping our hardworking local families here on Maui, our home. After the disastrous events in August of 2023, our island and community was left devastated. We are all still grieving our losses, but trying our best to find hope in our futures. How do we look forward when we have to worry and stress about where we're going to live? The last thing we all need is to worry about housing ourselves and our families. I have seen and heard families, generational families, who have strong roots . . .(timer sounds). . . and ties to the island and the community have to leave because they no longer can afford to live here. Our kūpuna leaving the island to live with their children on the mainland because they cannot rebuild, and the cost to rebuild is outrageously priced. Whether you are affected directly or indirectly makes little difference. We are all affected by what has happened, and we have to do something together. Six short months after the wildfires, our landlord told us to leave, made some ridiculous claim of nonrenewal of lease. I'm doing maintenance after 11 years of doing nothing. He wanted more money, plain and simple. Displace a family to house a displaced family. That's what's been going on. Makes perfect sense, doesn't it? The problem that we have to...to face here in Maui

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County is that we have rules, regulations, procedures, but no enforcement. Why? Because who's going to enforce it? A County department that is already overworked . . . *(timer sounds)* . . . underpaid and understaffed? What has been happening since the wildfires is unacceptable, and I ask you all to listen to what our people are saying. We are not complaining just to complain. We're asking to...asking you to see what is happening in real time. No projections, no estimations, pure actual events. People are afraid to come forward because they fear retaliation. People are complying with what is illegal because no one will help them enforce it. I understand that rent stabilization is not the only solution to this huge issue, but it's a start. It will help the community have somewhere to go to enforce injustice in regards to high rental increases. It will create awareness and hopefully, mutual respect before...between landlords and tenants. Let's have an honest conversation and come up with real solutions that make sense for everyone. Mahalo.

CHAIR KAMA: Thank you. Members, questions for our testifier? Tamara? Ms. Paltin?

COUNCILMEMBER PALTIN: Thank you. My question was, so in the 11 years without rent stabilization, I heard you say that no improvements to your dwelling were made; is that correct?

MS. SANTIAGO: Correct.

COUNCILMEMBER PALTIN: Okay. Thanks. Just wanted to clarify. Because I thought somebody said that if there was rent stabilization, there wouldn't be improvements. But you're saying even with or without rent stabilization, there wasn't improvements made.

MS. SANTIAGO: I agree. I agree.

COUNCILMEMBER PALTIN: Okay. Just clarifying.

MS. SANTIAGO: Thank you.

COUNCILMEMBER PALTIN: Thank you.

CHAIR KAMA: Thank you, Ms. Paltin. Thank you very much.

MS. SANTIAGO: Thank you.

CHAIR KAMA: Eric?

MR. ARQUERO: Chair, our next testifier is Elizabeth Ray, followed by Tracy Claudio, and then Dhyan Sandhya.

MS. RAY: Aloha. Aloha. I am Elizabeth. I support rent stabilization. I do not believe that a loss of jobs will be an issue. It is clear we have much work to do in Lāhainā, and there are plenty of jobs for our local community. No need to hire out of state. Here's some Econ 101. If the people thrive, the community thrives, the economy thrives. The



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economy is a wholly-owned subsidiary of the environment, not the reverse. Forty-four percent of our local residents, almost half, cannot meet rent prices on a median family income, nor have enough resources to live their daily lives. And we will shortly see, when FEMA runs out, another housing crisis. And again, we will be neglecting the royal capitol of the Hawaiian Kingdom. What would rent stabilization do for my family and community residents? Like my 75 former students of Lāhainā, who in a few years will need their own home, I have steadily watched rents rise since COVID, climb higher and higher, even after the fires. What does this say about Maui landlords and greed? Rent stabilization would also help meet housing program requirements . . .*(timer sounds)*. . . where most landlords do not accept rental assistance or HUD. As rent increases surpass the medium wage earnings, there is no more affordable, dignified housing left. Since February 2023, when our landlord sold to FEMA, my family has moved to shelter, then to an unimaginably ghetto housing complex, where they say is the only affordable housing left since the fires, beyond Harbor Lights. Please come check out 744 Lower Main. The complex is full of people suffering from addictions, severe mental suffering, criminals, guns, hard drugs, and hazardous living conditions. No outdoor space, no hot water all day, no security, no serenity, infestation, threats, violence, demons, and a loss of sanity. I fear me and my family, my two small children, will become a product of this environment, and I do not wish Lower Main on anyone. Please stabilize rent before our hearts are crushed, our minds are tired, and our bodies have given up. We just want our human rights, even in poverty. Rent stabilization and holding landlords accountable would stop exacerbating our trauma . . .*(timer sounds)*. . . of finding dignified housing. Please mālama Maui Workers and Tenants [sic]. Thank you.

CHAIR KAMA: Thank you. Members, questions for our testifier? Seeing none. Eric?

MR. ARQUERO: Chair, our next testifier is Tracy Claudio, followed by Dhyan Sandhya, and then Krizhna Bayudan.

MS. CLAUDIO: Hi, I'm Tracy. So, am I next? Okay. Hi. My name is Tracy Claudio. I kind of have a little bit of stage fright, even though this is not a stage, so bear with me. As a single mom here on Maui, me and my son were blessed with HUD about two years ago. Thankfully...thankfully...thankfully, I pushed myself so hard to find a home, an apartment, or anything that...that I could and HUD can afford. I met the requirements, but even though I met the requirements, there were still things that pushed me away from finding a home that I had manifested. For example, my income, my background, and just having HUD alone was an issue. . . .*(timer sounds)*. . . From going to Craigslist...Craigslist, to buying newspaper every week, to going to almost every resource on Facebook groups, posting my story about me and my son, being a first-time HUD client was not what I expected. When I say that, until this day, even having HUD, I feel like I'm sitting on gold. And when I say that, it's because, as a single mom like myself, it is very difficult to afford rent. But I would have never have...I would have never thought that I'd made it to even have an apartment, even though it's in Harbor Lights, which, to this day, I feel so blessed that I have something for me and my son. . . .*(timer sounds)*. . . Before I continue on, the ending of 2018, when I received my HUD voucher letter, I worked for my mom at her restaurant here in Wailuku, the Empanada Lady. After...after COVID and the fire in Lāhainā, unfortunately, we're about to...we're

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on the verge of shutting down our restaurant, our family restaurant, due to the...the prices of everything . . .*(timer sounds)*. . . and it, again, being a family restaurant. And there...there is a great disparity between the people who move to Maui with money to spare and those that are Kanaka of this island, kama'aina or long-time residents...residents. Our neighbors' wealth should not automatically hike up the price of land and housing. It's impossible to even try to save money to buy a home, let alone afford rent. I was not able to find a home, like I said, but I was able to find something. And even at that, it still puts me and my son from having to save the money that we need to...to build a home, or even think about buying a land...piece of land. Yeah, that's all I have.

CHAIR KAMA: Thank you.

MS. CLAUDIO: Thank you.

CHAIR KAMA: Members, question for our testifier? Seeing none. Eric?

MR. ARQUERO: Chair, our next testifier is Dhyan Sandhya, followed by Krizhna Bayudan, and then Ann Pitcaithley.

CHAIR KAMA: Call them again.

MR. ARQUERO: Calling for Dhyan Sandhya?

MS. SANDHYA: Aloha. Can everybody hear me? Okay. My name is Dhyan Sandhya. I've lived on Maui for 40 years. I'm 73 years old. I now live in Kihei, but I lived a lot of different places around. And I just want to say I'm totally in favor of rent stabilization. I've also played landlord in the sense of renting a bigger house and renting to those friends that have stayed with me. So, I kind of know both sides. And I've been living for 12 years in one house, even a managerial position there. And all of a sudden, the landlord and his wife decided to up my rent by 25 percent two years ago, which was a shocker. And also, they knew that I rented, but in the last year, they haven't really allowed anybody in to help me pay the rent. And so, that's been another problem. And I thought I was the only one until I started talking to friends and realizing they were in the same position. I started, you know, running around trying to get help from, you know, like Legal Aid, and this one, and that one. And finally, I called Maui Tenants Association and realized I was almost a 100 on the list. And so, it's a lot bigger than what everybody was knowing. And before, it used to be "people on the streets". Well, I was suddenly going to be one of those evictions on the streets. And...and then it was like, wait a minute, this is a bigger deal here than people are aware of. And we started...you know, I...you know, I joined in, see where I could try to bring the word out. And Maui Tenants Association has been very good, letting people know what they can do, and go to Council meetings, and we started letting them know. And I started realizing how much they didn't know. And they kept talking about them out there. And I finally one day said, no, me in here and the rest of us sitting here are those people going out. It's no more them out there. It's no more the fire. It's us making room for . . .*(timer sounds)*. . . everything else. So, anyway, I can tell you that the U.S.

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Department of Housing and Urban Development, they say 30 percent or more, if that goes to your rent, you're considered cost-burdened. We are third in the nation for rent-burdened, 56.7 percent. Only Florida and Nevada are ahead of us. Again, tourist places. I want to tell you that Aloha Way says 44 percent of those of us on Maui do not make survival budgets, which means we don't have enough to pay the rest of our bills. So, it's about your friends, your families, your neighbors. This is Maui. . . .*(timer sounds)*. . . So, one last thing I want to say is this, that...something I was reading from a professor over at University of Hawai'i, Justin somebody, or rather, he was saying 92 percent of the people that own the short-term rentals that Mayor Biden [*sic*] is speaking about are not living on Maui. So, who do we support first? Who's going to support them in their places if we're all gone? Over 6,000 people have left already. I guess it's time to stop speaking. Anyway, so wait a minute. We have to start looking at what our priorities are. It certainly is about supporting those that we live with, I would think. And it's not like we can go out. I work for the government. I work as a Census Bureau. I'm the one that goes around and collects all your statistics about your home, how much you make, and how many bedrooms, and how...you know, all of that good stuff. And so, I already knew about this, you know, where we were on our budgets. I just didn't realize how it would affect us all once everything crashed below us. So, it's real out there. And we are one of the top ones in the nation suffering. Thank you.

CHAIR KAMA: Thank you. Members, questions for our testifier? Seeing none. Eric? Thank you so much.

MR. ARQUERO: Chair, our next testifier is Krizhna Bayudan, followed by Ann Pitcaithley, and then Stoph Kasak.

MS. BAYUDAN: Aloha. My name is Krizhna Bayudan, and I'm here today as part of the Maui Tenants & Workers Association, standing in strong support of mandatory rent stabilization now. I'm also a proud lifelong resident of Lāhainā, and a survivor of the fire that forever changed our community. My immigrant parents came to Maui seeking a better life. And like so many families, we built our lives in Lāhainā, working hard to make a future for ourselves. Since the fire, that future is uncertain, not just for my family, but for thousands of others who were displaced by the fire. Housing instability is more than just an economic issue. It's one of the major social determinants of health. I've seen the toll it's taken on my own family after eight months of living under the Red Cross Program, living out of suitcases, not knowing when our next move would be. . . .*(timer sounds)*. . . How can we expect our community to thrive if people don't even have the basic security of shelter? For my family and the 4,500 households displaced by the fire, the next looming crisis is when FEMA and insurance assistance runs out. And by the way, 80 to 87 percent of those households were pre-fire renters, and have no home to rebuild. My family is currently living in a house that costs tens of thousands of dollars a month, and when our insurance runs out, where are we supposed to go? Although we are eager for our rebuild, realistically, my family's home will not be rebuilt by then. While some temporary homes are being built, the truth is, the supply isn't meeting the demand. Maui County's housing supply decreased by 214 units between 2018 and 2022, while demand has continued to grow. Currently, there are about 1,200

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new housing units about to be built, with a few already built. But the real questions are, will FEMA . . .*(timer sounds)*. . . and insurance expiration line up with the administrative processing of eligibility, official acceptance into a housing unit, an actual move-in date for these families? Will working class families be left out because they earn just a little too much? I already know some families who had to dip into their savings and rebuild money to pay for their rent while waiting to hear back from these housing developments. They should not have had to do that. That's why we are calling for mandatory rent stabilization. Soon, my family and other Lāhainā families will also have to compete in this crazy housing market. We can't rely on the free market to regulate . . .*(timer sounds)*. . . rents with such a severe housing shortage. Maui County is playing catch-up on housing supply, and we must cap rent increases now to protect residents and prevent further displacement. Mahalo.

CHAIR KAMA: Thank you. Members, question for our testifier? Seeing none. Thank you.

MS. BAYUDAN: Oh, Miss...this

CHAIR KAMA: Oh.

MR. ARQUERO: Chair, I think Councilmember Paltin has a question.

CHAIR KAMA: Oh, I'm sorry. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. I just...I had a clarification. When you said cap...cap the rents now, but then --

MS. BAYUDAN: Cap the rent increases.

COUNCILMEMBER PALTIN: -- I thought you said that...oh, but I mean, if you said that your rent with your insurance or...or whatever is 30,000, if we cap the rent increase, then we're capping it like at 30,000 for a five-bedroom. I'm not sure how that...how that helps, was my clarification.

MS. BAYUDAN: I think the greater community impact is more related in...in answer...in answering your question. I think it's for the greater community impact, rather my individual situation.

COUNCILMEMBER PALTIN: I guess, to clarify my question, there's a lot of people that are paying those exorbitant rents, like, you know, 10,000 for a one-bedroom and like that. Like I don't...I don't understand how like capping it when...when the rents are already that exorbitant, it's...I understand you're talking about your situation, but I...I've heard from many people that that's the same situation that they're in. Either FEMA, ALE *(phonetic)*, or LOU, or those things have raised...already raised the rent so high that if we cap it at all those high rents, should we wait for it to come down first and then cap it, or is the thought that it'll never come down? Because I know folks in a two-bedroom for ten grand, and capping an increase for that doesn't seem like it would help. I know people paying 5,000 for a studio, capping it at that doesn't seem like it would help. So,

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that's...I guess that's my...the gist of my question is, many people are paying those exorbitant rents now, and...and how does...can we not cap it at like that out-of-control price?

MS. BAYUDAN: That's a great concern. I think the theory behind it was because, as you all know, insurance and FEMA is going to run out soon, that we stop it from...stop it now before it gets even worse. Because obviously there's still a lot of housing developments still needed...needing to be built. And just as an example, the housing development right below Kapalua Airport, they don't have enough water to build that. So, like...like I said, Maui County has...is playing catch-up in terms of housing supply. So, obviously, the demand for housing is going to go up when all these Lāhainā families have their insurances or FEMA expire. So, that was the theory behind it, was to stop it now because there was no protections put in place before the fire...or before all these rent gouging happened. And that's why we're in this...our situation today.

COUNCILMEMBER PALTIN: And then my last question, that you said you were a tenants' hui, is the proposal that the tenants' hui would be the administrators of the program to register all the folks?

MS. BAYUDAN: I believe in our --

COUNCILMEMBER PALTIN: And...

MS. BAYUDAN: -- conversations, we talked about or discussed having a third-party contractor, similar to how there is a emergency permit contractor, like 4LEAF. So, having...outsourcing to a third-party County-approved registration company.

COUNCILMEMBER PALTIN: Okay. Thank you.

MS. BAYUDAN: Thank you.

COUNCILMEMBER PALTIN: Thank you, Chair.

CHAIR KAMA: Thank you. Eric?

MR. ARQUERO: Chair, our next testifier is Ann Pitcaithley, followed by Stoph Kasak, and then Nelson John Salvador.

MS. PITCAITHLEY: Aloha. My name is Ann Pitcaithley. I'm speaking as a private person. I'm here to give strong support to the Maui Tenants & Workers Association, and also to advocate for mandatory rent stabilization. I'm one of the lucky ones because in...in 2020...24 years ago, I was able to buy a three-year-old home, single-family unit, three-bedroom, two-bath, and large yard for \$200,000. And prior to that, I had pretty reasonable renters, although a share of really more than...my share of bad landlords. Anyway, so let's just describe the...the current scenario here. Low wages, coupled with low inventory, FEMA inflation of rents, devastating effects of post-COVID and post-2023 wildfires, STRs outnumbering long-term rentals, like in West Side ...*(timer*

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sounds). . . --that's annoying--wrongful evictions by...by landlords who use loopholes in the...in the system, in the policy. Anyway, it's a recipe for...it's a living hell. Like I'm one of the lucky ones, but I run into a lot of young friends, some of my former students from the college, who just cannot find a roof over their head. And they're really struggling to get...to graduate, and enter the workforce, and all that. And then when you think about it, you cannot talk about housing...I mean rental...housing rentals without talking about wages. I mean, we...what's the minimum wage here? \$14 an hour? Yeah, it's supposed to increase, but not until 2028? Yeah, we don't have that kind of time. So, you take \$14 an hour. What...what would that be for your monthly income? \$2,426. How can a single person...this is...how can...I'm thinking of myself, I'm trying to emphasize with these people, a single . . .(timer sounds). . . person on those wages possibly afford a rent...rental of \$2,500 a month, like a one-bedroom? And then I search for a lot of studios. They are up there too, 1,800 to \$1,900 a month. And it's generally accepted that renters should spend 30 percent of their income on rent, but that leaves little left for basic living expenses, like food, transportation, utilities, insurance, healthcare, and probably an increasing debt that they're accruing from all this, right? And then those making more than \$14 an hour wages, such as healthcare workers, construction workers, firefighters, police officers, retail, hospitality workers, they make up the backbone . . .(timer sounds). . . of our workforce. The rentals are just...it's out of control. There are 182 municipalities within the following states that have some form of rent control. And rent control is used...my conception of what rent stabilization is, is that the rents are...can be adjusted on a yearly basis based on the cost of living. So, maybe 4 percent one year. It's not just a cap, and that's it. But there's 182 municipalities within the following states that have had some form of rent control, like I said, New York, New Jersey, Minnesota, Maryland, District of Columbia, California, Oregon, and yes, Massachusetts, because I believe Mr. Koch was wrong. Cambridge, Massachusetts, has had rent control for a long time because it was banned...it was implemented prior to the ban, statewide ban. So, in Hawai'i, there is no legal limit to the amount of rent a landlord can charge. I found many of these rentals that I looked for on Craigslist and Facebook, they're month-to-month. Does that mean with no rent stabilization, the rent could be increased every month? No legal limits, right? But many are six months' rent lease, right? Very few seem to be yearlies. Now, if you're a renter, it would be advantageous for you to have a year lease, right? Because at least they couldn't raise the rent until that year is up. But look at...I mean, just...and what the gentleman said, who was a testifier about Kaulana...Mahina Kaulana, or Kaulana Mahina, is true because I checked on that just out of curiosity and to prepare for this testimony. So, rent stabilization ensures that housing is affordable for tenants, especially in Maui with its high demand and limited supply. It can also help create a safer and more stable neighborhood by encouraging long-term tenants. The time is now to enact policies related to stabilizing rents in Maui and to protect tenants from excessive rent increases. Does anyone have question...oh, just...you know, just another thing about wage and rentals, they're intertwined. And...and last January, Seattle increased their minimum wage to 19.97 per hour. They have similar...they have high rents like we do, but you see, versus \$14 an hour, 19.97 per hour is quite a difference. So, they don't have rent control, but they have a higher hourly wage, minimum hourly wage. All right. Thank you for having this hearing for us.

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CHAIR KAMA: Thank you. Members, questions? Mr. Johnson?

COUNCILMEMBER JOHNSON: Thank you, Chair. Good evening, Ann. Good to see you.

MS. PITCAITHLEY: Good to see you.

COUNCILMEMBER JOHNSON: Appreciate your testimony. I really like how you tied...tied the idea of wages being such an important part of the discussion. I know that yourself, in your professional ability, you've worked with nurses.

MS. PITCAITHLEY: Right.

COUNCILMEMBER JOHNSON: Has...has the nurses' wages...how does that affect when the healthcare industry can't afford to live here to take care of us? So, not only are ourselves suffering from lack of healthcare workers, but healthcare workers actually can't make it here as well. You tied it into the wages. Do you find the people that you work with, you know, the nurses and the healthcare community, are they struggling to find it? And what does that do to...

MS. PITCAITHLEY: Absolutely, it's affecting nursing, and there's a severe nursing shortage here...I mean, a severe doctor shortage. What are they, 800 doctors short in the whole State of Hawai'i? I don't know how much in Maui, but yeah. Even new doctors starting out, graduating from medical schools, they can't...they can't afford a home. So, it applies to them too.

COUNCILMEMBER JOHNSON: Thank you.

MS. PITCAITHLEY: Thank you.

COUNCILMEMBER JOHNSON: Thank you, Chair.

CHAIR KAMA: You're welcome. Eric?

MR. ARQUERO: Chair, our next testifier is Stoph Kasak, followed by Nelson John Salvador, and then Bruce Douglas.

MR. KASAK: Aloha. Since I moved to --

CHAIR KAMA: Aloha.

MR. KASAK: -- Maui in 2007, 17 years ago, I've attended meetings in these Chambers, and that whole time people have been saying the rent is too damn high, and the cost of living is too high. In that time, I've lived in 13 different houses and experienced periods of homelessness, often due to unscrupulous, greedy landlords, members of the parasitic landlord and owner class. More recently, since the fires, I've had 'ohana experience landlords that saw those dollar signs from FEMA go on. Ironically, I moved here for...as an economic refugee for healthcare, which was just discussed. Now, that's

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. . .*(timer sounds)*. . . not really a thing here either. So, this is something that I'm glad to see tenants organizing and coming together, and I encourage more to do so. And it's something that was identified as the first point of action. There are more solutions, and we should be employing a diversity of sticks and carrots, but this is most critical. To Member Paltin's query, when the FEMA spigot gets cut off, that level of exorbitant rates is not going to be at that height because no one can pay that, really. So, those rents will have to come down. The proposal put forth by the Association is to cap relative to CPI. So, it can't continue . . .*(timer sounds)*. . . to go up and up and up and up. And we won't see the continued ethnic cleansing diaspora that's been happening here for decades and hundreds of years now. That's all I have. Yes, Member Paltin?

COUNCILMEMBER PALTIN: Thank you. My question is, when you said a variety of sticks and carrots, and that when the FEMA goes down so we should wait to cap it until it goes down, but the variety of sticks and carrots part, I was wondering if you were supportive of--sorry--Mr. Lloyd's proposal, or were you talking about other variety of sticks and carrots?

MR. KASAK: Mr. Lloyd, with the Maui Tenants & Workers Association, yeah. That proposal is to cap...fix it to CPI, which...Consumer Price Index that says 30 percent of your income should go to rent. Now you have a majority of Maui population that is extremely rent-burdened or rent-burdened.

COUNCILMEMBER PALTIN: So...so that was the specific proposal --

MR. KASAK: So...

COUNCILMEMBER PALTIN: -- that you support?

MR. KASAK: Yeah. So, they won't be able to raise it any higher, and in fact, those like very high rents, they're not going to be able to get anybody to pay that when the government's not handing out those checks. But you still have a dearth of availability. So, there's still people looking.

COUNCILMEMBER PALTIN: Thank you.

MR. KASAK: Thank you all.

CHAIR KAMA: Thank you. Eric?

MR. ARQUERO: Chair, our next testifier is Nelson John Salvador, followed by Bruce Douglas, and then Penny Souder.

MR. SALVADOR: Aloha. Good evening. I am Nelson John Salvador of Hawai'i Workers Center. And I'm here to support the mandatory rent stabilization that the Maui Tenants & Workers Association, which happens to be our project, is putting forward. Simply because it's not just the crisis that already we have before the fire, but it is exacerbated exponentially by the fire. Every...if we believe that housing is a human right, the duty



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bearers, which is the Government, the County . . . *(timer sounds)*. . . should come up with a solution so that the rights holder would not...especially those that are vulnerable, especially those that are the working class of Maui, the...the...the creator of the surplus value of Maui, the creator of the wealth of Maui, they should not...they are the right bearers. The duty bearers should come up with a solution. Thank you.

CHAIR KAMA: Thank you. Members, questions for our testifier? Seeing none. Eric? Thank you.

MR. ARQUERO: Chair, our next testifier is Bruce Douglas via Teams, followed by Penny Souder, and then Lauren Lopez. Bruce, you have been made a presenter on our side. Please unmute your microphone and proceed with your testimony. Okay. Chair, we're going to move on. Bruce Douglas might have disconnected. Our next testifier is Penny Souder, followed by Lauren Lopez.

MS. SOUDER: Hello. My name is Penny Souder, and I am a landlord. And I find it interesting that I think the only other landlord that spoke was Ann, and we're both nurses. We know each other from...from nursing. I don't have any prepared testimony, but I have been very touched and moved by a lot of the compassion and...and the feelings that I've heard expressed in the room. I moved to Maui in 1986, and so that's, I think, 38 years ago. And, of course, I moved here because of the beautiful beaches and stuff, but I stayed because of the people here. I really like the culture and the people. And what we're doing is just driving that situation into the ground by not allowing the people who grew up here to stay here. I have rented off and on my cottage so that I could make my mortgage payment since about 2001. And I rent it today . . . *(timer sounds)*. . . for less than I did in 2001. My rent is \$800, and I reduced it after the Lāhainā fires because of the hardships. And I really don't understand the greed. Of course, I am a nurse. I really don't understand the greed, and I really think it was a shame that FEMA just drove the prices crazy. And I do think we need some sort of stabilization, although I did hear Jason have some good ideas as well. I'm sorry, I'm going to screw up your last name if I try to pronounce it, so Jason. I did hear some good ideas from him, but I'm very much a proponent of...of stabilizing the situation. We cannot go on as it is. I don't think we should start where we are now because look, I...I reduced mine. I used to rent it for like 1,200, and I reduced it to 800. So, I mean, it's a one-bedroom cottage. It's...it's not a luxury condo or anything, but it's got a lot of nice features, and...and I usually have a lot of people that want to rent it. . . . *(timer sounds)*. . . So, I just want to be part of a solution. If I can do anything, or participate in any ideas that are being thrown around, I'm happy to do so. And my sympathy is with all of you who are fighting the system, and I'm on your side. Not all landlords are greedy people. So, thank you very much.

CHAIR KAMA: Thank you. We have a question for you --

MS. SOUDER: Yes.

CHAIR KAMA: -- from Member Johnson.

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COUNCILMEMBER JOHNSON: Thank you, Chair. Thank you for your testimony, and thank you for doing...lowering your rent. Like you mentioned, there's very few landlords here, so I kind of want to hear your thought process. We need more folks like you. How do we do that? What...what...makes...what went through your mind on why you decided to go lower than market, way below market?

MS. SOUDER: Well, I don't know, 'cause my Visa bills are all out of control now. No, but I had some personal issues with my family's health, and so that's really...I'm...I'm a nurse. We have compassion for people, and I love Maui. I love the local people, and I just...really, it was just horrible what happened, you know, and I don't have a whole lot I can contribute financially. I gave away avocados, eggs. I sent all kinds of stuff that I farm to Lāhainā, and I just think we need to open our hearts and...and think about, you know, taking care of each other. That's the culture I fell in love with, so...

COUNCILMEMBER JOHNSON: Beautiful words. Thank you.

CHAIR KAMA: Eric?

MR. ARQUERO: Chair, I think Councilmember Paltin has a question.

CHAIR KAMA: Member Paltin? Oh, can you please come back? Member Paltin has a question for you, Penny. Sorry.

COUNCILMEMBER PALTIN: Sorry, Ms. Souder.

MS. SOUDER: It's okay. I like your questions, and I really like that FEMA question. I...I don't think we should start where we're at because that's...we're starting at a place that's just crazy already, so...but what was your question?

COUNCILMEMBER PALTIN: Yeah.

MS. SOUDER: I'm sorry.

COUNCILMEMBER PALTIN: I mean, I have another question, but I don't think it's clarifying, so I won't go to that one, but --

MS. SOUDER: Okay.

COUNCILMEMBER PALTIN: -- it's the lynch point. The...the clarifying one is that you said you're a landlord, and the presentations, would...would you feel comfortable with registering your unit?

MS. SOUDER: Oh, yeah. You know, I tell my tenants, I said, I'm legal, so don't think you're going to pull anything over on me because I'm legal. So, you know, I have no problem with that.

COUNCILMEMBER PALTIN: And by legal, you mean, like --

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MS. SOUDER: I claim it on my taxes.

COUNCILMEMBER PALTIN: -- everything is permitted?

MS. SOUDER: I pay my GET, you know, all that kind of stuff. You know, it's...I...you know, I have a lease. You know, they have pets, and they have to take care of their pets. All that stuff's in my...in my contract, so...

COUNCILMEMBER PALTIN: And then, to clarify, it seems as though the implication is if somebody is not legal, then they might be the ones that would have an issue with registering?

MS. SOUDER: Probably.

COUNCILMEMBER PALTIN: Like if they're not paying GET, or if they're unpermitted?

MS. SOUDER: I would guess because I...I know that some people, you know, just take the money under the table. They wouldn't take a check. You know, they wouldn't take a Venmo or anything, so they don't want to...they don't want to be discoverable. They just want money under the table. I don't really know anybody personally that does that right now, but I have known people in the past that were like that.

COUNCILMEMBER PALTIN: Thank you so much for that clarification.

MS. SOUDER: Okay.

CHAIR KAMA: Thank you. Eric?

MR. ARQUERO: Chair, our next specifier is Lauren Lopez, followed by Candace Shaw, and then Jade Moreno.

MS. LOPEZ: Hi. I didn't even know about this until today. Very unprepared with anything to say, but I think it's really important for me to be here and say I'm beyond for rent stabilization. Even on my way here, I stopped at the beach, and maybe seven people that I was talking to were like, can't find places, can't afford anything. Recently, I am in a situation where my landlord is trying every loophole to kick me out of a place I've been in 18 years because he wants to make more money off the property. And I'm looking every day, and I...it's not just we need like affordable housing or the low income. I...I run my own business. I actually clean windows in empty houses where people don't show up for years to their empty houses, or places that get rented for \$500 a night three times a month. Meanwhile, I'm looking at places that don't have power, don't have water, have a Murphy bed, and are the size of this for 1,750, no utilities. It's insurm...it's so stressful and insurmountable . . .(timer sounds). . . thinking about how to pay that. And the point about the income, you can't pay two...right now I pay \$2,500 a month plus utilities. I have to make a lot more than that to carry that weight besides, and I'm creative, like I own my own businesses. I don't have children. I can't imagine what it's

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like when you work two full-time jobs, have kids, need multiple rooms, need daycare, et cetera. It's not even a question, like being able to just raise rent, raise rent. And then you got to look at a place...you look for a place. My friend, she got 134 replies for a place in one night, also got offered \$11,000 for a studio from FEMA. It's...it's not even questionable that there needs to be a cap on this because people cannot find a place to live. Meanwhile, there's empty houses, rentals everywhere, and just mansion after mansion development. We don't...it's ridiculous. So, anyways, thank you. . . .(timer sounds). . .

CHAIR KAMA: Members, questions for our testifier? Ms. Lopez, Member Paltin would like to ask you a question.

COUNCILMEMBER PALTIN: I have a question for Ms. Lopez.

MS. LOPEZ: Yeah.

COUNCILMEMBER PALTIN: Did you say that you're looking at places that don't have running water, and it's...

MS. LOPEZ: Yeah. You know, I live in Ha'ikū, and I'm looking at places in Huelo. They're off-grid, so you got to walk, you know, all the way across the yard, use the bathroom, or there's an outdoor shower. But your little, tiny space, and it's...those are acceptable places, but the prices don't reflect the quality of living. You can't pay \$2,000. Like I have to have Internet. I run my own business, I can't not have power. Or you're like sick by yourself, you got to walk 600 yards. Also, you can't afford to live there. It's...

COUNCILMEMBER PALTIN: I just wanted to clarify because that...that doesn't sound like a legal living situation. So, then, if they were forced to register, I don't know if it would continue to be housing. I mean...

MS. LOPEZ: I...I mean, that's not the place I live, but if you go ahead and start looking on Marketplace, that's what's available. Off-grid --

COUNCILMEMBER PALTIN: Thank you.

MS. LOPEZ: -- in Huelo, shack. Yeah. Yeah, I'm sure a lot of it's illegal. . . .(laughing). . .

COUNCILMEMBER PALTIN: Thank you.

CHAIR KAMA: Thank you. Eric?

MR. ARQUERO: Chair, our next testifier is Candace Shaw via Teams, followed by Jade Moreno, and then a testifier identified as LUC.

MS. SHAW: Aloha, Maui County Councilmembers. My name is Candace Shaw. I am a renter with a lease. Let's speak plainly. The rents have gone rogue, and the market is no longer in control. What we are witnessing isn't just a housing crisis. It's a housing

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catastrophe born from years of unchecked speculation, skyrocketing rents, and a complete disregard for the people who live and work here. It isn't a small problem that can be swept under the rug. It's a market failure so catastrophic that it threatens the very foundation of our community. Thousands have already been forced to leave Maui, and if you allow this to continue, if you allow this kind of rent stabilization legislation to fail, you're choosing to continue a policy of displacement, destruction, and disregard for our people. The housing market didn't break on its own. It's broken by design. Engineered to cater to off-island . . . *(timer sounds)*. . . investors for rental profits at the expense of local families. The market is not correcting itself. It's spiraling out of control, driving up rents to obscene levels that no working family on Maui can afford. And now we face the fallout. Homelessness, an exodus of residents, and an island hollowed out by greed. By standing against rent stabilization, you aren't just voting against a bill, you're voting to protect a market that's actively destroying the fabric of our community, a market that's run rogue and is making a handful of people rich while leaving thousands without homes. A vote against this legislation is a vote to deepen the crisis. You are the stewards of this 'āina, and history will judge your actions. If you allow the market to keep running rogue, unchecked, and untamed, it will be on your shoulders when more . . . *(timer sounds)*. . . of our people are forced to leave. You have the power to stop the madness, to stabilize rents, protect our families, and restore balance to a housing market that has gone completely off the rails. The choice is clear. Either stand with the people of Maui, or stand with a rogue market that's tearing our community apart. Choose wisely because the consequence will be felt for generations to come. This is your kuleana and your responsibility to protect this place we call home before there is nothing left of it. . . *(timer sounds)*. . . And I hope you all received my more technical testimony that I submitted through email this...today.

CHAIR KAMA: Thank you.

MS. SHAW: Mahalo for your time.

CHAIR KAMA: Thank you. Members, questions for our testifier? Seeing none. Thank you so much. Eric?

MR. ARQUERO: Chair, our next testifier is Jade Moreno via Teams, followed by LUC, and then Keisha-Ann Dela Cruz.

MS. MORENO: Aloha, Councilmembers. Thank you for listening to our testimony so late in the evening. I know that makes a long day for everyone. My name is Jade Moreno, I'm from the Maui Housing Hui. I am a master's degree holder in policy and public...public policy, and I study these issues in my day job. Now, I'm here as just a renter, a resident in Maui, but I just want to mention that everybody talked about the things that are driving the rents up, and plenty of people mentioned FEMA. And if anybody has seen the report that the Maui Housing Hui has prepared on this subject, it's quite enlightening. And it really dives deep into the many ways FEMA has impacted the community and our rental prices. While we can make some comparisons to other communities, we must acknowledge that not every comparison applies to the unique factors we experience here on Maui. Our experts cited a lot of really interesting details,

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but places like Ibiza, Spain, or Martha's Vineyard . . . *(timer sounds)*. . . are much better markets to compare economically to our tourist-anchored economy. And I don't hear anyone talking about that. In Spain, they are dealing with a workforce that has record houselessness because they have not addressed their exorbitant prices and implemented some of the solutions that have been discussed here today. Martha's Vineyard shipped in their workforce. They cannot afford to live on that island. This is the path we are headed down, and it's not a fear-mongering thing, it's what happens in these markets. So, we add a wildfire to the situation, right? And it's just not sustainable, and we're all here because we know that. So, when we're looking at the market, we cannot look for a solution existing in the market that brought us here, okay? If our problems include hyperinflation, and residents that are priced out of owning, or severely rent-burdened as we know they are, the path ahead consists of more gentrification, more extractive investments, and a race to poverty . . . *(timer sounds)*. . . where the residents of Maui will only lose. But the goals of stability and keeping residents in their chosen community are not unsolvable mysteries. Opportunities for improvement exist in many areas. Small...the...small changes, rather than sweeping changes, are usually more palatable, and we can do that. We can fill County positions that are vacant because any solution that we come up with, if we cannot implement it, will look like a failure and act like a failure, right? And that's something we can tackle. Just cause evictions, right to renewal, they increase stability, reducing pressure on the need for new units. So, when we're talking about the problems and pitfalls of rent control, that starts to become eliminated when we are reducing that need for new units by keeping people stable. No new short-term rental permits, that closes the loophole for landlords that want to escape regulations by looking for their own greener pastures. We increase wages to more closely match the cost of living. We restructure taxes. Everybody that like criticizes all this reform kind of forgets that we have the power to make the tax structure exactly how we need it to be. We address access to water so affordable housing becomes a viable option again. Everyone that says we can build our way out of this conveniently forgets the water problem. Some of the experts today conflated terms like rental caps, rent stabilization, and rental control. And I just want to highlight the fact that these are not all interchangeable terms, okay? But working together, they are...they all hold improvements for our situation, creating a ceiling for rental prices rather than dealing with a problem of the inflated rental prices we have right now and just issuing a cap. Obviously, we all see that as a pitfall, but creating a ceiling where there is somewhere to stop the runaway train, creating a table that ties our consumer price index, or things like that to rent stabilization is a very common successful practice in other places. And rent control, if used correctly, can enhance the success of those other factors. So, when we're looking at an unprecedented emergency like this, it requires aggressive and imaginative solutions, and they are here. They're being discussed. They are not a mystery. And I really appreciate everybody taking the time to listen to us. And I hope anybody that's interested in our FEMA report takes the time to read that as well. And I just want to make a note, Nara Boone is struggling to log in, but would like to testify. She's an unknown user right now. So, I let her know I would mention that to you guys. Thank you.

CHAIR KAMA: Thank you. Member Paltin has a question.

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MS. MORENO: Yeah.

COUNCILMEMBER PALTIN: I might have missed it. I just wanted to clarify. Like when you said we, are you part of the Tenants' Hui?

MS. MORENO: I am not part of the Tenants' Hui that has been testifying today. I work for Maui Housing Hui, but I'm testifying on my own behalf with my own knowledge today.

COUNCILMEMBER PALTIN: Oh, okay. And Maui Housing Hui is...I'm not familiar, I don't think, with that one.

MS. MORENO: Oh, we're an NGO that works on housing issues, helping educate about renters' rights, performing research, and creating resources for our community members that are struggling with housing.

COUNCILMEMBER PALTIN: How long have you been doing that?

MS. MORENO: Since just after the fires, we established in October. And our main members include Nara Boone, Jordan Hocker, and myself, but we also have several community members. There's probably about 12 of us.

COUNCILMEMBER PALTIN: Oh, and so was that a different name before?

MS. MORENO: We used to be the Maui Tenants Association, but there are two separate organizations that exist now. And you've spoken to many members of the other organization this evening.

COUNCILMEMBER PALTIN: Thank you so much for clarifying that. Now, it's coming together. Thank you.

MS. MORENO: Sure, no problem.

CHAIR KAMA: Thank you. Eric?

MR. ARQUERO: Chair, our next testifier is identified as LUC, via Teams, followed by Keisha-Ann Dela Cruz, and then Alan Lloyd.

MS. CALLENTINE: Aloha, Chair Kama and Honorable Committee. My name is Livit Callentine, and I am a longtime resident of Central Maui, and I'm speaking for myself today. Thank you for bringing housing affordability to the forefront. Maui housing...Maui County's housing economy has been profit-based for many decades. Realtors suggest that lowering development standards will result in building permits being issued more quickly, which, in turn, will result in lower rents. Let's look at a real-life example of that. Right here in Central Maui, the 302 units built and opened in the last year, Kaulana Mahina, at the corner of Kuikahi and Waiale Road. The project was reviewed under 201H guidelines, so it was a fast-track development. It received many exemptions from standard requirements, which lowered the cost of construction by a very

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substantial amount, I am sure. The...the proposed rents, as stated by the developer, as represented by . . .(timer sounds). . . before the Maui Planning Commission and this body and the whole Council, were starting at \$1,000 a month. A two-bedroom apartment at 120 percent of the area median income was proposed to be \$1,797, while today, that rent is actually \$2,880. This is an approximately 60 percent increase. Remember, this affordable housing was fast-tracked, and it received numerous development standard exemptions, and it is brand new. It has just opened. As of today, this project has a 26 percent vacancy rate. Now, that's interesting, with the demand so high. This rate suggests to me that either there is no shortage of rental apartments, which we probably all know isn't true, or that the rents are not affordable. I do not know what the final solution is, but I am absolutely convinced that relaxed regulation is not, and has not, and will not lead . . .(timer sounds). . . to truly affordable rents for our residents. I look forward to our continuing discussion. Thank you.

CHAIR KAMA: Thank you. Members, questions for our testifier? Seeing none. Eric?

MR. ARQUERO: Chair, our next testifier is Keisha-Ann Dela Cruz, followed by Alan Lloyd, and then A. Christopher.

MS. DELA CRUZ: Hello. My name is Keisha-Ann Dela Cruz, and I've been a Maui resident for 35 years, born and raised. I want to express my strong support for mandatory rent stabilization measures in my area and all over Maui. As a resident of this community, I believe that rent stabilization is essential to ensuring that all families have access to safe and affordable housing. Stable housing is not only a basic human right, but also a critical determinant of mental health, economic success, and overall well-being. I live at Kahului Town Terrace, and I have been experiencing rent increases twice in one year. Maintenance fees, which they're not even fixing anything, and now I'm hearing a third time of a rent increase because they made a...made a mistake. It's getting harder to save money to buy a home and take care of my family, especially having to worry about the next increase. It's really messing with our mental health, thinking how you're going to take care of your family, if you're going to live in your car or on the street. If you're going to...if we're going to have to . . .(timer sounds). . . sorry. It's really...it's a really hard struggle. Rent stability would really help the families, and they can remain in their homes together. For the sake for our community future, I urge you to support rent stabilization. I...I appreciate the time and listening to my testimony.

CHAIR KAMA: Thank you. Members, questions for our testifier? Seeing none. Oh, Member Paltin? I'm sorry. Yeah, Member Paltin.

COUNCILMEMBER PALTIN: Oh, I just wanted to clarify where you said you're...you're renting at. Is that a market rate, or is it affordable or workforce?

MS. DELA CRUZ: Affordable. I live in affordable housing, and our rent has increased twice in one year, and for maintenance fees, which we don't even...we're getting nothing fixed in our apartments, yeah. And I've lived there for over almost six years and experience...

COUNCILMEMBER PALTIN: Did they clarify if the maintenance fees included insurance?



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MS. DELA CRUZ: I'm sorry?

COUNCILMEMBER PALTIN: Did they clarify if the maintenance fees covered insurance?

MS. DELA CRUZ: No. Uh-uh.

COUNCILMEMBER PALTIN: Okay. Thank you.

MS. DELA CRUZ: Thank you.

CHAIR KAMA: Thank you. Eric?

MR. ARQUERO: Chair, our next testifier is Alan Lloyd, followed by A. Christopher, and then Nara Boone.

MR. LLOYD: Hello. So, I'm Alan Lloyd. I'm a member of the Maui Tenants & Workers Association. And just to give you some other little information, some of you Councilmembers don't know, we have three landlords so far. Penny is one of them that testified that support rent stabilization, and two real estate agents who submitted written testimony. So, I wanted to get to the questions that Councilmember Paltin had. So, first is, should we cap the rents at how high they are? And so, these are my thoughts on that. First step, in February, starting in February, those rents that are supported by FEMA and insurance, yes, they are high, but once those high amounts of dollars for those rents go away, those units will be renting for less because there won't be anybody...like Ms. Krizhna said . . .*(timer sounds)*. . . there won't be anybody who's going to be able to pay 30,000 for a six-bedroom place. So, those rents will come down. So, there is something you could do. You could set rents...if you're passing...if you're setting an ordinance, you could set rents after February 1st. You could set rents...you could set the base rent that starts at July 1st when the new budget comes out. So, you can set rents at a time when they...when those FEMA dollars and insurance dollars won't be supporting those high rents. The second one, what if the landlord has units that are not up to code and they don't want to register? Well, my really question is to you guys as Councilmembers, to you all as Councilmembers is, is it acceptable to all of you, as our legislators, to know and accept that there are illegal rentals? Is that acceptable to you? I mean, right, these people are violating the law, and so we are letting them violate the law. And is that acceptable to all of you? And . . .*(timer sounds)*. . . last, because I'll sum it up...and we don't...we also don't need in rent stabilization registration to have 100 percent registration for rent stabilization to work. Thank you.

CHAIR KAMA: Members, questions for...Member Paltin has a question.

COUNCILMEMBER PALTIN: I just wanted to clarify your phrasing of set the rents. When you said that, you meant like where they're at, not that we would say like FEMA or fair market value or something. We don't set it...like you mean...were you meaning capping or something different?

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MR. LLOYD: I mean that...that like...well, what I mean is when an ordinance takes effect, you will...there will have to be a base rent, and you'll have to determine what that base...how that base rent will be determined. So, you can say base rent will be determined based on what rents are on July 1st, 2025. And then landlords, when they register, will have to report those base rents. Or you can say that base rents will be what the affordable rent guidelines are as of January 1st, 2025, for a one-bedroom, two-bedroom, studio, three-bedroom, four-bedroom --

COUNCILMEMBER PALTIN: So...

MR. LLOYD: -- affordable rent guidelines determine that.

COUNCILMEMBER PALTIN: I wanted to clarify too, because if you're not part of the direct lease program, if you're part of...if you're trying to get rental assistance...continued temporary rental assistance or whatever, they have a fair market value for what it is, and it's different from what the direct lease is, much different. So, if that is set, I guess, by FEMA or the Feds or HUD or whomever, what that fair market value rent is, why wouldn't we set it at that?

MR. LLOYD: So, what I'm looking at is, there's--I don't remember the actual name of the agency in O'ahu, I think it's HHAIC or H8 [*phonetic*], something like that. They have a chart, which is...

COUNCILMEMBER PALTIN: HHFDC?

MR. LLOYD: Yeah. They have a chart which Councilmember Kama provided in her proposal, which has what's called affordable rent guidelines for studios, one-bedrooms, two-bedrooms, three-bedrooms. I'm just suggesting maybe that's a way to set rents.

COUNCILMEMBER PALTIN: And...and you...and...and that HUD...or the HHFDC table is the same as the FEMA fair market value amount? Is...is that your understanding?

MR. LLOYD: I don't know the answer to that question.

COUNCILMEMBER PALTIN: Oh, okay. Thank you.

CHAIR KAMA: Thank you. Thank you, Mr. Lloyd.

COUNCILMEMBER PALTIN: Member Sinenci has his hand up.

CHAIR KAMA: Oh, I didn't even see you, Mr. Sinenci. Okay. Mr. Sinenci has a question.

COUNCILMEMBER SINENCI: Mahalo to all the testifiers tonight. I just had a question for Mr. Lloyd. Does he have an ordinance, or some kind of ordinance that you've looked at in some of these other counties that we can consider, including, you know, the...the rent hikes, the CPIs, those types of things for us to consider for Maui County, or are we working on that?

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MR. LLOYD: Your Staff, Councilmember, has a copy of a draft proposal that I proposed. Thank you for asking that question.

COUNCILMEMBER SINENCI: Okay. Thank you. Thank you, Chair.

CHAIR KAMA: You're welcome, Mr. Sinenci. Any other questions for our testifier, Members? Okay. Well, thank you, Mr. Lloyd.

MR. LLOYD: Thank you. I know...know I was harsh, but...

CHAIR KAMA: Oh, really?

MR. ARQUERO: Chair, the next testifier is A. Christopher via Teams, followed by Nara Boone, and then Edward Codelia.

MS. CHRISTOPHER: Hey, my name's . . . *(inaudible)*. . . I am really concerned about some of the things like when you guys were talking to the people about, you know, why aren't more landlords like the lady . . . *(inaudible)*. . . \$800 a month? And I know multiple landlords that are in trouble right now that were...had like...this is with tenants that have been there for years, and all of a sudden their HOAs have gone up to \$1,000. And you know, I mean, anybody trying to buy that, I don't know what price you'd have to put it at. So, just...I guess, just . . . *(inaudible)*. . .

COUNCILMEMBER PALTIN: I can't hear. Can anyone else hear?

CHAIR KAMA: I...I...I can't hear.

MS. CHRISTOPHER: . . . *(inaudible)*. . . Sorry. I'm...but just . . . *(audio interference)*. . . for the garages and, you know, fenced-in and...and that kind of stuff. Can you guys hear me?

CHAIR KAMA: I think we got bits and pieces. So, could you start again?

MS. CHRISTOPHER: It's okay. It was just...I was more just trying to testify in answering some other people's questions, and just saying that I know personally...I know people who have condos that they rented for \$1,500 for years, but now their HOAs are over \$1,000 and it's just not sustainable. And so, we do need something, but just . . . *(inaudible)*. . . costs as well. So, I know it's nothing that you guys don't know, but just...so maybe some of the other people listening, that maybe they aren't aware of because they don't...they don't . . . *(timer sounds)*. . . own condos or they don't know, and just seeing what people are struggling with. A lot of the people are getting hit with special assessments to redo their roofs and things like that. And then because of the insurance, everybody's just...you know, their...their...their carrying costs doubled. So, just...I mean, there's other people that don't, but like I said, I see people that went out of their way to be nice. They have...you know, they were renting for \$1,500 a month and now their...their HOAs are 1,000. So, for anybody coming in to try to buy that, it's not sustainable. So, that's all.

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CHAIR KAMA: Does that complete your testimony, Ms. Christopher?

MS. CHRISTOPHER: Yes.

CHAIR KAMA: Okay. Thank you. Members, questions for our testifier? Seeing none. Thank you so very much. Eric?

MR. ARQUERO: Chair, our next testifier is Nara Boone via Teams, followed by Edward Codelia, and then Diann Colton (*echoing*).

MS. BOONE: Aloha. Can you hear me okay?

CHAIR KAMA: Yes, we can.

MS. BOONE: Okay. Great. Thanks. Sorry, it's so late. I wasn't expecting to testify because I kept tapping to raise my hand. But thank you for listening to everyone today. And while it's all...there have been many heartbreaking stories, none of them are new to many of us that have been in this fight for housing, and especially for renters' rights. I am Nara Boone, I am also with the Maui Housing Hui. And I would like to say, in regards to some of the presentations that happened earlier, I don't think that this is something that we can build our way out of. And I think one of the things that we need to do right now is we need to adjust the area median income to actually reflect all of our people that are struggling so hard. Right now, you heard it earlier, 53 percent of our residents are cost-burdened, meaning that they spend at least 30 percent of their income on rent. And 25 percent of that number spends 50 percent or more. When I posted that the other day on my social media, someone commented back that they pay . . . (*timer sounds*). . . 90 percent of their income towards just keeping a roof over their head. Right now, workforce housing doesn't seem to be something that is in range for many of the workers. And affordable housing is certainly not affordable. We have seen...Maui has seen an extreme gentrification in the last several years, and FEMA is to blame, COVID is to blame. Landlords that expect Maui's residents to fund their mortgages are to blame. I saw yesterday, there was one room for rent in a home, and they were advertising it for \$1,800. For those of you that have been here a long time, like I have been, there used to be a guide that would say what the average price is per room for rent, and many landlords followed that--sorry, there's a cat fight behind me. It was \$500 a room . . . (*timer sounds*). . . and right now, it's 1,800. So, that's absolutely unacceptable, as we all know. And if we want to keep our people here, then there needs to be some changes. And some kind of rent control needs to happen. The...the worry that people would just leave their places vacant, you guys have control over that when it comes to how they can be taxed, right? You can tax also higher for...for people that purchase homes that don't live here. I would like to also point out the fact that there is an emergency proclamation right now, a moratorium on rent hikes and evictions, and it expires . . . (*timer sounds*). . . in about 40 hours. So, we are about to see an explosion of what's already happening here, and I find it extremely worrisome. All of the rent...with the majority of the rent hikes that have happened since August 9th, the day after the fires, are illegal. Yes, there were the FEMA rates, but there are so many landlords that

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raised the prices when there was a moratorium. So, I don't know how enforcement can happen, but it needs to happen, and it needs to be part of whatever kind of rent control containment happens here. I...you know, if you've lived here long enough, you've seen all the changes, and I've lived here almost my entire life, and it's really heartbreaking to see the struggles. In Foodland, I got a senior discount the other day because the cashier was so heartbroken at the...the struggles she sees on families' faces when she tells them the price of their groceries. So, if simple cashiers that are doing such a wonderful job in helping our community can make a difference, I hope that those in the seats of power can make an even bigger one for all of us. Thank you for listening.

CHAIR KAMA: Thank you. Members, questions? Member Paltin has a question for you.

COUNCILMEMBER PALTIN: Thank you, Chair. I just wanted to clarify that you aren't a part of the group that made the proposal, but you support the proposal?

MS. BOONE: I support some...I am not a part of the group that...that presented today, and I am absolutely in support of some kind of meaningful reform of the Landlord-Tenant Code, and some way of getting our rents under control so that people can...can stay here and not just work.

COUNCILMEMBER PALTIN: And did your group at all work with the group that presented?

MS. BOONE: We started off together. I was a part of the Maui Tenants Association at the end of...I joined when it was created in...at the end of 2022, 2022, when I was struggling to find a place to live and could not, and split from that group. Many of us split from that group and created the Maui Housing Hui.

COUNCILMEMBER PALTIN: And...and your folks' focus is not on legislation?

MS. BOONE: Our focus is on renters' rights, and it...it will be legislation, absolutely. Like I said, we want meaningful reform of the Landlord-Tenant Code. It hasn't been updated since the '80s, and it's definitely time, and we've seen all the changes that have happened.

COUNCILMEMBER PALTIN: And are...do you know if that Landlord-Tenant Code is under County or State purview?

MS. BOONE: In State purview, to my understanding. But I also remember, when I was searching for housing 25 years ago, that there was a guide for Maui County to suggest what the rates should be based off of how many rooms were in the house.

COUNCILMEMBER PALTIN: Thank you. Thank you, Chair.

CHAIR KAMA: You're welcome. Eric?

MR. ARQUERO: Chair, our next testifier is Edward Codelia, followed by Diann Colton, and then Shay Chan Hodges.

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MR. CODELIA: Good evening. My name is Edward...my name is Edward Codelia. I'm a full-time Maui resident and a longtime member of the Realtor Association of Maui. Speaking tonight on my own behalf, I provided written testimony online regarding rent stabilization, but I feel compelled to speak tonight in strong support of the proposed amendments to the A-1 and A-2 zoning regulations, which I believe are essential steps toward addressing Maui's urgent housing crisis. The people of Maui are counting on the County Council to take bold, decisive action that will make a meaningful difference in their lives. This starts with updating our zoning laws to better align with the need of local residents, not the interests of large special interest groups like the short-term vacation rental lobby or the Realtor Association of Maui. The changes to A-1 and A-2 zoning are vital...are a vital first phase in what must be a comprehensive effort to improve housing availability, affordability, and sustainability across the island. By increasing density in multifamily housing districts and clarifying permissible uses, the Council can directly stimulate the development of housing that serves local families and long-term residents . . . *(timer sounds)*. . . those who are the backbone of our community and economy. But I encourage the Council to go further. The economic challenges that Maui faces are already well known, and delaying these decisions for further studies or political reasons is no longer acceptable. Every day we wait is another day that local families struggle with housing insecurity, or forced off the island, or endure skyrocketing rents. The time for action is now. Claims that prohibiting short-term rentals violate private property rights are not legally accurate. Zoning laws are an accepted and necessary form of land use regulation. The argument for restricting STVRs in residential zones is about protecting the long-term well-being of the island, its residents, and the integrity of Maui's housing market. The Council must stand firm on this and prioritize the needs of local families over short-term rental investors. We already know the significant damage caused by the unchecked growth of the STVR industry. It has distorted housing availability, driving up prices, and reducing the stock of long-term rental units. The time has come for the Council to move past the political agendas of lobbyists and make courageous forward-thinking decisions that prioritize Maui's residents over profit-driven interests. . . . *(timer sounds)*. . . I'll stop there. Thank you.

CHAIR KAMA: Mr. Johnson has a question for you, Mr. Codelia.

MR. CODELIA: Yes.

COUNCILMEMBER JOHNSON: Thank you, Chair. I really appreciate that testimony. When we comes...when the Minatoya list comes on the agenda, I'd love to see you in the Chambers and hear that again. And...but for now, today, do you support the rent stabilization?

MR. CODELIA: I...I am of the opinion that the A-1/A-2 zoning thing needs to be addressed first.

COUNCILMEMBER JOHNSON: Okay.

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MR. CODELIA: I think the rent stabilization can support that program if it's going to be necessary, but when you remove those rentals from that plan --

COUNCILMEMBER JOHNSON: Right.

MR. CODELIA: -- the market changes, right?

COUNCILMEMBER JOHNSON: Right.

MR. CODELIA: So, then you have a better idea of what the real market rents will be once you put more into the market. So, it's pretty simple. I would rather see that happen before rent stable...I mean, I would develop that. I would look at the rent control. I mean, we are in that place where these ideas have to be like laid out, right, in case of emergency type of situations now.

COUNCILMEMBER JOHNSON: Right now.

MR. CODELIA: So, I would say, you know, lay those plans out, but my priority, I think, is the short-term vacation rental deal and which way you guys are going to go. And that's why I'm here because I don't really know.

COUNCILMEMBER JOHNSON: Okay. I hear you loud and clear. Thank you for that.

MR. CODELIA: Okay.

COUNCILMEMBER JOHNSON: Thank you, Chair.

CHAIR KAMA: Thank you. Eric?

MR. ARQUERO: Chair, our next testifier is Diann Colton, followed by Shay Chan Hodges.

MS. COLTON: Hello, everybody. I'm Diann Colton. I'm from Kihei. I've been here 24 years. I owned a home for 20 years, which I lost during COVID, and I was lucky enough to find a rental with a friend who bought a condo here who is now selling, and because of the increase in condo fees. I am on HUD. I make \$1,080 a month. I'm on a fixed income plus food stamps. I'm 71 years old. I have nowhere else to go. I can't go to the mainland unless I want to just do the same thing there. I don't know where to go. She is selling. She's a teacher on a fixed income. The condo fees have driven her to leave and go to Florida, where there seems to be some of the same problems with condo fees and insurance charges. So, as of when this place is signed, according to the proclamation, and there is an affidavit signed, unless the Governor continues that, I have 45 days. I have been looking. I'm on HUD. This will give you a place to start of what's considered--sorry, he has heart...heart problems, so he coughs. This is HUD's amount of fair market value, and it's a good place to start. It has it right here. I can deliver those to the County office so that you can all be familiar what is considered fair market value by HUD. Nobody will take my HUD. I get two bedrooms because I get an extra room because I'm disabled, and I'm a senior, and I'm on a fixed income.

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. . .*(timer sounds)*. . . And I have nowhere to go after that. I don't know what to say. And I feel somewhat discriminated against because I do have a Federal program that pays the bills, but nobody will take it because they'd rather...everything I've looked at is more than I can afford. Even a studio is 2,500. I can get a two-bedroom for 2,200 on HUD, but nobody will rent for that, and nobody takes...is going to take HUD. And also, one other thing . . .*(timer sounds)*. . . is they do require anybody that rents to HUD people to...to get a GE license...a GET license, and file their GET in order to be a participant. Owners, and I was one for 20 years, I paid my GET taxes, and that's one way to keep track of this. And to...people were...are continuing to collect rents and not pay GET, and that's just not fair. If you want...if you want a way to pay for some of the administration fees or some of the subsidies for us, people need to pay their taxes. And I paid my property taxes for 20 years, I paid my GET, I paid my State income tax, and I feel like I've earned the right to...for my Federal program that I paid for over my years of working that nobody will honor. And so, I don't know where to go. I don't know if you'll see me on the street with my dog. And I'm scared to death, and it's created a huge burden on me mentally. And I'm just recovered from cancer, and I'm in remission, and I really don't know what to do. So, this will give you an idea. Also, from...in terms of our kūpuna and people over 65, it's gone from 12 percent to 20 percent of our population here on Maui, which is not being addressed at all. We talk about kūpuna, we talk about dignity . . .*(timer sounds)*. . . but we're not doing anything for low-income or poverty-stricken, as we are called, kūpuna. There's nowhere to go, and housing has not kept up with it.

CHAIR KAMA: Thank you.

MS. COLTON: Thank you.

CHAIR KAMA: Members, questions for our testifier?

MS. COLTON: Thank you.

CHAIR KAMA: Seeing none. Thank you so very much. Eric?

MR. ARQUERO: Chair, the last testifier to sign up right now is Shay Chan Hodges via Teams.

MR. HODGES: Good evening, Chair Kama and Councilmembers. I'm unfortunately not Shay, I'm Ian, but her computer camera's better, so I'm using it. Thank you for the opportunity to testify, and I see that we're two minutes past Chair Kama's deadline for ending the meeting, so I'll...I'll just try to stay within my two minutes. I wanted to make a couple of comments about the previous testifiers. The first comment is the gentleman from the Realtors Association, one thing he didn't mention when he said that 33 states prohibit rent stabilization, one of the reasons for that is because organizations nationally, like the Realtors, lobbied heavily to have state bans on rent stabilization, so cities and towns couldn't do it. One example is in Massachusetts, which is on his list. When I was in college on the East Coast in the '80s, I actually...I was in Pennsylvania, but I actually used to go visit friends in Cambridge, Massachusetts, which had rent stabilization from the '70s until 1984--excuse me, 1994--and when I went there, the...the makeup of



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Cambridge, I mean, it had MIT there, it had Harvard, but it was working-class families mixed in together with Harvard professors, MIT professors, startups. And people were all...it was...some of the houses were a little funky, but you could see it was...it was a vibrant community. . . .*(timer sounds)*. . . And now when you go there, it's basically...as you can imagine, it's just gentrified because they got rid of price stabilization. So, I want to be able to look at that and think about our...our communities. I've been 52 years on Maui, I was born in O'ahu, and what Maui used to be with all the little...all the communities we had, all the mom-and-pop stores, we have to do something like rent stabilization or we're going to lose all that. So, I ask you to support that, and also I ask you to listen to the people who are testifying, who actually are the local community members. They should be the experts on what's going on. Thanks so much for the opportunity.

CHAIR KAMA: Ian, I think Member Paltin has a question for you.

COUNCILMEMBER PALTIN: Thank you. I was hoping you could clarify what you meant by a little funky.

MR. HODGES: Oh, what I meant is sometimes if you have...right now, if you go to Cambridge, all the houses are super fancy and new, and you can tell the people who live there have very high incomes, so they're all newly painted. Sometimes the houses in Cambridge would be...it'd be...maybe it needed a paint job, things like that. But you...but you basically still had all these different community members living amongst each other, whether you're a Harvard professor or you're some guy who was a janitor at Harvard.

COUNCILMEMBER PALTIN: So, you didn't mean like not running water, you just meant like maybe --

MR. HODGES: No, not at all.

COUNCILMEMBER PALTIN: -- . . .*(inaudible)*. . . older looking or something?

MR. HODGES: Yeah, just maybe hadn't had a paint job in five years or something, or ten years.

COUNCILMEMBER PALTIN: Not like pastel-colored, like lānai or anything like that?

MR. HODGES: I don't think they...because of the weather in Cambridge, they don't have lānais, but... . . .*(laughing)*. . . but they did have, yeah, all different kinds of colors. It was a very vibrant...it was a wonderful community, and now it's...it's basically just a home to very wealthy people.

COUNCILMEMBER PALTIN: Got it. Thank you. I...I didn't...I...funky, I was . . .*(inaudible)*. . .

MR. HODGES: Yeah, sorry, I should have clarified that. Thanks for the question.

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CHAIR KAMA: Any other questions for our testifier, Members? Seeing none. Thank you so very much, Ian. It's good to see you.

MR. HODGES: Thank you, Chair. Good to see you too.

CHAIR KAMA: Thank you. Eric?

MR. ARQUERO: Chair, we currently do not have anyone else signed up to testify at this time. Would you like me to do a last call?

CHAIR KAMA: Yes, please.

MR. ARQUERO: If there's anyone who would like to testify, please identify yourself now. On Teams, you can do so by using the raise-hand function. Here's a countdown...five, four, three, two, one. Oh, sorry.

CHAIR KAMA: Oh, Mr. Economou. Yes, by all means.

MR. ECONOMOU: Thank you. I'm Jason Economou speaking on behalf of myself. Everybody else took two turns, so I'll take another turn too. I want to address a couple of things. One, I was part of that lobbying apparatus from the National Association of Realtors, and they are one of the most well-organized, well-funded lobbying organizations in the world. So, you really do need to take what they say with a grain of salt sometimes because they are protecting their own self-interest. I say that as somebody who used to speak on their behalf. So, I really don't need to lie about that. Aside from that, one of the things that's come up is that all of these consequences that we're afraid of, of rent control, seem to be the status quo as it stands now. So, somebody earlier said that I was opposed to rent control. I'm not opposed to rent control. I have real concerns and real doubts that the County of Maui can pull off rent control at the level that people are talking about it today . . .*(timer sounds)*. . . the level that this legislation proposes. But that doesn't mean we should do nothing. It doesn't mean that we should remain in the status quo where people are living in uninhabitable conditions, where rents just keep on going up, where the prices of homes keep on going up when there's no real value there. We need a new system. We need major reform. But it's not just rent control. And that's really what I want to reiterate. We need to do a lot more than that. And...and I think the gentleman who is a realtor who commented about the A-1 and A-2 zones, he's got a point. But one of the things that keeps on coming up is all of the special assessments and the insurance rates are going through the roof for these condos. So, that's not going to be a real solution for us either. It's not a either this or that solution. It's all of it. We need to do a lot more. And that's my position. Thank you.

CHAIR KAMA: Mr. Johnson?

COUNCILMEMBER JOHNSON: So, I got a clarifying question for you. You mentioned that, you know, the costs of HOA fees, the insurances, they're all going up. What's your opinion, if I can clarify that, it sounded like you...that was a concern. The Haggai Institute in South Maui, State owns it, County pays for the...the upkeep of it. Basically,

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the model would be, if the State bought a building, the County would pay the HOA fees, pay those fees, and those units would be truly affordable because then, like we hear time and time again, the HOA fees are what is killing people. So, that kind of model, what's your take on that?

MR. ECONOMOU: I think that's a great model. We need to bifurcate the housing market. We need to create a separate housing market for our local residents. And the best way to do that is a model where either the State or the County or some other form of land trust owns the housing, uncouples it from the land. It doesn't become a possible investment for some guy from the mainland who was born with too much money. Instead, it stays housing for people here who are actually contributing to the economy. If folks from the mainland buy up all of our housing, we're going to lose more jobs than if we do rent control.

COUNCILMEMBER JOHNSON: So, like islands of affordability --

MR. ECONOMOU: Yes.

COUNCILMEMBER JOHNSON: -- within the sea of the market forces. Thank you, Chair.

CHAIR KAMA: You're welcome. Any other questions? Yes, Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. I wanted to clarify, when I clarified before--sorry, my...my dog is heavy breathing, I don't know if you can hear it, but that's not me--I was wondering, I thought that the...the proposal wasn't that the County would run it, it was that a third-party contractor similar to 4LEAF would run it. So, I just wanted to clarify, is your...is your concern that the...the County can't oversee a third-party contractor?

MR. ECONOMOU: Yeah. But again, I...I never saw the proposal that involved a third-party contractor. The packet that I received before coming tonight had two pieces of legislation. One piece of legislation was a model from before we were a State, and the second piece of legislation was a more recent model that was based on that. And the second piece of legislation, the one that I thought was the proposal on the table now, would have the County Department of Housing running it with a board of volunteers setting the rents.

COUNCILMEMBER PALTIN: Oh, okay. So, does it seem more palatable if it's a third-party contractor then?

MR. ECONOMOU: I mean, I think it largely depends on the contractor and if it's workable. We...we run into issues with contractors similar to the issues that we ran into with FEMA, which is you have people that you're bringing in from outside who don't necessarily understand the...the cultural and...and overall context of Maui and Maui's housing. So, you might end up bringing in a contractor who sees housing that is very palatable to many of us as not suitable for a lot of residents. I mean, this...this was one of the issues with the FEMA housing and one of the things that...that drove up the

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prices. People were holding their houses back off of the regular rental market because they were waiting for FEMA inspections. And the FEMA inspectors would come, they would see a perfectly fine house, and they would say, oh, it doesn't have air conditioning, it only has ceiling fans. Well, that's pretty standard for a lot of houses throughout the island. Now, that house would be held back off the market for however long, and it wouldn't go into FEMA, so it wouldn't be housing a displaced person, and it wouldn't be part of the market inventory either. So, it created a reduction of housing units overall and that was purely...well, partially because of greed, and...and partially because of the lack of cultural competence of third parties that were coming in and judging the housing inventory.

COUNCILMEMBER PALTIN: Yeah. I guess maybe we've got to contract Maui Housing Hui or the Tenants Association, then.

MR. ECONOMOU: I don't know.

COUNCILMEMBER PALTIN: Thank you.

MR. ECONOMOU: . . .*(inaudible)*. . .

CHAIR KAMA: You're welcome. Member Cook?

VICE-CHAIR COOK: Thank you, sir. My clarifying question, from your experience, do you think it's possible that the realtors could or would recognize and manage some of the off...the...the speculative buying? It seems like...I get...I get a bunch of ads. I rent, and I get like your house is worth this. And it seems like there's a very big push to always like sell for the maximum amount, which is understandable because that's the deal, but that's also part of the problem. I don't know. Do you have any suggestions about that?

MR. ECONOMOU: We are all subject to capitalism. So...so, profitability of whatever asset we have--whether that's our labor, whether that's our coding ability, or whether that's our property--is going to be a consideration for all of us. If you hire somebody to sell your house, and a portion of their income is going to come from a percentage of what they sell your house for, they get the maximum benefit if you sell your house for the maximum amount of money. The same is true for renting your house. If you hire a property manager, and they get a percentage of the rent you rent your house for, then it behooves the property manager to buy an algorithmic coding thing, to buy...to buy into an application that uses an algorithm to set your rents at the highest possible value because then their percentage is a higher number than it would have been. So, as long as there's a profit motive in the housing, there's a high likelihood that people are going to take advantage of that. Now, that's not everybody because you do have the nurses and you have the local residents who grew up here who are setting their rents at reasonable rates.

VICE-CHAIR COOK: Thank you. I...I think you answered my question. I understand that that's the motivators --

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MR. ECONOMOU: Yeah.

VICE-CHAIR COOK: -- motivation, and my question is like is it...it's not realistic or practical that people are going to be more discretionary and less capitalistic. But I appreciate your presentation this evening. I appreciate everybody's presentation this evening. And thank you very much.

CHAIR KAMA: Thank you, Mr. Cook. If there are no other questions, Members? Thank you very much, Mr. Economou. Okay. Eric, anymore?

MR. ARQUERO: Chair, we currently don't have anyone else signed up to testify at this time. Would you like me to do a last call?

CHAIR KAMA: Yes.

MR. ARQUERO: If there's anyone who would like to testify, please identify yourself now. On Teams, you can do so by using the raise-hand function. Here's a countdown...five, four, three, two, one. Chair, there is no one else to testify on this item.

CHAIR KAMA: Thank you very much. So, Members, seeing as how there are no more individuals wishing to testify, without objections, I'd like to close oral testimony. And as a reminder, written testimony will continue to be accepted into the record.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

COUNCILMEMBERS: No objections.

CHAIR KAMA: Thank you.

**. . .CLOSE PUBLIC TESTIMONY FOR ITEM HLU-3(20) . . .**

CHAIR KAMA: So, we're going to proceed right now with the very...

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR KAMA: Yes? I hear...

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR KAMA: Yes. Welcome back, Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I am in my vehicle alone on Maui. Mahalo.

CHAIR KAMA: On Maui, alone. Okay. Be safe. So, we're going to...

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COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, I'm not driving. I'm very safe.

CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: But mahalo.

CHAIR KAMA: So, we're going to proceed with a very short discussion because, Members, it is my intent to be able to defer this matter and to recess this meeting to September 26th, 2024, at 9:00 a.m. But before we do that, we need to have a short discussion of what we've heard this evening. Yes, Member Keani Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I just have one quick question for you. I do have questions for our presenters, but since we're going to recess the meeting --

CHAIR KAMA: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- I'll hold those questions for the recessed meeting. My question for you, Chair, is...is under...as the Committee Chair of HLU is...I know we don't have a bill that was scheduled with this meeting. Is...is the rent stabilization bill something that your office is working on?

CHAIR KAMA: We are not working on a stabilization bill, per se. No, I think Mr. Lloyd was working on one, right, sir? If I understand correctly, yeah.

MR. LLOYD: . . .*(inaudible)*. . .

CHAIR KAMA: Right. So, Mr. Lloyd, is or has...actually passed it out to all of us. Did you not get yours?

COUNCILMEMBER RAWLINS-FERNANDEZ: I did. My question was regarding...you know, because each Councilmember...so Mr. Lloyd cannot introduce legislation, it would be up to a Councilmember to introduce legislation under our...our rules. So, that's why I'm asking. Is...is...was your intention of scheduling this item, the discussion of the concepts of that bill that Mr. Lloyd drafted, was your intention to get feedback from the Committee so that you can incorporate the feedback from the Committee Members and testifiers to improve the bill so that when you bring a rent stabilization bill before us, then it'll be a little more vetted?

CHAIR KAMA: Exactly. So, the...so the intent is we're going to recess to the 26th, finish this discussion...because this is a 7(B). So, it's going to be deferred and then we're going to recess, right? And then bring it back again in a more, I guess, ordinate-looking form that makes sense.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, you're going to introduce a bill?

CHAIR KAMA: At some point in time.

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COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo, Chair.

CHAIR KAMA: Thank you. Member Paltin, you had your hands raised?

COUNCILMEMBER PALTIN: Oh, thank you, Chair. My question is...I guess maybe...I'll let whoever thinks that they're best suited to answer it, answer it. I was kind of looking at Director Mitchell, but my question is, you know, we have these numbers and things like HHFDC, AMI, 100 percent, HUD values, FEMA Fair Market Value, and all of the things, and they're not...they're not the same. And...and to me, I guess, comprehensive is...is what I'd like to see. Like right now, we have the long-term-rental rate, but it's not tied to affordable rentals or anything. So, somebody could be charging...if we didn't...if it's not being rented to a fire victim, and they're charging \$30,000 a month rent, they could still get the long-term rental exemption amount or something. So, I just was wondering like is...is the proposal or the bill or the Administration or somebody working on pulling all those pieces together of what, like HUD says our fair market value should be, what the County says our fair market value should be, what the 30 percent of 100 percent area median income should be because that's like, you know, 100 percent of area median income, and pull all those numbers together and tie that sticks and carrots. And if it's a third-party contractor, would they have the authority to enforce? Like if it was \$500 daily fines, like does it get up to...into the point where you owe so much that we take your land, or how does...how does that all pull together? Because I mean, these are our citizens groups writing legislation based on what they're seeing in other areas and their combined knowledge of what is going on here locally, but you know, then there's also professional legislative analysts who write legislation for Maui County. There's, you know, the Finance Director, the Housing Director, and all of that. And you know, me, I'm just a lifeguard. So, I'm just saying like is there somebody out there that can pull all these concepts together into a comprehensive package that works for us? And...and could it be temporary? Like, you know, we're going to try this out for five years, come back and tweak it, or two years, or whatever, and it's not working, so we're going to tweak it around a little bit. That's my question. Thanks. Simple.

CHAIR KAMA: And who did you want to respond to that, Tamara?

COUNCILMEMBER PALTIN: Well, you know, seeing how they're all fighting for the mic, I'll go with Director Mitchell.

CHAIR KAMA: Okay.

MR. MITCHELL: Thank you, Chair Kama and Member Paltin, for the question. I think your question was, is there someone working on pulling together a piece of legislation that addresses the nuances discussed in today's 7(B). And I also heard...

COUNCILMEMBER PALTIN: Comprehensively.

MR. MITCHELL: I also heard Chair Kama indicate that she was, at some time, planning on introducing a bill. I think it's important to discuss this idea around a bill because

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discussing it without looking at a piece of draft legislation is very challenging. Because there are so many policy issues that need to be addressed, whether it's how do you determine what the base rent is for a particular unit? How do you determine, for example, what a family's income level is? How do you determine that rent adjustments are appropriate? Or how do you manage an appeals process, or an enforcement process? The bill has a lot of components in it that require...requires a robust discussion about policy. So, it's impossible to do it in the context of a 7(B). You've really got to do it in a piece of legislation. So, you know, working on that's going to take some time. Mr. Lloyd has...has circulated his draft to, I think, all of the Councilmembers, as well as to me. But what really needs to be done is that someone who has the time and the bandwidth to work on looking at all these various policy issues and proposing different approaches can work on that and assist with the Committee's next discussion around a piece of legislation.

COUNCILMEMBER PALTIN: So, it...it sounds like it's not you then.

CHAIR KAMA: So, Members, that is our brief discussion. And at this time, it is 8:55. And this meeting is now recessed until the 25th, right, of September, the next HLU meeting.

MR. KRUEGER: Yes, Chair. The...the next HLU meeting slot is on Wednesday, September 25th at 9:00 a.m.

CHAIR KAMA: Okay.

MR. KRUEGER: So, Chair, just...just to help clarify for the recess, right, the recess would be to September 25th, 2024, at 9:00 a.m. using the same Teams meeting link and connections being used today, with the Council Chamber remaining the designated in-person testimony...or in-person viewing site.



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CHAIR KAMA: Okay. Thank you so much, James. Thank you, everyone, for being here. Thank you, Marcy. So good to see you. And thank you, Mr. Mitchell and Mr. Lloyd. And for Desilee, thank you so much for being here with us. And Mr. Economou and Mr. Koch, thank you all for being here. And I hope that you all can come back again and we'll do it all again. But I think we'll have a deeper discussion and a deeper dive, and the Members will be able to take home a lot of the materials that they got tonight and have an opportunity to review it in a deeper way. So, thank you. Thank you, everyone. The HLU meeting of September 16th is now in recess until September 25th. . . .(gavel). . .

**RECESS:** 8:56 p.m.

APPROVED:



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TASHA KAMA, Chair  
Housing and Land Use Committee

hlu:min:240916:ds

Transcribed by: Daniel Schoenbeck

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CERTIFICATION

I, Daniel Schoenbeck, hereby certify that pages 1 through 57 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 8th day of October 2024, in Wailuku, Hawai'i

A handwritten signature in cursive script that reads "Daniel Schoenbeck". The signature is written in black ink and is positioned above a horizontal line.

Daniel Schoenbeck