HOUSING AND LAND USE COMMITTEE

Council of the County of Maui

MINUTES

July 1, 2026

Online Only via Teams

CONVENE: 10:38 a.m.

PRESENT:
Councilmember Nohelani Uʻu-Hodgins, Chair
Councilmember Kauanoe Batangan, Vice-Chair
Councilmember Tom Cook, Member
Councilmember Gabe Johnson, Member
Councilmember Alice L. Lee, Member
Councilmember Tamara Paltin, Member
Councilmember Keani N.W. Rawlins-Fernandez, Member (Out 3:20 p.m.)
Councilmember Shane M. Sinenci, Member
Councilmember Yuki Lei K. Sugimura, Member

STAFF:
James Krueger, Senior Legislative Analyst
Ellen McKinley, Legislative Analyst
Zachary Stackhouse, Legislative Analyst
Carla Nakata, Legislative Attorney
Jennifer Yamashita, Committee Secretary
Lei Dinneen, Council Services Assistant Clerk
Ryan Martins, Council Ambassador

Residency Area Office (RAO):
Roxanne Morita, Council Aide, Lānaʻi Residency Area Office
Mavis Oliveira, Council Aide, East Maui Residency Area Office
Chaelin Ryu, Council Aide, South Maui Residency Area Office
Regina Corniel, Council Aide, Makawao-Haʻikū-Pāʻia Residency Area Office

ADMIN.:
Nāhulu Nunokawa, Deputy Corporation Counsel, Department of the Corporation Counsel
Jacky Takakura, Director, Department of Planning
Ana Lillis, Deputy Director, Department of Planning
Greg Pfost, Planning Program Administrator, Department of Planning
Kari Stockwell, County Real Property Tax Administrator, Department of Finance

OTHERS:
Testifiers
John Chaisson (HLU-18)
Brian Banks (HLU-19)
Rory Frampton (HLU-19)
Jeff Ueoka (HLU-19)
Greg Sheehan (HLU-18)
Andrew Rinehart (HLU-19)
Steve Cawley (HLU-18)
Sonny Cave (HLU-18)

Mike Pytlinski (HLU-19)
Tina Evans (HLU-19)
Malama Minn, Realtors Association of Maui (HLU-18, -19)
Autumn Ness (HLU-18, -19)
Phil Mills (HLU-18)
Timothy O'Shaughnessy (HLU-18, -19)
Jordan Ruidas (HLU-18, -19)
Caitlin Miller (HLU-18, -19)
Representing The Royal Kingdom of Hawaiʻi Pae ʻĀina
Greg Rylsky (HLU-18, -19)
Johann Lall (HLU-18, -19)
Albert Perez (HLU-18, -19)
Tom Croly (HLU-18, -19)
Andrew Church (HLU-18, -19)
Linda Manry (HLU-19)
Dan McKenna (HLU-19)
Kai Nishiki (HLU-18, -19)
Lauryn Rego (HLU-18, -19)
Others (120)

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

CHAIR UʻU-HODGINS: *. . .(gavel). . .* Good morning, everyone. Thank you. Will the Housing and Land Use Committee meeting of July 1, 2026, please come to order. It is now 10:38 a.m. I'm the Chair of this Committee, Nohelani Uʻu-Hodgins. Members, in accordance with the Sunshine Law, please identify by name if...who, if anyone, is in the room, vehicle, or workspace with you today. Minors do not need to be identified. We are all here, though, so that's lovely. Good to see everyone. Let's begin our good mornings with Committee Vice-Chair Kauanoe Batangan. Good morning.

VICE-CHAIR BATANGAN: Good morning, Chair. Good morning, Members.

CHAIR UʻU-HODGINS: Councilmember Tom Cook, good morning.

COUNCILMEMBER COOK: Good morning. Aloha, Chair.

CHAIR UʻU-HODGINS: Councilmember Gabe Johnson, good morning.

COUNCILMEMBER JOHNSON: Ohayou gozaimasu.

CHAIR UʻU-HODGINS: Ohayou gozaimasu.

COUNCILMEMBER JOHNSON: There's no testifiers at the Lānaʻi District Office, and I'm here and ready to work. Thank you.

CHAIR UʻU-HODGINS: Thank you. Council Chair Lee, good morning. Ohayou gozaimasu.

COUNCILMEMBER LEE: Ohayou gozaimasu and aloha kākou.

CHAIR UʻU-HODGINS: Councilmember Tamara Paltin, aloha gozaimasu.

COUNCILMEMBER PALTIN: Aloha gozaimasu and talofa lava.

CHAIR UʻU-HODGINS: . . .*(laughing)*. . . As one Hawaiian-Japanese I guess I can say that one. Councilmember Rawlins-Fernandez, aloha.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha awakea, Chair. Happy to be here. No testifiers at the Molokai District Office.

CHAIR UʻU-HODGINS: Thank you. Councilmember Shane Sinenci, aloha.

COUNCILMEMBER SINENCI: Ohayou awakea. Happy to be here, and no testifiers in Hāna.

CHAIR UʻU-HODGINS: I love it. All the blendings, yeah? And Councilmember Yuki Lei Sugimura, aloha. Ohayou gozaimasu.

COUNCILMEMBER SUGIMURA: Aloha. Good morning. And looking forward to a very productive meeting.

CHAIR UʻU-HODGINS: Yes, me too. From Administration, we have with us the Planning Director, Jacky Takakura. She's online. We have with us in person Deputy Planning Director Ana Lillis and Administrative Planning Officer Greg Pfost. We have the Director of Finance soon to join us online, Marcy Martin. We have Kari Stockwell from RPT, and Deputy Corporation [*sic*] Nāhulu Nunokawa. Also with us is our HLU Committee Staff. Good morning, everyone. Thank you for being with us today. Please see the last page of the agenda for information on meeting connectivity. Members, if there are no objections, I would like to take up both of the items up together, if that's okay with you folks.

COUNCILMEMBERS: No objections.

CHAIR UʻU-HODGINS: And I think it would make it easier for discussion and testimony purposes. Thank you.

ITEM 18 RESOLUTION 26-110, REFERRING TO THE MAUI PLANNING COMMISSION PROPOSED BILLS TO AMEND THE KIHEI-MAKENA COMMUNITY PLAN AND WEST MAUI COMMUNITY PLAN, AND TO CHANGE THE ZONING FOR CERTAIN TIMESHARE, LEASEHOLD, AND OTHER PROPERTIES IN THE A-1 AND A-2 APARTMENT DISTRICTS

ITEM 19 RESOLUTION 26-111, REFERRING TO THE MAUI PLANNING COMMISSION PROPOSED BILLS TO AMEND THE KIHEI-MAKENA AND WEST MAUI COMMUNITY PLAN, AND TO CHANGE THE ZONING FOR PROPERTIES OPERATING LIKE HOTELS IN THE A-1 AND A-2 APARTMENT DISTRICTS

CHAIR UʻU-HODGINS: So, Members, the items on our agenda today are Resolution 26-110 and 26-111, which would refer to the Maui Planning Commission proposed bills to amend the Kīhei-Makena Community Plan and the West Maui Community Plan to...and proposed bills to change the zoning for certain Apartment District properties to the H-3 and H-4 Districts. Last year, this Committee formed the temporary investigative group on policies and procedures for the TVR uses in the Apartment Districts. The TIG submitted its report to the Committee on October 14, 2025. One of the TIG's recommendations related to the creation of H-3 and H-4 Hotel Districts, which were similar to the A-1 and A-2 Apartment Districts, respectively, except that TVR uses would be permitted. One second, there's a lot of reading. These past couple months, this Committee and the Council considered Bill 88 (2026), to establish the H-3 and H-4 Hotel Districts. On June 22, 2026, that bill took effect as Ordinance 6008. With the districts in effect, we can now consider rezoning Apartment District properties on which continuing TVR rental uses may be appropriate. The resolutions before us today contains certain Apartment District properties that may be appropriate for TVR uses. The properties in Resolution 6...26-10 [*sic*] are either properties with a mix of timeshare and TVR uses, leasehold properties, or properties with less than five units and a high property value. The properties in 26-111 are those that operate like hotels. I've distributed...well, not me, because you didn't see me pass it out, but HLU Committee Staff has distributed a document indicating the category of which each property falls under. Attached to today's agenda is the last list of Apartment District properties allowed to be used for short-term occupancy maintained by the Department of Planning. As a part of our discussion, we can consider amending the resolutions to add properties on that list with similar qualities to the ones already included. We can also consider removing properties from the resolutions. Rezoning for properties that do not fall into the purposes of the resolutions could be considered later. Property owners also have the option of initiating a Change in Zoning themselves. Joining with us to assist this discussion is Director Takakura and Deputy Director Lillis, and...as well as Mr. Pfost from the Department of Planning, and Director Martin for the Department of Finance. Thank you all for being with us today. To begin our presentation, if we could hear from Planning for their opening comments...comments, and then either Finance or RPT, we'll see who's on, and then...we'll go to testimony then. So, Deputy Director, do you have opening comments? Thank you so much.

MS. LILLIS: Thank you, Chair. And thank you, Members. And happy new fiscal year. Okay.

So, the department did receive the resolutions and did draft two response letters for the correspondence that you sent over, Chair. And although the Mayor's Of...we haven't...it's not made its way yet through Mayor's Office, we can speak to it, and I might kick it over to Greg Pfost, if you want to give some remarks?

MR. PFOST: Yes. Thank you, Ana. Yes, those two letters are kind of in progress getting to you. If you like, I don't have to do it now, or I can do it later, I can go into a little bit more detail on some of the Department's comments on each of the resolutions that are being presented today. It's up to your choice. Thank you. Okay, great. Thank you. Then in reference to Resolution 26-110, and we just got this recently, and so we kind of went through it and tried to find any inconsistencies that we want to be concerned about that we want to point to your attention. So, specifically, and I can read these into the record, under Exhibit 1 of Resolution 26-110, Exhibit 1, Section 2, when we were going through the Minatoya List, and you may recall in the past, I've identified the Minatoya List as not entirely accurate, and we have a claim at the bottom of it that says it may be subject to some errors. So, what I did is I went through each of these properties just to verify that it had the proper Zoning Designation and Community Plan Designation to make sure that we were accurately portraying this. And I found some inconsistencies in the Minatoya List that I wanted to point to attention so we can read these into the records and they can be clarified on the...to the...to the ordinances. So, under Exhibit 1, Section 2, the properties that are identified as 1444 Halama, 1440 Halama, and 1470 Halama actually have a community plan land use designation currently as Single-Family, not Multifamily, and so those should be changed within the ordinance. On Exhibit 1, Section 5, it identifies the Kahana Outrigger. However, it only identifies two of the TMKs composed of the Kahana Outrigger, but Kahana Outrigger actually has three TMKs. And the Department would recommend including that third TMK that's not listed in the ordinance. Under Exhibit 1, Section 8, the Department is recommending that...that the reference to removing the A-1 and A-2 Zoning Districts as being compatible with the...with the...with the Hotel/Resort [*sic*] designation be retained instead of being removed. We think the A-1/A-2 should be retained within the...in the Resort/Hotel designation, that community plan in West Maui. Regarding...and then also, under Exhibit 2, Section 2, we would note that the Hono Kai property is currently split-zoned, with two Apartment District zoning designations of A-1 and A-2. We would recommend that that property be changed to H-3 and H-4 and maintain the split-zoning designation that it currently has. Also within Exhibit 2, Section 2, as I mentioned before, it also lists...lists the Kahana Outrigger, and we would recommend that it include all three TMKs and not just the two that are listed as that...the three TMKs comprise the entire property. Under Exhibit 2, Section 3, the Department recommends that the entirety of the property known as Milowai-Māʻalaea be changed from A-2 Apartment District to H-4 instead of just a portion of that. And I can go into detail on any of these if you'd like. And then finally, a comment from the Department. As you know, we are going to be forwarding this ordinance at some time in the future to the planning commissions, and it's always the planning commissions that are look...or forwarding it actually to the Maui Planning Commission because that's only the Maui Planning Commission that's going to opine upon this. And as you know, the Maui Planning Commission will always want to get as much information and direction from the Council. So, I encourage the Council...the Department encourages the Council to provide as much policy information and direction in why these...why these particular types are being used, such as timeshare, leasehold, and other...how they apply specifically to properties so that we can carry that information to the planning commissions when they're considering whether these specific properties should be changed. I'll also note that Maui County Code Section 5.10.040(A)(4), subsections A through E, indicate when a Council may grant a Change in Zoning provided certain criteria are met, and that's within the Code. And so, I would encourage that the Council review those and...and assist in providing that criteria to the planning commissions showing how these changes in zoning should be approved based upon that criteria. And then finally, just make a note that, as you may recall, that when the H-3/H-4 was adopted and is now an ordinance, there were certain criteria that properties had to meet in order to operate transient vacation rental use. There were four criteria actually, and those were within the A-1/A-2 district, and we moved those over exactly...or almost exactly into the H-3/H-4. So, it's going to be important for any of these properties to make sure that they meet all that criteria. For example, one of the criteria was that a building permit had to be issued prior to April 20th, 1989. I believe that all these properties do meet that criteria, so I'm not concerned with that. However, one of the other criteria indicate that TVR use was conducted in any one unit within a building prior to September 24th, 2020. And we did do some research on all the Minatoya properties, and while almost all of them we believe meet that criteria, we are not sure whether or not some of the properties, specifically the ones that are identified that only have like one unit, or two units, or the under four units, based upon some RPT records that we've been looking over in the last couple of days, we do not see anything that shows that they operated as TVR prior to that date. Now, it doesn't mean that they may have, because we only have records that go back so far. So, those property owners, we believe, should actually come forward and provide proof that they operated TVR in those years that we do not have record for to show that they meet that criteria. And we would recommend that that be done prior to the actual ordinance change for these properties into H-3/H-4, because if they don't meet that criteria, why move them into H-3 or H-4? The third criteria is whether or not the number of rooms or units allowed for TVR can...should not be increased beyond what was permitted on January 7th, 2022. So, meaning any of the TVR units that were prior to that should not have increased prior to that...that date, January 7th, 2022. So, that's going to be interesting, because what we need to do is verify whether or not any of the lists...any of the properties that are identified here actually did expand the number of rooms or square footage prior to January 7th, 2022. Now, that's going to fall within the Department's responsibility, unfortunately. So, we're going to have to actually verify through probably TMK and so forth...I mean, through MAPPS on each property to see if there were any expansions. So, we're probably going to end up doing that in the time period we have before we go to the Planning Commission. But I just wanted to make you aware that if properties did expand and did not meet that criteria, then they would not be eligible for H-3/H-4, and so the Department would be recommending to the Planning Commission not to include those properties. So, just wanted to make a recommendation that there will probably be some additional work on the Department's part to verify some of this stuff, and when we report to the Planning Commission, we'll be making those recommendations. So, thank you.

COUNCILMEMBER PALTIN: Chair?

CHAIR UʻU-HODGINS: Yes.

COUNCILMEMBER PALTIN: Can I just clarify that what he was saying was in the transmittal and we're going to get a written copy in the future?

CHAIR UʻU-HODGINS: I hope so.

MR. PFOST: It will be in the transmittal except for that last point that I made because I...unfortunately I didn't include that in the letter because it's something that we just...we're thinking about these, you know, as...yesterday we just thought about that. And so, that last point that I made about the Department actually having to do the review is not in the letter, but that is something we would be doing. The point about the...the one unit, two unit, three units, the smaller properties, that is also not in the letter as we just verified that through RPT tax records this morning. So, those particular properties, we would encourage those property owners to come forward and provide evidence that they meet that prior to the adoption...the full adoption of the ordinance and before it becomes effective.

COUNCILMEMBER PALTIN: Thank you for the clarification.

COUNCILMEMBER RAWLINS-FERNANDEZ: And Chair?

CHAIR UʻU-HODGINS: I see two other people with clarification questions, so Member Rawlins-Fernandez, followed by Member Batangan.

COUNCILMEMBER RAWLINS-FERNANDEZ: Just quick for the record, the transmittal requesting responses to the questions were what transmitted on the 26th with a written response by July 6th?

CHAIR UʻU-HODGINS: Yeah. Because I assumed we were going to probably hear a bunch of testimony today, and that...as you guys all got a poll, that was our proposed date. So, we wanted to give them the most time, considering we probably will have to recess this and continue on Monday. Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR UʻU-HODGINS: Yes, of course. Member Batangan?

VICE-CHAIR BATANGAN: Thank you, Chair. Can I just get clarification on the Department's last point regarding additional research needing to be done? So, your recommendation for this body is to pass the list as is, and then you'll do that research and then make your recommendations to the Planning Commission? Or did you want us...well, like I guess, at what point do you want that information to be considered?

MR. PFOST: I think that information, you can pass this forward and move it forward to the planning commissions, and we can do that research. The Department has to do that research anyways. We could do that as a recommendation to the Planning Commission and then when it comes back to you, you'll see the responses.

VICE-CHAIR BATANGAN: It'll be part of the record.

MR. PFOST: Yeah. Yeah, exactly.

VICE-CHAIR BATANGAN: Okay. Thank you.

CHAIR UʻU-HODGINS: Okay. Do we have Director Martin on? If not, I'll ask Ms. Stockwell if she has any opening comments. Ms. Stockwell, do you have any opening comments for us? *(pause)*

MS. STOCKWELL: Hi.

CHAIR UʻU-HODGINS: Good morning.

MS. STOCKWELL: So, we are in receipt of your transmittals, Resolutions 26-110 and 26-111, and we are getting that prepared for the body. We don't have any comments, but besides that we can talk about the properties that are in the timeshare or leasehold designation. Thank you.

CHAIR UʻU-HODGINS: Thank you. Okay. So, then we'll move on to testimony. So, testifiers wanting to provide testimony should sign up at the lobby, join on the...today's meeting via the Teams link, or call in to the phone number noted on today's agenda. Written testimony is encouraged and can be submitted via the eComment link at mauicounty.us/agendas as well. For individuals wishing to testify via Teams, please raise your hand by clicking on the raise-your-hand button. If calling in, please follow the prompts via phone, star-5 to raise and lower your hand and star-6 to mute and unmute. Staff will add names to the testifier list in the order of the testifiers signing up or raising their hands. For those on Teams, Staff will lower your hand once your name is added. Staff will then call the name you're logged in under or testi...or the last four digits of your phone number will be said when it's your time to testify. At that time, Staff will also enable your microphone and video. Please ensure your name appears in Micro...Microsoft Teams as the name you prefer to be referred as, or anonymous if you wish to testify anonymously. If you are in person, please tell Staff you would like to testify anonymously. Otherwise, please state your name for the record at the beginning of your testimony. Oral testimony is limited to three minutes. If you are still testifying beyond that time, I will kindly ask you to complete your testimony. Once you are done testifying or you do not wish to testify, you can also view the meeting on *Akakū* Channel 53, Facebook Live, or mauicounty.us/agendas. We will do our best to take up each person in an orderly fashion, and we can now call on testifiers wishing to testify on today's items. Staff, if you could please call the first testifier. But real quick, before you do, I'm just going to give a quick FYI. Chair Lee has a meeting in these Chambers at noon, so we're going to take a lunch recess at 11:50. So, we'll take up as many testifiers as we can until then, take a lunch break, and then come back. That's just an FYI for everyone.

COUNCILMEMBER PALTIN: Can we leave our stuff here?

CHAIR U'U-HODGINS: That's a Chair Lee question. Can we leave our stuff in the Chambers?

COUNCILMEMBER LEE: Sure.

CHAIR U'U-HODGINS: Sure, she said.

COUNCILMEMBER PALTIN: Okay. Thank you.

CHAIR U'U-HODGINS: Sorry for that quick interruption. Staff, if you may, please.

MS. MCKINLEY: Chair, the first testifier is John Chaisson, to be followed by Brian Banks on Teams.

. . . BEGIN PUBLIC TESTIMONY FOR ITEMS HLU-18 AND HLU-19 . . .

MR. CHAISSON: Ohayou gozaimasu, as my grandmother used to say to me when I was growing up. Aloha, honorable Maui Councilmembers. My name is John Chaisson. I'm a longtime resident of Maui Sands I, and I'm here today to give public testimony why Maui Sands I should be included on the TIG's Exhibit 2 list. Maui Sands I is a leasehold property, built and operating since 1966 as a vacation rental property. So, this clears us for the September 24th deadline that was discussed at the last meeting. Also, our two-story building size and setbacks comply what was discussed then. Maui Sands I leaseholders are the Robinson and Weinbergers trusts. Maui Sands I is not affordable housing. Our total monthlies come in about $3,000 a month for each unit, and this pays for the land lease, the HOA dues, and maintenance fees. Maui Sands I lease expires in 2037, and we have no current renewal in process. We are, though, in the process of negotiating a land purchase. There is no mortgage option to buy at Maui Sands I. For the banks, they like to see a land lease extend five years past the leasehold. The VP of Banking and Mortgage at Bank of Hawai'i told me we have 11 years left on our lease, which gives us 6 years for a possible mortgage, and the Bank of Hawai'i told me they do not give out 6-year mortgages. So, I checked with loanDepot, and was told the same. So, in order to buy a property at Maui Sands now, Maui Sands I, you have to buy in cash or have private financing. Our sister property, Maui Sands II, also known as Seaside, is on Exhibit 2 list. Maui Sands II was built two years later by the same developers in the late 1960s and on the same parcel of land as Maui Sands I. Maui Sands II has the same design and construction as Maui Sands I. Maui Sands I and Maui Sands II share the same land leaseholders, the Robinsons and the Weinbergs [*sic*], and we share the same utility infrastructure to provide water and sewer to all its owners. Every issue Maui Sands I has that warranted it to be on TIG's Exhibit 2 list is the same as Maui Sands I [*sic*]. So, it makes sense to me that Maui Sands I should be included on TIG's Exhibit 2 list like our sister property, Maui Sands II, also known as Seaside. I hope you all agree. Thank you for your time. Mahalo.

CHAIR U'U-HODGINS: Thank you. Members, any clarifying questions? Seeing none. Thank you for...oh, Chair Lee.

COUNCILMEMBER LEE: So, were you included on the Exhibit 2 from the TIG?

MR. CHAISSON: No. We're Maui Sands I. Only Maui Sands II was included.

COUNCILMEMBER LEE: Okay. Are you proposing that he...

CHAIR U'U-HODGINS: I believe Tom is.

COUNCILMEMBER LEE: Okay.

CHAIR U'U-HODGINS: It...it should have been in the packet distributed this morning...all the things, yeah. The one...

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

CHAIR U'U-HODGINS: Yeah. Also, for the testifiers, because...thank you so much for your testimony.

MR. CHAISSON: Sure. Thank you.

CHAIR U'U-HODGINS: Because we have two resolutions and we're taking them up at the same time, we're going to do...you can testify for six minutes if you choose to. So, we have a three-minute and you'll hear the bell ring, and then you do have another three minutes, just FYI.

COUNCILMEMBER PALTIN: May I ask a question of --

CHAIR U'U-HODGINS: Sure.

COUNCILMEMBER PALTIN: -- Mr. Chaisson?

CHAIR U'U-HODGINS: Oh, sure. Sorry, will you please come back up to the podium if you...

MR. CHAISSON: Yes.

COUNCILMEMBER PALTIN: Has Maui Sands I been doing timeshare?

CHAIR U'U-HODGINS: Before 2020?

MR. CHAISSON: There were six units that were part of a timeshare, but not really called a timeshare. So, I wasn't really clear about that. I did reach out to Destination Maui two days ago. They told me a company, LDS, owns six units. So, they sent that email to them, and I...I, you know, was included. And I emailed them and asked them, are you an official, you know, vacation, you know, timeshare or not? They have not responded to me, and I only found this out like 48 hours ago maybe. But I've been aware there's been six units that are held by a private timeshare company. So, I'm...

COUNCILMEMBER PALTIN: You don't know if they've been paying like timeshare taxes or do they...if they have any proof or evidence of timeshare, you're not aware?

MR. CHAISSON: I do not. I'm hoping to maybe get that evidence within, you know, the next 24 hours if the...the...the people that...who emailed me the information saying, yes, we are a company called LDS. I don't know what that means. So, possibly is my answer.

COUNCILMEMBER PALTIN: LDS is better than LSD.

MR. CHAISSON: *. . .(laughing). . .*

COUNCILMEMBER PALTIN: But yeah, I'd...I'd hope for that proof or evidence --

MR. CHAISSON: Soon as I can dig it up.

COUNCILMEMBER PALTIN: -- that it was a timeshare.

MR. CHAISSON: Yes --

COUNCILMEMBER PALTIN: Thank you.

MR. CHAISSON: -- I'll forward it. Um-hmm.

CHAIR U'U-HODGINS: Thank you.

MR. CHAISSON: Anything else? No?

CHAIR U'U-HODGINS: Does anybody else have any questions? Seeing none. Thank you very much. Next testifier, please.

MS. MCKINLEY: Chair, the next testifier is Brian Banks on Teams, to be followed by Rory Frampton.

MR. BANKS: Aloha, Chair and Committee Members. My name is Brian Banks, and I'm a local small business owner. I'm testifying in strong support of Resolution 26-111. Mahalo for the thoughtful work you are doing to implement Bill 88 in a way that is efficient, equitable, and minimizes unnecessary burdens on property owners, local workers, and County Staff. Only four Wailea condominiums are on the Minatoya list...Ekahi, Ekolu, Grand Champions, and the Palms. Since they were built, all four have operated primarily as short-term rentals, contributing significantly to the community through taxes and jobs. Resolution 26-111 includes three of those four properties, but excludes Grand Champions. Grand Champions is very similar to Ekahi, Ekolu, and the Palms, and I respectfully ask that it be included as well. We operate a very small local business managing just four vacation rental units in Ekolu, Grand Champions, and the Palms. Our units are nearly identical in size and layout, and we charge the same rates at each property. Our repeat guests don't distinguish between these properties. They simply choose whichever unit is available because the experience is essentially the same. They don't see a difference. These four Wailea Minatoya condominium communities offer comparable amenities including golf course and ocean views, proximity to beaches, swimming pools, barbecue areas, convenient parking, and professional guest services with front desk. They were developed around the same time, are located in the same Wailea neighborhood, and have operated side by side as visitor accommodations for decades. From both a guest perspective and a business perspective, there is no meaningful difference between these four Wailea Minatoya condominiums. Since opening in 1989, the majority of the 188 units at Grand Champions have operated as short-term vacation rentals. Grand Champions' owners have contributed substantial tax revenue while supporting local jobs and Maui's visitor economy. Grand Champions' owners love Maui and its people, and they want to continue making those contributions. For these reasons, I respectfully urge the Council to amend the resolution to include Grand Champions alongside Ekahi, Ekolu, and the Palms. Treating all four Wailea Minatoya condominiums consistently would be . . .*(timer sounds)*. . . in the best for the County, working families, and property owners. Everyone will benefit, everyone will win. Mahalo for your time and consideration.

CHAIR UʻU-HODGINS: Thank you. Members, any clarifying questions? Seeing none. Thank you very much for your testimony. Next testifier, please.

MR. BANKS: Thank you.

MS. MCKINLEY: The next testifier is Rory Frampton, to be followed by Jeff Ueoka.

MR. FRAMPTON: Good morning, Chair and Committee Members. I'm Rory Frampton. I am testifying on behalf of my clients, Makai CAM, LLC. They're the owners of Makai Sunset in...located at 1411 and 1415 Front Street. The Makai CAM, LLC is a family owned and operated entity, the Chang family. They would like to be included on the 26-11 [*sic*] since they operated as a hotel. They're...they are located on the makai side of the northern portion of Front Street, and the...they are shoreline properties protected by a seawall. Prior to the Lahaina fire, the Makai Sunset Inn was used as a 21-unit transient vacation rental property in the Apartment District, and it met all the criteria that the Planning Department mentioned earlier to be included...to be an allowable use. Although they met all the criteria, for some reason they were not identified on the Minatoya list. So, they're not on any of the lists that you see in front of you today. As I mentioned, the purpose of 26-11 [*sic*] is to adopt zoning designa...zoning and community plan designations for properties that were operating as...as hotels. The Makai Sunset Inn operated as a hotel. It had a front...front desk, it had a property manager that would assist with the check-ins and check-outs. They had check-in times, check-out times, et cetera. They had housekeeping staff. The...the TIG group also came up with criteria that suggests that the properties on the Exhibit 2 list would not be used for long-term housing. The Makai Sunset Inn properties meet those other criteria as well in terms of property value...being located on the shoreline, it's a very expensive property, and there's got to be maintenance to the seawall. It's also in the sea level rise exposure area. So, they meet those other criteria. But I think the...the one that we meet most clearly for Resolution 26-111 is that it operated as a hotel. So, we'd like to be included on that property...I mean, on that...in that resolution. Yeah. And that's our summary. We'd like to be included on that 26-111.

CHAIR UʻU-HODGINS: Thank you. I see we have a couple clarifying questions. I'm going to go with Member Paltin, followed by Member Sugimura.

COUNCILMEMBER PALTIN: Thank you. I'm not sure if he stated it, it seemed like it. But I'm wanting to clarify, did this structure burn down?

MR. FRAMPTON: Yes.

COUNCILMEMBER PALTIN: And you said it was in the shoreline on the makai side of Front Street?

MR. FRAMPTON: Correct. Right...right next to Lahaina Roads on the northern...Lahaina Roads is listed on a...on your property list, but it's to the north side. It's about...if you're coming from Kā'anapali, it's about eight properties down from when the properties start. So, it's very much on the northern part of Front Street. But yes, it was burnt down in the fire.

COUNCILMEMBER PALTIN: Can you repeat the numbers? You said 1411...

MR. FRAMPTON: 1411 and 1415, two properties.

COUNCILMEMBER PALTIN: So, there's no guarantee that they will be able to rebuild...or is there?

MR. FRAMPTON: They're going to...they still have to go through SMA, and they would like to build as much as like-to-like as they can, but there's...there's new requirements, like flood zones and stuff like that they have to comply with, but they very much would like to rebuild as close to like-for-like as they could.

COUNCILMEMBER PALTIN: So, they're going to take advantage of the exemption to 2029, or is that one?

MR. FRAMPTON: Well, the...the SMA exemption does not apply to coastal properties, so they're going to have to get an SMA permit, and they'll likely have...they'll have to get an approval from the...based on the shoreline setback rules as well.

COUNCILMEMBER PALTIN: Thank you.

MR. FRAMPTON: Yeah.

CHAIR U'U-HODGINS: Member Sugimura?

COUNCILMEMBER SUGIMURA: Thank you. Nice seeing you. So, just to fit the property descriptions that we're using, so the property name is what?

MR. FRAMPTON: The name of the --

COUNCILMEMBER SUGIMURA: Yeah.

MR. FRAMPTON: -- property? The name of the operation is Makai Sunset Inn.

COUNCILMEMBER SUGIMURA: LL...in...

MR. FRAMPTON: The LLC is Makai CAM, LLC.

COUNCILMEMBER SUGIMURA: Oh, okay. So, it's Makai Inn.

MR. FRAMPTON: That's the owner.

COUNCILMEMBER SUGIMURA: And then you'll give us a tax map key later.

MR. FRAMPTON: Yeah. I have submitted testimony. I think it's...it should be...yeah, Staff is noting that it's there. So, I did provide...everything I said is in written testimony that I provided to the Committee.

COUNCILMEMBER SUGIMURA: Okay. So, we can grab that information from that.

MR. FRAMPTON: Yes.

COUNCILMEMBER SUGIMURA: I'll talk to you, Rory.

MR. FRAMPTON: Okay. Thank you.

CHAIR U'U-HODGINS: Any other clarifying questions? If not, thank you very much for your testimony.

MR. FRAMPTON: Thank you.

CHAIR U'U-HODGINS: Next testifier, please.

MS. MCKINLEY: Chair, the next testifier is Jeff...Jeff Ueoka, to be followed by Greg Sheehan.

MR. UEOKA: Good morning, Chair, Members of the Committee. Jeff Ueoka, here on behalf of the Maui Eldorado today. They are listed on Reso 26-111. Just wanted to quickly give some background on them. They're a little over 200 units on 10.216 acres in Kāʻanapali. The property was purpose-built to engage in TVR, has a large front desk, a reception and guest services, concierge and bellmen, and resort amenities. Three swimming pools. You know, it was always intended for hotel use, as was stated in their 1968 condominium declaration. A couple years ago, the West Maui community and a bunch of you folks agreed it should be Resort/Hotel community plan designation. So, in the West Maui Community Plan update, they were changed. So, just wanted to note also, the Maui Planning Commission when they reviewed Bill 9, they recommended to you folks that those properties that are community plan designated for Hotel should be excluded from the effects of Bill 9. So, thank you for including them in Reso 26-111. And then finally, like the Change in Zoning will ensure continued consistency between the zoning and the community plan designation. And finally, kind of the biggest thing for me is, they have 14 ILWU employees that their jobs kind of depend on this property remaining hotel-like use. So, just wanted to throw that out there. Thank you very much for your time. Good luck today, guys.

CHAIR UʻU-HODGINS: Thank you. Any clarifying questions? Chair Lee.

COUNCILMEMBER LEE: Yeah, I just wanted to know the name again of the property.

MR. UEOKA: Maui Eldorado.

COUNCILMEMBER LEE: Okay. Thank you.

CHAIR UʻU-HODGINS: Thank you. Next testifier, please.

MS. MCKINLEY: Chair, the next...

CHAIR UʻU-HODGINS: Oh. Oh sorry, one quick.

COUNCILMEMBER SUGIMURA: One quick --

CHAIR UʻU-HODGINS: Member Sugimura?

COUNCILMEMBER SUGIMURA: -- one quick comment. So, I want to...during the whole Bill 9 process, I spoke at length or often to the general manager from Maui Eldorado. So, please thank him, number one. Number two is, we did not include them, or they were not excluded because of the Corp. Counsel telling us to leave things as is, but here we go. Now your clients have to go through this whole process because we should have done what the Planning Commission had recommended at that time. So, please accept...express my apologies to them, and thank them for their patience and diligence with us. Thank you.

MR. UEOKA: Thank you.

CHAIR UʻU-HODGINS: Thank you. Next testifier, please.

MS. MCKINLEY: Chair, the next testifier is Greg Sheehan, to be followed by Andrew Rinehart, both on Teams.

CHAIR UʻU-HODGINS: Sounds good. Mr. Sheehan?

MR. SHEEHAN: Aloha, Chairwoman, and honorable Councilmembers. My name is Greg Sheehan. I serve as the Vice President of the Association of Apartment Owners of Hono Kai Resort in Māʻalaea. On behalf of our association and our owners, I want to begin by sincerely thanking the Committee for including Hono Kai in Resolution 26-110. We appreciate the thoughtful work that has gone into developing these proposed zoning changes, and we respect...respectfully ask for your support in adopting this resolution. We've also submitted a written letter of support for your records. Hono Kai was built in 1970 as a visitor accommodation property. It was designed from the very beginning to serve transient vacation rentals in Maui, and for more than 50 years it has continuously operated in that capacity while also providing taxes, jobs, and economic benefits to

Maui. Even today, more than 90 percent of our units are used as short-term vacation rental units. The physical design of the property reflects that original purpose. Space is very limited within our units, as each unit only has one parking stall and very small storage units within the units themselves. Further, full-time resident use is a challenge, with very limited nearby access to schools, grocery shopping, and workplaces. The Hono Kai complex includes a dedicated check-in office that was constructed with the original development. That office remains in operation today with a full-time resident manager who checks in guests, oversees daily operations, has full access to all units, and provides immediate assistance whenever emergencies or guest needs arise. The proposed H-3 and now possibly H-4 designation as we heard earlier in this meeting may be somehow combined--I'm not quite sure how that works--but as originally recommended in Resolution 26-110 and identified and recommended in the TIG report recognizes our long-term established uses. We're confident that all of the TIG criteria that were mentioned earlier in this meeting have been met as well. If additional information or documentation is needed regarding Hono Kai's historic operation or governing documents, our association stands ready to provide whatever may be helpful as this process moves forward. Again, mahalo for your leadership, for your careful consideration of these properties, and for the opportunity to testify today. We respectfully ask for your support in Resolution 26-110 with regards to the inclusion of Hono Kai.

CHAIR U'U-HODGINS: Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Mr. Sheehan, for your testimony. I would like to clarify if this property is a leasehold, and when the lease is up.

MR. SHEEHAN: This...we have 42 un...43 units. Three of those units are still leasehold. The others were all purchased by owners over the last 50 years. So, we have 40 units that are held fee simple.

COUNCILMEMBER PALTIN: 40 units fee simple, and three units leasehold.

MR. SHEEHAN: Yes.

COUNCILMEMBER PALTIN: And do you know when the leasehold on those three units are up?

MR. SHEEHAN: I believe that there's eight years left on those.

COUNCILMEMBER PALTIN: Thank you.

MR. SHEEHAN: I might be off by a year, but it's...it's coming up soon.

COUNCILMEMBER PALTIN: Thank you.

MR. SHEEHAN: Thanks.

CHAIR U'U-HODGINS: Any other clarifying questions? Seeing none. Next testifier, please.

MS. MCKINLEY: Chair, the next testifier is Andrew Rinehart, to be followed by Steve Cawley, both on Teams. Andrew Rinehart, you're unmuted on our end. If you could unmute yourself, it's your turn to testify. *(pause)*

MR. RINEHART: Sure. Can you hear me okay now?

CHAIR U'U-HODGINS: We can.

MR. RINEHART: Thank you. Aloha, Chair and...and Members of the Committee. My name is Andrew Rinehart, like you heard. I represent the property at 3711 Lower Honoapiilani Road in Lahaina. And I wanted to put the TMK on record if I could, (2) 4-3-006:006. I'm testifying in support of Resolution 26-111 with a request to add this property to the list. Hale Maui is a small building that has operated as a de facto hotel essentially for decades. I have records here of TVR taxes paid back to 1988...a long, long time ago, I'm surprised we have the records for that. The rooms have no kitchens, no residential living infrastructure. The building does not meet parking requirements for long-term residents. The property operates with a check-in desk, it was part of the original build. Daily cleaning, maintenance crew, concierge, manager. The rooms are not individually metered. They're not individually owned. It would make long-term occupancy difficult, or maybe impossible. The property is not currently named in Resolution 26-111, but it is on Exhibit 2 of the TIG report. We believe its operational profile fits perfectly within the resolution's own stated purpose, which is A-1/A-2, that operate like Hotel. It also mentions in the agenda values that are difficult for the average potential homeowner to afford. We think we...we fit that perfectly as well. It meets the other requirements like building permits issued prior to 1999 and TVR use prior to 2020. I respectfully ask that Hale Maui be included in the resolution. And mahalo...mahalo for the time that the...the...for the work that the Committee has put into this.

CHAIR U'U-HODGINS: Thank you. Members, any clarifying questions? Seeing...oh, Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Mr. Rinehart, for your testimony. I just wanted to clarify. So, it's an 11-unit parcel, and the whole parcel is owned by a single owner?

MR. RINEHART: That's correct.

COUNCILMEMBER PALTIN: And it's kind of like a house or an apartment building?

MR. RINEHART: Yeah. It's 11 units, although I wouldn't designate it as a house...well, as an apartment, because there...there just are no kitchens in the units. They're not individually metered, but it's a small parcel with essentially 11 rooms.

COUNCILMEMBER PALTIN: Small parcel with 11 rooms. Okay. Thank you.

MR. RINEHART: Yeah. Yeah, you got it.

CHAIR U'U-HODGINS: Thank you. Member Sugimura?

COUNCILMEMBER SUGIMURA: Really fast. So, the parcel…the name of the property is Hale Maui? Or Hale…

MR. RINEHART: It is. That's how it's historically been known. On the TIG report, I would note Lahaina Beach Club is the way it's noted…same TMK and same address.

COUNCILMEMBER SUGIMURA: Thank you. Thank you.

MR. RINEHART: Yeah. Yeah.

CHAIR U'U-HODGINS: Any other clarifying questions? Seeing none. Thank you very much. Next testifier --

MR. RINEHART: Thank you.

CHAIR U'U-HODGINS: -- please.

MS. MCKINLEY: Chair, the next testifier is Steve Cawley, to be followed by Sonny Cave, both on Teams. *(pause)* Steve Cawley, it's your time to testify. Could…

MR. CAWLEY: Yes. Hi. Can you hear me now?

CHAIR U'U-HODGINS: Yes, we can.

MR. CAWLEY: Okay. Thank you so much and good morning to every…everybody over there. I'm representing Kahana Outrigger here this morning. And the head of the Planning Department at the very beginning did mention the primary reason that I am testifying today. Would you still like me to testify?

COUNCILMEMBER PALTIN: Up to you.

CHAIR U'U-HODGINS: That is your call, sir.

MR. CAWLEY: Okay. I will do so. So, Kahana Outrigger, we have four buildings, four units per building, so 16 total owners…but for whatever reason, we have three TMK codes. Two of the three TMK codes are included in Resolution 26-110, and we very much appreciate that. I am an owner in one of those three buildings. But I am here representing our fourth building, building number 4, whose owners would like to continue to rent on a short-term basis. Kahana Outrigger is a leasehold property. We…we pay $4,400 per month, and everyone is the same…whether it's building 1, 2, 3, or 4, we all pay the same amount, and that excludes utilities, insurance, mortgage interest, and payments. Sales are infrequent at our property. The last sale was, in fact, in building 4, and it was for roughly $900,000. And right now, there's only one unit available for sale in another building in excess of 1.5 million. Right now, I believe our tax assessed value is…is roughly $1.1 million. Our owners don't know this yet, and my wife is the President of our AOAO, but there is a special assessment coming. We've…we've had…with all the rain that we had at the beginning of the year, we've had roof damage. We had dry rot last year. We've got some solar panel issues. Put it all together, every owner is going to be hit with a $75,000 charge over the next year in a special assessment. Our reserves will cover some of that, but there will be a healthy special assessment charge. The...what I would also say, as it relates to our building, is that we're only on 1.3 acres. And so, we are very tightly clustered together on the ocean side. And so, as it relates to the potential of...of...of being vulnerable to sea level rise, all four buildings are the same, as well, what I would say is the buildings were built way back in 1981, and we've been renting on a short-term basis ever since. Finally, what I would say on our taxes, we were classified as Hotel/Resort up until 2018, and now, we've been classified as TVR-Short-Term Rental Hotel. The...I think that's about it. At the end of the day right now, like we...we would like to have building *. . .(timer sounds). . .* 4 and their owners be able to rent short-term. So, thank you very much for including the other three buildings, and we're hopeful you can include this fourth building in...in Resolution 26-110.

CHAIR U'U-HODGINS: Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Mr. Cawley. My clarifying question is, so there's three TMKs, is that what you said?

MR. CAWLEY: Yes. There are three TMKs over --

COUNCILMEMBER PALTIN: And then...

MR. CAWLEY: -- the four buildings.

COUNCILMEMBER PALTIN: Thank you. The next question is, you said all three TMKs are leasehold?

MR. CAWLEY: All...every building is a leasehold. We...we've been paying...our leasehold, I should say, I believe it was in 2024 was our most recent negotiation that goes all the way out to 2041.

COUNCILMEMBER PALTIN: Not 2071?

MR. CAWLEY: Oh, gosh. You know what? I...you know what? That's very possible. Maybe I made a mistake on that one, but it does go out far into the future.

COUNCILMEMBER PALTIN: Okay.

MR. CAWLEY: It was just renegotiated in the fall of 2024.

COUNCILMEMBER PALTIN: And then the third thing, you said that all the buildings are similarly affected by sea level rise, is not some oceanfront and some abutting the lower road?

MR. CAWLEY: No, we are all oceanfront. We are all like literally...let's say this building 4 would literally be five feet away from building number 3.

COUNCILMEMBER PALTIN: Okay. But one is fronting the ocean and one is fronting the lower road. Is that not correct?

MR. CAWLEY: Yes, that...that is right. So, two...two buildings would front the ocean and then right behind them, there would be two buildings that would be closer to the road.

COUNCILMEMBER PALTIN: Thank you.

CHAIR U'U-HODGINS: Any other clarifying questions? Seeing none. Thank you very much. Next testifier, please.

MR. CAWLEY: Thank you.

CHAIR U'U-HODGINS: Thank you.

MS. MCKINLEY: Chair, the next testifier is Sonny Cave, to be followed by Tina Evans, both on Teams.

MR. CAVE: Can everybody hear me? Can you hear me okay? Yes. Okay. Aloha, Chair U'u-Hodgins and all Members of the HLU Committee. My name is Sonny Cave. My wife and I own one condo unit at Mā'alaea Kai. I'm here to testify in support of Reso 26-110. I will also add that in the final stages of Bill 88, our AOA...AOAO formed a small committee to help with the process of working as needed with the County on the zoning changes, and I was appointed to be the head of that group. As recognized in 26-110, Mā'alaea Kai is well-suited for Council-initiated rezoning from A-2 Apartment District to H-4 Hotel. The property was on Exhibit 2 to the TIG, and has long functioned as a well-known visitor accommodation in Maui for short-term rentals. It's located in the sea level rise exposure area, has high cost of ownership, and is not suited for...not well-suited for affordable housing. We also have historical material from decades ago showing the property publicly advertised and described as well in condo newsletters as a hotel condominium, with features such as a front desk, daily rates, weekly maid service, upon request. Mahalo for your consideration and...

CHAIR U'U-HODGINS: I think he was...oh, you kind of cut out the last like five seconds, but it sounded like you were done. Members...Member Paltin --

MR. CAVE: Yes, and I...I --

CHAIR U'U-HODGINS: -- you have a question?

MR. CAVE: -- I apologize. I'm actually in a very remote location in Colorado, and there were wildfires here. We had to relocate. And I would...there were some firefighters who perished, so I would also just ask everybody to be thinking of them.

CHAIR U'U-HODGINS: Thank you. Member Paltin, do...did you have a clarifying question?

COUNCILMEMBER PALTIN: Yes, please. Thank you, Mr. Cave, for your testimony. I just wanted to verify, is this 79 total units with two of the 79 being leasehold units?

MR. CAVE: I'm not aware of any leasehold properties in our complex. We...when we bought, we have a fee simple deed. The President of our AOAO, I asked him this question yesterday. He thought the entire...all...the entire complex was fee simple. But if there's any question about that, we can go look into it and get back.

COUNCILMEMBER PALTIN: That would...that would be great, if you could email the Committee --

MR. CAVE: Okay.

COUNCILMEMBER PALTIN: -- if there are any leasehold units, and if there are...when the lease expiration is.

MR. CAVE: Okay. I will...I will follow up.

COUNCILMEMBER PALTIN: Thank you so much.

CHAIR U'U-HODGINS: Thank you, Member Paltin.

MR. CAVE: You're welcome.

CHAIR U'U-HODGINS: Any other questions? Be safe out there, Mr. Cave. Thank you.

MR. CAVE: Thank you.

CHAIR U'U-HODGINS: Next testifier, please.

MS. MCKINLEY: Chair, the next testifier is Tina Evans, to be followed by Mike Pytlinski, both on Teams. *(pause)* Tina Evans, it's your turn to testify. If you could unmute your mic, you're unmuted on our side. *(pause)*

CHAIR U'U-HODGINS: One more time.

MS. MCKINLEY: Chair...Tina Evans, please unmute your mic. There's a microphone icon on your screen. Chair, would you like to go on and come back to her?

CHAIR U'U-HODGINS: Yes, please.

MS. MCKINLEY: Chair, the next testifier is Mike Pytlinski on Teams.

MR. PYTLINSKI: Aloha, County of Maui Council Chair and Committee Members. Thank you for your years of service for the benefit of the County of Maui. I'd like to address Resolution 26-111. I'm currently the Vice President of the Board of Directors at the Honokōwai Palms, which is located at 3666 Lower Honoapiilani Road in Honokōwai. Our property appears in the County's short-term occupancy list as an A-2 Apartment zoned, which was, back in the day, limited kind of designations of the property, and we have 30 fee simple units. Honokōwai Palms was originally built in 1965 by the Sheraton Corporation, and originally sold to be operated as a Hotel between 199...1967 through 1969, and then sold to another hotel corporation to be used as a vacation resort from 1970 through 1975. Starting from 1969, individual units were offered for sale to individual owners. The original owners that purchased these units had used them still as short-term vacation rentals in the Honokōwai Palms rental pool. Many of these original owners and families who purchased are still owners to this day, and have used their units as short-term rentals since 1969, and that includes Kevin and Barbara Carter *(phonetic)* of Unit B5, the Boone *(phonetic)* family of A6 and B7, Pearl Tehala *(phonetic)* and her daughter Karen de Brittany *(phonetic)* of A7, just to name a few. We even have copies of our original vacation rental resort brochure and postcards dated from the 1970s, showing our resort and showing our complex. Now, over the years, some owners rented out their units long-term, and a few even lived on property. Our association house rules has allowed the mixed use of being short-term, long-term, or owner-occupied ever since the inception. Currently, there's only one owner that lives on property, 7 are long-term rentals, and 22 are short-term rentals. A lot of this is due to the complexity of...and challenges of maintaining such an older unit on the makau [*sic*] side of the lower road. The units were made with just one parking space per unit. We've had a lot of challenges maintaining the property, including currently this year, we're looking at some very costly repairs. We have a parking lot project that's trying to go through the bidding process, it's going to be well over $90,000 to...to repair. We have building block repairs that it's reaching into the $240,000 range this year. So *. . .(timer sounds). . .* maintaining and owning these units is tough at a... *. . .(inaudible). . .* We currently understand the H-3/H-4 form...framework. We would very much like to be considered that the Honokōwai Palms be included in the new H-3/H-4 category since we have a long history of being a vacation rental resort, and decades of being licensed STRs and Transient Accommodation Tax contributors to the County of Maui and the State of Hawaiʻi. Thank you very much for your consideration.

CHAIR UʻU-HODGINS: Thank you. Member Paltin?

COUNCILMEMBER PALTIN: Can you clarify what you mean by makau [*sic*] side of the road?

MR. PYTLINSKI: Oh, we're on the mountain side of the road. We're not on the ocean side of the road. We're across --

COUNCILMEMBER PALTIN: Okay.

MR. PYTLINSKI: -- from the Honokōwai Palms Beach Park.

COUNCILMEMBER PALTIN: And...and you feel that property looks like a hotel?

MR. PYTLINSKI: That's what it was desi...initially designed to be. It's three individual buildings, just two stories in height, small little units, 500 square feet for the one-bedrooms, 200...or 600 square feet for the two-bedrooms, and just only one single parking space per unit with not...not any real additional parking spaces.

COUNCILMEMBER PALTIN: I understand you said that's what it's originally used as, but it doesn't really put Maui's best foot forward. Thank you.

CHAIR U'U-HODGINS: Member Cook, followed by Member Johnson.

COUNCILMEMBER COOK: So, thank you, sir. Could you clarify the name of the...name of the building?

MR. PYTLINSKI: Honokōwai Palms.

COUNCILMEMBER COOK: Okay. Thank you.

CHAIR U'U-HODGINS: Member Johnson?

COUNCILMEMBER JOHNSON: Thank you, Chair. Thank you for your testimony, Mr. Pidlinski [*sic*], if I said your name correctly. I didn't hear you because it was a little garbled, but can you clarify, are there any long-term residents living in any of the units?

MR. PYTLINSKI: We have approximately seven long-term and...

COUNCILMEMBER JOHNSON: You said seven? Okay.

MR. PYTLINSKI: Seven, and a majority of those are FEMA --

COUNCILMEMBER JOHNSON: Oh.

MR. PYTLINSKI: -- Lahaina fire survivors.

COUNCILMEMBER JOHNSON: Okay.

MR. PYTLINSKI: Our complex, when the call first came out way back after the fires, rose to the occasion, and over 22 of our...or 27 of our units originally housed fire survivors over the last three years. Being that we were short-term, it was a definite benefit that we had the space, we had the units that were well-equipped to then bring in fire survivors --

COUNCILMEMBER JOHNSON: Yeah.

MR. PYTLINSKI: -- to be housed in an emergency situation.

COUNCILMEMBER JOHNSON: Totally appreciate that. But I seem to recall that...that...your place being long-term renters for many, many years. Is that correct? Like, over half, I think.

MR. PYTLINSKI: I've been an owner for 20 years, and 20 years ago, it was about a third long-term, a third owner-occupied, and a third short-term rentals.

COUNCILMEMBER JOHNSON: Yeah. All right. Thank you. Thank you, Chair.

MR. PYTLINSKI: But originally, when it was sold, it was sold and used as vacation rentals.

COUNCILMEMBER JOHNSON: Thank you.

CHAIR U'U-HODGINS: Thank you. Anybody else have any clarifying questions? Seeing none. Next testifier, please.

MS. MCKINLEY: Chair, we can return to Tina Evans on Teams, to be followed by Malama Minn on Teams.

MS. EVANS: Good morning. Thank you. I had to pull myself together. I was a little emotional after Sonny's testifying and lessing...letting us know about the Colorado fire. So, my name is Tina Evans, and I serve as the AOAO President for Maui Vista, a premier resort in South Kīhei. Thank you for providing the time for me to present today. On behalf of the Association of Apartment Owners of Maui Vista, we respectfully submit this testimony for rezoning of the Maui Vista property from its current A-1/A-2 Apartment District designation to the proposed H-3 or H-4 Hotel District, as recommended by the Maui County Council. We understand that Maui Vista has been identified as a qualifying property for rezoning, and wish to affirm that the property clear...clearly meets the eligibility require...or criteria outlined in Bill 88. Maui Vista has a long and well-documented history of operating as a condominium tennis resort serving visitors to Maui Vista...or to Maui. The original 1980 Maui Vista sales and marketing brochure targeted buyers looking to purchase a vacation rental condo with a tennis resort atmosphere. In the...in the past, the property was marketed and managed by Aston at Maui Vista Tennis Resort, operating under a hotel-style management model. Following that period, the property continued to be professionally managed by AA Oceanfront, which provided centralized front desk and guest check-in services for many units. For the past 25 years, Maui Vista has been managed by its own general manager. Maui Vista's leadership and the association have invested in a fully integrated on-site management structure, including professional management, office administration, maintenance, and cleaning staff, encompassing nine employees overall. Maui Vista provides competitive wages, employee benefits, while supporting local opportunities. This model reflects the property's longstanding commitment to functioning as a unified visitor destination and centralized management of the resort's shared amenities while the individual residents remain independently managed. Maui Vista's historical use is further supported by its classification in Maui County's real property tax record as a Hotel/Resort between 2009 and 2017. Today, most units continue to be assessed and taxed as short-term vacation rentals. The property's physical infrastructure and operational design have always supported this function as a transient vacation and rental destination. Approximately 75 percent of the units are one-bedroom condos of 600 square feet or less. The property also includes six tennis courts, three swimming pools, and a resort-style amenities designed specifically to serve registered short-term guests. The...the property's physical in...sorry. The property's *. . .(timer sounds). . .* physical infrastructure and operational design...or excuse me, the financial structure of Maui's Vista [*sic*] further reflects its resort operation. Even before factoring mortgage payments, the annual cost of ownership, including maintenance fees, utilities, insurance, and property taxes, approached 31,000 per unit. Monthly maintenance fees alone currently range from approximately 825 to 1,200, creating a cost structure that is inconsistent with affordable housing. Based on Maui's Vista's [*sic*] historical operation, established hotel-like management structure, physical characteristics, and continuing use of a visitor-serving property, we believe the association fully satisfies the criteria identified in the Maui Council's TIG report for designation within the proposed H-3/H-4 condo. We sincerely appreciate the Council's extensive research and thoughtful consideration of the unique circumstances surrounding legal visitor accommodations such as Maui Vista. We are grateful that the property has been included among those recommended for rezoning, and respectfully request your continued support of Bill 88 and its resolutions. Maui Vista looks forward to working collaboratively --

CHAIR U'U-HODGINS: Ms. Evans, if you --

MS. EVANS: -- with the Planning...

CHAIR U'U-HODGINS: -- could please wrap up. Thank you.

MS. EVANS: -- oh, sure--in rezoning. We, the Maui Vista owners, have a desire to have the property automatically included in the H-3/H-4 zoning, and we will prepare a package with government documents, metes and bounds, and a historical letter and send to the Council and Committee next week.

CHAIR U'U-HODGINS: Thank you. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Ms. Evans, for your testimony. I wanted to clarify, is any of the units operating as a timeshare?

MS. EVANS: No.

COUNCILMEMBER PALTIN: Are any of the units leasehold properties?

MS. EVANS: No.

COUNCILMEMBER PALTIN: Is there any split zoning, or is it all A-1/A-2?

MS. EVANS: It's all A-1/A-2.

COUNCILMEMBER PALTIN: Thank you.

MS. EVANS: You're welcome. Thank you.

CHAIR U'U-HODGINS: Member Sugimura?

COUNCILMEMBER SUGIMURA: Thank you. Quick question. Are your --

MS. EVANS: Yes.

COUNCILMEMBER SUGIMURA: -- employees part of a union?

MS. EVANS: No.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR U'U-HODGINS: Thank you. For testifier information, you do have three minutes to testify on each resolution, but not more than three minutes to testify on any one resolution. Thank you. Next testifier, please.

MS. MCKINLEY: Chair, the next testifier is Malama Minn, to be followed by Autumn Ness, both on Teams.

MS. MINN: Aloha, Chair and Members of the Committee. Malama Minn, testifying on behalf of the Realtors Association of Maui today. We are in strong support of both resolutions before you today, Resolution 26-110 and Resolution 26-111. We appreciate the hard work of the Council and this Committee, as well as the TIG, during the Bill 9 process, and we also appreciate your hard work on the passage of Bill 88. You folks have heard from us before many times, so I'll keep it brief. We just would respectfully request...as you see...as you can see from testifiers today, there is a lot of confusion in the community as to which properties are on which list, which properties are going to be considered, which properties will be in the County-initiated zoning, which properties will have to initiate their own zoning process. And so, we just respectfully request, for clarity of process, and more communication regarding how to be included in the County-initiated rezoning. You know, properties that are not listed but meet the requirements need a reasonable path forward for rezoning. So, we just respectfully ask for, you know, more clarity in the process so that we all can, you know, be clear about how we can move forward. So, thank you again for your time and your hard work.

CHAIR U'U-HODGINS: Thank you very much. Member Paltin?

COUNCILMEMBER PALTIN: Thank you. Can you remind me what you said your role was?

MS. MINN: I am testifying on behalf of the Realtors Association of Maui.

COUNCILMEMBER PALTIN: And so, if the criteria were clear, you would be able to help us get the information, or no, you just advocate?

MS. MINN: Yes, we...we would love to be a resource for you folks. We would appreciate, you know, more collaboration so that it...it would be more efficient for you folks, as well as for the...the many shareholders and stakeholders in the community, you know, so that we can know exactly what is the path forward for...for different properties. Because as you can see in the testimony today, there is a lot of confusion. There are many properties that are on one list, but not on another. Some that aren't on any of the lists, but they meet the qualifications that are in the resolutions. So, we would love to be a resource to you folks and work together on streamlining this process.

COUNCILMEMBER PALTIN: Okay. Just to clarify for me, if you could come up with a list of properties that have operated timeshares, properties that have leasehold and what year the leasehold expires, to, you know, just double check our work, I wouldn't...I wouldn't mind that.

MS. MINN: I...we would be happy to do that. In...we would...is it...in order for it to be conclusive, we would want to know what list of properties would you like us to verify. Is it the Minatoya list and which Minatoya list, and then...or is it the Exhibit 2 list? And as I mentioned, there are many properties that qualify, that meet the qualifications. They're A-1 or A-2 zoned. They've been operating legally as STRs, but they are not on any list. So...

COUNCILMEMBER PALTIN: To clarify for me personally --

MS. MINN: Yeah.

COUNCILMEMBER PALTIN: -- it would be properties that have timeshare or leasehold, what year the leasehold expires, that currently operate as Minatoya properties.

MS. MINN: Okay.

COUNCILMEMBER PALTIN: Thank you so much for your --

MS. MINN: Yes, we'll be happy to do that.

COUNCILMEMBER PALTIN: -- willingness to double check, double check our work. Thank you.

CHAIR U'U-HODGINS: Thank you.

MS. MINN: We'll be happy to do that.

CHAIR U'U-HODGINS: Thank you. And then I should have said this in my opening remarks, but there are more County-initiated Change in Zoning to come. So, just FYI, but I'm not going to get into it right now during testimony. Member Sugimura?

COUNCILMEMBER SUGIMURA: Yeah, Chair. Thank you very much for taking us through this process one step at a time. Appreciate that. But going back to Malama Minn. So, I hear what you're saying, and there are probably a lot of anxious property owners or...or properties out there that are wondering what the next steps are. So, Chair, if you would allow me to, I'll talk to Malama Minn outside of this meeting and maybe get some ideas of how we can find out how Realtors Association of Maui can assist us with this communication and education. Okay. Thank you. I'll talk to you later, Malama.

MS. MINN: Okay. Thank you very much. Appreciate you folks.

CHAIR U'U-HODGINS: Any other clarifying questions? We'll take one more testifier before we go to lunch and allow Chair Lee to use the Chambers for her taskforce meeting.

MS. MCKINLEY: Okay. Chair, the next testifier is Autumn Ness, and then after lunch to be followed by Phil Mills.

CHAIR U'U-HODGINS: Aloha, Ms. Ness.

MS. NESS: Aloha, everybody. My name is Autumn Ness. I'm here testifying with some comments on 26-110 and 26-111. Admittedly, I haven't been following this rezoning conversation as much as I'd like because we've been cranking over here at the land trust, but my understanding is that the decision of whether or not to upzone certain properties may hinge on the question of if they would be suitable for long-term housing because they're leasehold buildings and folks can't get mortgages on them. I learned about this because some people reached out to me to fact-check that statement because LCLT is selling homes under ground leases and folks wanted to know our experience with getting lenders on board to give mortgages on our leasehold homes. Our ground lease situation and the leasehold nature of some of these buildings is a little different, but also have a lot of similarities, and we're really well-versed in Fannie Mae's selling guidelines and we figured out which local lenders do these loans. And I would hate for an erroneous, like overly broad statement to be the reason that you folks decide whether or not to upzone a specific property. In my opinion, a more accurate statement would be that certain properties are not mortgageable if they're leasehold and they don't meet certain standards as outlined by Fannie Mae's selling guide. I actually emailed you guys a link to the...eComment this morning to Fannie Mae's national selling guide. There's a section on leasehold properties that said...that says leaseholds are totally lendable if they have these basic things, and the only one that was really a flag, the particular one, is that the life of the lease must be longer than the life of the mortgage by five or more years. So, for example, you can't get a 30-year mortgage on a leasehold property that only has 20 years of lease left in it, right? That makes sense. But if a lease has 35 or more years left in it, you absolutely can get a 30-year mortgage. That's important because I think you guys are figuring out that some of the properties that have leaseholds do have leases that end soon, and those won't be mortgageable. But there are properties that still have 35-plus years on their lease, including the Kahana Outrigger. So, I sent that ground lease in particular to our partner at American Savings Bank for review. ASB is one of four lenders who have pre-approved LCLT's ground lease. We actually have the four lenders on our website for public information. So, I started with them for advice. When I told him about like the blanket statement that we've heard in these Chambers for years, that lenders won't lend on leaseholds or lenders won't lend on long-term deed restrictions, he laughed a little and he said, and I quote, "Leaseholds? We love leaseholds. I mean, we didn't always love leaseholds, but we love them now. And we also don't love 15-year leaseholds, but we lend on leaseholds all day long." Like, that's a direct quote. So, he's going to have their legal team at American Savings Bank review specifically *. . .(timer sounds). . .* the Kahana Outrigger ground lease and give an opinion on whether they would give mortgages on that specific ground lease and get back to me ASAP. And I can pass that info on to you guys if you think that's helpful. So, I guess I would just say if there's a particular building in question, and the deciding factor on whether or not to upzone it hinges on if it's suitable for long-term housing because it's leasehold and can folks even get a mortgage on it, maybe wait for just a hot minute and we can get an opinion from one of the banks who is really well-versed in leasehold lending locally, and perhaps that can make your decision easier. I will...I need to flag here that not all banks are created equal. Not all banks follow Fannie Mae's selling guidelines. Some are stricter than that. And that's important because like I hear

Bank of Hawaiʻi brought up a lot. Bank of Hawaiʻi is a really strict lender. Bank of Hawaiʻi did not approve LCLT's ground lease. Even though it is nationally recognized and approved by Fannie Mae and Freddie Mac, Bank of Hawaiʻi still won't give a mortgage on it. So...

CHAIR UʻU-HODGINS: Ms. Ness, I know...do you mind wrapping it up? Can you hear the bell?

MS. NESS: I can. Oh, I thought I was --

CHAIR UʻU-HODGINS: Okay.

MS. NESS: -- giving for two items.

CHAIR UʻU-HODGINS: Oh, okay.

MS. NESS: E kala mai.

CHAIR UʻU-HODGINS: Okay.

MS. NESS: Yeah. I'm almost done anyway.

CHAIR UʻU-HODGINS: Leasehold's only on the one agenda, but go ahead.

MS. NESS: Oh.

CHAIR UʻU-HODGINS: On the one reso.

MS. NESS: Okay. Oh, I'm sorry. Last sentence.

CHAIR UʻU-HODGINS: That's okay. Go ahead. Go ahead. Go.

MS. NESS: I will say that while BofH didn't approve our ground lease, Central Pacific Bank did, American Savings Bank did, Security National Mortgage, Land Home Financial. There are plenty of institutions that lend on these products, and so maybe ask them for their opinion on these things and not like the most conservative one in our community, you know? Okay. Thanks.

CHAIR UʻU-HODGINS: Thank you very much. We fully got into that discussion over our TIG and we'll continue to have the leasehold discussion in Committee, but Member Paltin has a clarifying question for you. Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Ms. Ness. I heard what you said about leaseholds and 15 years, 30 years, plus 5, whatever. Was there any guidance if the majority of the units are fee simple and like one or two or four are leasehold?

MS. NESS: There wasn't, but I can run that up the chain and see what their team says to that too, if you...and I can share their information if that helps.

COUNCILMEMBER PALTIN: Thank you.

MS. NESS: Yeah.

CHAIR UʻU-HODGINS: Thank you. Do you have a question?

MS. NESS: Thanks, guys.

CHAIR UʻU-HODGINS: Oh, I see --

COUNCILMEMBER RAWLINS-FERNANDEZ: Yes.

CHAIR UʻU-HODGINS: -- you bringing your mic to your phone...your face I mean.

COUNCILMEMBER RAWLINS-FERNANDEZ: *. . .(laughing). . .* Mahalo, Chair.

CHAIR UʻU-HODGINS: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: I guess I don't...you made a comment and it's kind of connected to Ms. Ness. I don't know if Ms. Ness was a resource for your TIG because you said you fully got into the --

CHAIR UʻU-HODGINS: Oh, we did.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- conversation in the TIG.

CHAIR UʻU-HODGINS: We did.

COUNCILMEMBER RAWLINS-FERNANDEZ: Was Ms. Ness...

CHAIR UʻU-HODGINS: No, we had a lender with us, and we...we had that discussion about...

COUNCILMEMBER RAWLINS-FERNANDEZ: From Bank of Hawaiʻi?

CHAIR UʻU-HODGINS: No.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, okay.

CHAIR UʻU-HODGINS: No.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

CHAIR UʻU-HODGINS: Not for Bank of Hawaiʻi.

COUNCILMEMBER RAWLINS-FERNANDEZ: And that's the most conservative?

CHAIR UʻU-HODGINS: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: But the others...would you mind listing the banks again, or the financial institutions that we should consider reaching out to, Ms. Ness?

CHAIR U'U-HODGINS: CPB...

MS. NESS: Oh, I mean, we haven't covered all of them, but the four that we know are favorable to these kinds of products are Central Pacific, American Savings Bank, Land Home Financial, which is not a local bank, and Security National Mortgage tend to favor these kinds of products.

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

MS. NESS: Yeah.

CHAIR U'U-HODGINS: Thank you. Any other clarifying questions? If not, thank you very much for your testimony. I'm glad you brought that up.

MS. NESS: Thank you.

CHAIR U'U-HODGINS: We are going to take our lunch right now. It is 11:54. Are you guys okay to return at 1:30? Okay. Chair Lee then will have her meeting, and this meeting is in recess until 1:30. . . .*(gavel)*. . .

RECESS: 11:54 a.m.

RECONVENE: 1:44 p.m.

CHAIR U'U-HODGINS: . . .*(gavel)*. . . Good afternoon, everyone. Will the HLU Committee please reconvene. It is 1:44 p.m., and we just got back from our lunch break. We left in the middle of testimony and we'll pick up where we left off. So, Staff, if you could please call the next testifier.

MS. MCKINLEY: Chair, the next testifier is Phil Mills, to be followed by Dan McKenna, both on Teams.

MR. MILLS: Hi. Good afternoon, Chair. Aloha, Chair and Members of the Committee. I hope you enjoyed your lunch and that it didn't make anyone too makahiamoe. My name is Phil Mills and I'm the President of the Board of Directors for the Hale Ono Loa AOAO located at 3823 Lower Honoapiilani Road in Lahaina. Our board is in strong support of Resolution 26-110, which proposes to rezone our complex and others to H-3 and H-4 Hotel Districts. We have submitted written testimony, including a metes and bounds legal description of the property and copies of original marketing and project information for your review. Hale Ono Loa is a 68-unit oceanfront complex constructed in 1969. Originally, Hale Ono Loa was a leasehold property. For decades, it has operated as a legal short-term vacation rental property and has functioned in many ways like a small resort. The property was also previously identified as Hotel-zoned in 2017 tax records and prior. Hale Ono Loa was designed and operates with resort-like functionality. Its original marketing literature and news articles refer to Hale Ono Loa as a quiet, secluded resort or secluded vacation resort. Another says our units were designed to provide carefree resort living, and that we were located on Maui's Kāʻanapali vacation resort coastline. There was an 800 number for reservations. Inquiries were to be made directly to travel agents. So, the property originally included a front desk, and visitors driving along Lower Honoapiilani Road could identify whether there was availability by means of a rentals sign along the road that indicated potential vacancy available. Guests could stop at the property and rent accommodations in a manner similar to a traditional hotel, motel, or small resort. When it originally opened, both linen and maid services were provided. Today, Hale Ono Loa continues to provide guest-oriented services and facilities. The property includes an office for an on-duty resident manager who greets guests, answers questions, assists with their stay, and helps ensure a positive visitor experience. The property also maintains a lobby area where guests may check in, register their vehicles, and receive information related to their unit and stay. The property only allows for one vehicle per unit. Hale Ono Loa further supports guest use through a range of shared amenities, including a pool, barbecue areas, a shuffleboard court, kayak, surfboards, a community sun deck, a newly-renovated elevator, and convenient luggage carts. These amenities are commonly associated with vacation properties and help create the visitor experience that Hale Ono Loa has provided for many years. So, we respectfully request that the Committee recognize these hotel-like characteristics and support the rezoning of Hale Ono Loa from the Apartment A-2 District to the H-4 *. . .(timer sounds). . .* Hotel District. We strongly support the Committee forwarding Resolution 26-110 in its current form, which includes Hale Ono Loa, to the Planning Commissions for their consideration. I want to thank you very much for your time and leadership. I'm available if the Committee has any questions.

CHAIR UʻU-HODGINS: Thank you. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Mills. I wanted to clarify, you said there's 68 total units at Hale Ono Loa?

MR. MILLS: 68.

COUNCILMEMBER PALTIN: And I also wanted to...

MR. MILLS: There's 67...sorry, go ahead.

COUNCILMEMBER PALTIN: No, finish...go ahead.

MR. MILLS: Sixty-seven units with one for a resident manager. So, a total of 68.

COUNCILMEMBER PALTIN: Thank you. And you said it originally operated as a leasehold?

MR. MILLS: It was leasehold, yes.

COUNCILMEMBER PALTIN: Is it still leasehold?

MR. MILLS: It is not. It's fee simple. It was bought out, I think, sometime around 2000...between 2008 and 2011, if memory serves me correct. I was not an owner at that time.

COUNCILMEMBER PALTIN: So, it's no longer a leasehold property?

MR. MILLS: It is no longer a leasehold. It is fee simple.

COUNCILMEMBER PALTIN: Thank you. And then you said that there was a...what are the hours? When I visited the property, I didn't see any place to ask questions. I...I took the elevator up to the top to look because there was no beach access, but I didn't see anybody checking folks in or available to answer questions.

MR. MILLS: So, people check themselves in. That's one way people check in. They can do it through their...whoever they're renting their unit through. So, they can check in that way. And then we have a resident manager who is on site. And so, he's not always in his office because he has other duties. And so, he is on property out and about. And so, he'll catch up with people at some point when he's back in his office, or he notices there's a new car in the parking lot, or sees somebody new. So, he keeps a pretty vigil eye on things there for us.

COUNCILMEMBER PALTIN: Thank you.

MR. MILLS: Of course. Yeah, thank you.

CHAIR U'U-HODGINS: Any other --

MR. MILLS: Any other questions?

CHAIR U'U-HODGINS: -- clarifying questions.

MR. MILLS: Sorry.

CHAIR U'U-HODGINS: Member Rawlins-Fernandez, go ahead.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Aloha, Mr. Mills. Mahalo for your testimony. So, you said that there's...so the resident manager is an employee? Or do you folks have employees?

MR. MILLS: He is. He is an employee. Yes, we have one employee. And then we have other services, other people that we hire on premises that our resident manager in essence manages. But we have a full-time resident manager on premises. So, we...at the present moment...and I don't want to get into the weeds on this, but our resident manager is...is on a medical leave of absence. And so, without getting into employee issues, right, which could be problematic, we have a couple of people who are filling in on a temporary basis. And so, that could also be why Ms. Paltin--did I say that correctly? Perfect. Okay--did not potentially see the full-time resident manager out and about because he's just currently not available. It's...we're hoping that he'll be back in a few months.

COUNCILMEMBER RAWLINS-FERNANDEZ: But the resident manager's job isn't to check people in. I think that was the point of her question.

MR. MILLS: Oh. Oh, I see. Not to check people in, but to...to make sure that we know who's on premises. That's correct. Like cars on the premises, his job is to make sure that things are...that things are secure and safe for everybody. Whether it's long-term...we do have FEMA residents in our complex. Our owners stepped up when the fire happened, and so some people had the ability to allow people to move in on that basis, did. So, we have some long-term residents. We have some owners who live there full-time. So, it's a mixed-use complex. Most of our units are short-term vacation rented, however.

COUNCILMEMBER RAWLINS-FERNANDEZ: Thank you. Mahalo, Chair.

CHAIR UʻU-HODGINS: Of course. Any other questions? Seeing none. Next testifier, please.

MR. MILLS: Thank you.

MS. MCKINLEY: Chair...Chair, the next testifier is Dan McKenna, to be followed by Timothy O'Shaughnessy, both on Teams. *(pause)* Dan McKenna, it's your turn to testify, if you could unmute yourself. There should be a microphone icon near the top right of your screen. *(pause)* Chair, the next testifier is Timothy O'Shaughnessy. *(pause)* Timothy O'Shaughnessy, it's your turn to testify. If you could unmute yourself, you're unmuted on our end.

MR. O'SHAUGHNESSY: I think I'm unmuted. Yeah.

CHAIR UʻU-HODGINS: We can hear you.

MR. O'SHAUGHNESSY: All right. Very good. Thank you very much, Members and Councilpersons. I...I'm testifying on behalf of...I'm getting some back echo here, but I'm testifying on behalf of Kauhale Makai AOAO, and we are in support of Resolutions 110, 111. And certainly whichever one will clear up some of the confusion that has occurred in the past several months regarding where everything stands, but hopefully it would move Kauhale Makai into a Hotel zoning category. We submitted...or I personally submitted two letters with attached documents to the Committee and to various Members of the Council, including the Chair, that also attached some documentation that really goes back to the beginning of Kauhale Makai back in 1974. It was a...a...a public...excuse me, the...from the...the Hawaiʻi Real Estate Commission issued its final horizontal property regime (condominium) public report for Kauhale Makai dated May 13th, 1974. As part of that, there is some language that said at that time that the...the property shall be created for apartments and shall be occupied and used only as private dwellings for the respective owners, their tenants, families, domestic servants, personal guests, except that the apartments may also be used for hotel or transient purposes. So, that gave us some historical perspective about the property itself. The...indicated that from our point of view it's always been for transitional residency or hotel purposes. So, I...I go back to the proceeding that took place by this Committee in October of this past year where there was…where it was brought up that Kauhale Makai also has timeshares on its property. So, the question was raised whether or not timeshares would indeed excluded from treatment under the Bill 9 legislation or whatever. In my…three minutes goes quick so I'm trying to be quick for you. In my *. . .(timer sounds). . .* written communication, you'll see a transcript to that effect. I want to say that I hope we can be appropriately moved into the proper zoning based on what Kauhale Makai is. And I heard the bell, so I'm going to say please review my written testimony, and I want to say that I appreciate all the work of the Committee and the Council. And I wish you all a very happy and safe July 4th holiday. Thank you.

CHAIR U'U-HODGINS: Thank you. Members, any clarifying questions? Member Paltin.

COUNCILMEMBER PALTIN: Thank you Chair. In that written communication, would it have shown timeshare usage prior to 1991?

MR. O'SHAUGHNESSY: Excuse me, can you say that again?

COUNCILMEMBER PALTIN: The clarifying question is, would it have shown timeshare usage prior to 1991?

MR. O'SHAUGHNESSY: Councilperson Paltin, I can't personally answer that question, but I can obtain that information and submit it as part of the testimony if…if you would like that to occur.

COUNCILMEMBER PALTIN: That would be fabulous. Thank you so much, Mr. O'Shaughnessy.

MR. O'SHAUGHNESSY: Yes I will do that. Prior to 19191…1991, correct?

CHAIR U'U-HODGINS: Yeah.

COUNCILMEMBER PALTIN: Correct.

MR. O'SHAUGHNESSY: You got it.

COUNCILMEMBER PALTIN: Thank you so much.

MR. O'SHAUGHNESSY: Thank you.

CHAIR U'U-HODGINS: Thank you. Thank you, Member Paltin. Any other clarifying questions? Seeing none. Next testifier, please.

MS. MCKINLEY: Chair the next testifier is Jordan Ruidas, to be followed by Caitlin Miller. *(pause)*

MS. RUIDAS: Aloha, Chair and Councilmembers. I'm Jordan Ruidas, and I'm testifying on behalf of Lahaina Strong, and mahalo for your folks' time today. We want to recognize the effort that you folks are taking to listen to community concerns and work toward a more balanced path forward. Lahaina Strong was in support of Resolution 26-111, as we have always supported the upzone of the properties that were actually operating like hotels. But now with the last-minute additions of properties who don't meet the requirements, the resolution is now dirty and we will not be able to support the new...new version. We also supported Resolution 261-10 [*sic*] with amendments. The proposed list that was before us originally looks significantly more aligned with what we have been advocating for from the very beginning. If this is the only list that would be brought forward, we want to acknowledge that this feels like a meaningful progress. However, these aren't the only lists as we saw. More were added last minute. We strongly urge the Council to proceed with caution and to consider amendments. We want to remind the Council that our Apartment-zoned Districts were intended, according to the Maui County Code Title 19.12, Apartment-zoned Districts are intended to provide higher-density long-term residential housing to residents. That foundational purpose must remain at the forefront of your decision making. These districts play a critical role in providing stable housing for our residents, especially our community...as our community continues to recover. We also hold a firm stance that the work of the South Maui Community Plan must not be undermined. The introduction of bulk upzoning, particularly in areas that were never designated for Hotel or short-term rental use sets a dangerous precedent. This approach risks becoming a slippery slope where planning frameworks are weakened, speculative pressures increase, and more housing is lost to transient use at the expense of local families. We further challenge the Council to take a deeper, more nuanced look at the properties being considered and to avoid treating them all the same. For example, leasehold properties are not uniform. Each has its own unique terms, timelines, and agreements. Upzoning all leasehold properties under a single assumption does not reflect this complexity, and risks creating unintended consequences. These decisions deserve a more case-by-case approach. Kāʻanapali Royal only has three leasehold units out of 105 total units. Kāʻanapali Royal was 54 percent owner-occupied in 2015, where they're only 9 percent now. Hale Ono Loa only has two leaseholds. In 2015, the owner occupancy was at 20...I'm sorry, at 70 percent, now it's only at three. We urge you to take your time, stay grounded in the intent of our community plans to protect long-term housing, and to ensure that any decisions made today do not unintentionally create challenges for future generations. Mahalo.

CHAIR UʻU-HODGINS: Thank you very much. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. Just a couple clarifying questions. The gentleman, Phil Mills, was saying that Hale Ono Loa is no longer a leasehold. Do you have any...do you have like documents that...

MS. RUIDAS: I think it was in your guys' packet that was provided this morning.

COUNCILMEMBER PALTIN: That's only...that's the only source?

MS. RUIDAS: That...that, and I think if we were to look it up, it shows that there was only a couple. Just like when I looked up Kāʻanapali Royal the other day, it did tell me that it's...there's some.

COUNCILMEMBER PALTIN: There's a couple.

MS. RUIDAS: Yeah. I just don't think we should make rash decisions and upzone a whole property because there's only a couple leaseholds in there. That just takes away housing from our people.

COUNCILMEMBER PALTIN: Thank you for that clarification. And when you said that you support the original resos, that's without these amendments adding three and four new properties onto it?

MS. RUIDAS: Correct. On the 111, majority of those properties we would have supported from the very beginning because they are the ones that are more like hotels. Unfortunately, the ones that were added this morning or yesterday, whatever it was, some of those do not meet the requirements, and we feel that if those are added to the list, it could make it...it is going to dirty it and make it hard to defend. And also, I just want to point out that folks that have testified previously to today and were not aware of the changes made today said that they had supported these resos, but I don't know if they would support them, knowing that more properties have been added on this morning.

COUNCILMEMBER PALTIN: And I think Kamaole Sands was on your previous testimony, but you're referring to Luana Kai and Mahina Surf?

MS. RUIDAS: Correct.

COUNCILMEMBER PALTIN: And then...okay. And then you want to scrutinize the leasehold properties, like especially if there's only a couple units . . .*(inaudible)*. . .

MS. RUIDAS: Yeah. Yeah. And we did some research on it, and like Autumn had said earlier, some of the leaseholds we won't be able to get mortgages because the ground lease isn't long enough and we...we fully understand that, but doing my research, there were a couple that they are long enough, and especially if properties like the one earlier said they just redid it in 2024, that tells us that there probably is a good amount, so why would we treat them like the ones that don't have a good amount and just say, oh, that's not housing when it could very well be housing.

COUNCILMEMBER PALTIN: Thank you. What about properties that have lease negotiations every ten years that's...doesn't play in or it does?

MS. RUIDAS: Yeah, those ones seem a little more difficult. Like we were doing our research and talking to lenders. We understand those would be more difficult, but I just really encourage you guys to take a deeper look at the properties. Don't just make a blanket assumption that it's hard for all leaseholds, and especially if there's only two or three. We don't want to like...and take out a whole property that has hundreds of units that could be housing just because there's two leaseholds, and maybe somebody on the Council or the Committee thinks the whole building is leasehold.

COUNCILMEMBER PALTIN: Thank you for the clarifications. Thank you, Chair.

CHAIR UʻU-HODGINS: Of course. Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Mahalo, Ms. Ruidas, for your testimony. I'm sorry, would you clarify what you meant by the amendments to the resolution that you had encouraged?

MS. RUIDAS: The amendments...I mean, I can speak for Lahaina Strong and myself. We would not support the upzoning of any Māʻalaea property due to the process of the South Maui Community Plan. They have never said this area was supposed to be transient or short-term rental, and I think that we should...we should stand by that unless they go through the process again and they decide that they want to change that. And I think going back on the leaseholds, just making sure you guys take a deeper look. And I personally would like to fight for Kāʻanapali Royal and Hale Ono Loa, especially now finding out that there's only two or three leaseholds, especially knowing that just back in 2015, both properties were more than half owner-occupied.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo for that. I think the guy, Mr. Mills, said that there was no more leaseholds there.

MS. RUIDAS: Then let's get it as housing. That's no longer a barrier then.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Ms. Ruidas.

MS. RUIDAS: Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR UʻU-HODGINS: Of course. Thank you. Oh, I'm sorry. We have more questions for you. Member Cook?

COUNCILMEMBER COOK: Thank you for your testimony. For my clarifying question, it's...are you...are you aware, or have you done any research of how many properties have sold and to who since Bill 9 passed?

MS. RUIDAS: No, we have not. And I think what I did see a few months ago was RAM actually put out information that condos have dropped increasingly, and just because local people are not buying them up right away doesn't mean they're not going to ever. I think a lot of people are waiting to see what...what you guys decide. And just, you know, people all day I've been hearing, they're too expensive, they're too expensive. Just because they're too expensive right now doesn't mean they will always be too expensive. And I think that we should be looking at what they were pre the hype of Vrbo and Airbnb making it super easy for them, because looking back, this was our affordable housing, and it doesn't mean that it cannot be again if you guys make the...the right decisions.

COUNCILMEMBER COOK: Thank you. I...in my research, apparently there's been 298 units sold, 183 of them were cash buyers --

MS. RUIDAS: Okay.

COUNCILMEMBER COOK: -- 115 of them were more conventional loans, and 20 percent of it was Hawaiʻi residents. And so, the challenge that I have and my concern is that the intent of generating and getting local housing, which I'm supportive of, during this process, waiting for the prices, because the prices have gone down and people aren't being able to buy them yet, is that we're not getting what we are advocating for, which is local workforce housing. So, anyway, that...my question, my clarifying question was if aware, and asking you to look at, through your research, who's buying them, how many is buying them, and if it's...if it's working. Because what we're doing is we're getting from income-producing properties to cash buyers who are just going to pay hardly any rent and just have a place.

MS. RUIDAS: I think you guys could definitely work and follow up with raising the taxes on those people. If they want to pay cash and they want to, you know, continue to do what they do, then they can...they can pay to play then, you know. I think there is room for the taxes to be raised in that area. But yeah, I...I see what you're saying.

COUNCILMEMBER COOK: Thank you for your testimony.

MS. RUIDAS: Yeah, thank you.

CHAIR UʻU-HODGINS: Thank you very much. Members, any other questions? If not, thank you so much. Next testifier.

MS. MCKINLEY: Chair, the next testifier is Caitlin Miller, to be followed by the person logged in under the beginning...is Representing The Royal Patented Kingdom on Teams.

CHAIR UʻU-HODGINS: Aloha.

MS. MILLER: Aloha, Chair, Vice-Chair, and Members of the Committee. My name is Caitlin Miller. I'm testifying on behalf of Maui Vacation Rental Association on Resolutions 26-110 and 26-111. As we understand it, these resolutions represent a broader implementation effort following the adoption of Ordinance 6...6008. We also understand that additional resolutions and amendments may still be forthcoming. Because this work is still evolving, we view today's discussions not as the conclusion of this effort, but as another important step in its implementation. As implementation continues, we respectfully encourage the Council to remain focused on the purpose behind Ordinance 6008. The purpose of H-3 and H-4 Districts was to align zoning with longstanding lawful visitor accommodation uses. They were not intended to create new visitor accommodations or create new land use rights. The properties being considered today have lawfully operated as visitor accommodations for decades. These Council-initiated zoning changes are not upzoning properties or introducing new land uses, they are simply continuing the work of aligning zoning with longstanding lawful uses that already exist today. As additional properties are considered, we respectfully encourage the Council to continue applying these same objective principles consistently so that similarly situated lawful visitor accommodations continue to be evaluated under the same standards. We also encourage the Council to avoid introducing new operational distinctions during implementation. The hospitality industry has changed dramatically over the past decade. Mobile check-in, digital guest communications, contactless services, and technology-driven hospitality are now commonplace. Those changes reflect evolving technology and guest expectations. They do not change the underlying land use. The absence of a traditional front desk or other historical operating model does not mean a property is unmanaged, unsupervised, or services are unavailable to guests. Rather, it reflects the continued evolution of how hospitality is delivered and how guests interact with their accommodations. Land use classification should be durable enough to withstand changes in technology, business practices, and evolving guest expectations. Operational models will continue to evolve, but the underlying land use remains the same. As the Council continues this work, we encourage an implementation process that remains focused on the principles embodied in Ordinance 6008. By maintaining a consistent and objectative [*sic*] approach, the Council can continue modernizing Maui County's zoning framework while providing greater clarity and certainty for property owners, resident managers, employees, businesses, guests, and the communities that have been impacted throughout this process. Thank you for your time and consideration.

CHAIR U'U-HODGINS: Thank you. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Ms. Miller. I just wanted to clarify like what you're saying about the technological increases. Part of the consideration is jobs provided, and how does the technological advances play into that, in that they're no longer employing residents of our County? Like, that's great for them to not pay a warm body, but how does it help our residents on jobs?

MS. MILLER: Technological advancements are not just short-term rentals. Hotels are starting to implement check...contactless check-ins, and plenty of services are doing that now, right? So, I think that's a larger conversation that talks about technology and how it's going to change the society and the fabric of makeup of jobs as we continue to move forward. With that being said, Maui and the State of Hawai'i do have laws in place that require on-island contacts. There's still cleaners and jobs provided that technology can't replace. Unlike hotels where they could eventually at some point hire a robot, right, probably to clean floors, these are all around harder going to be able to take away those cleaning jobs, maintenance jobs, because there's logistical issues that they don't face in other type of accommodations. So, again, I can't answer that specifically, other than this is not just a short-term rental conversation in terms of the advancements in technology, but the effort is still to preserve jobs as much as possible and not take away the ones that do exist today.

COUNCILMEMBER PALTIN: I did see that robot cleaning the Hyatt floors the other time I walked through. Thank you.

MS. MILLER: I'm not trying to bash on the hotels, I'm just saying that there's considerations.

CHAIR U'U-HODGINS: Do you have a question?

COUNCILMEMBER PALTIN: It's all fun and games until you run over dog poop.

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

CHAIR UʻU-HODGINS: Thank you. Sorry, I saw you move your mic. Did you have a question, Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah. Mahalo, Chair.

CHAIR UʻU-HODGINS: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha, Ms. Miller. Mahalo for your testimony. You said that...mahalo for the objective criteria. What is objective about them?

MS. MILLER: So, just the eligibility requirements that were outlined in H-3/H-4 that you all already agreed upon, right, essentially those are the copy-paste of A-1/A-2, right? So, we're not taking into consideration, you know, for the same reasons we didn't create H...move everyone into H-1/H-2, right, which would have been an upzone, because then they would have been able to add restaurants or nightclubs or any of the things that we referenced during the zoning process. So, just a reminder that those are the eligibility requirements within 6008, and not to add any arbitrary things that might need to be more broadly applied.

COUNCILMEMBER RAWLINS-FERNANDEZ: So, these lists, the criteria isn't arbitrary. You said that creating the list of properties that we're considering to upzone is objective? Not just the H-3/H-4, because we already passed Bill 88, right? It's done.

MS. MILLER: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: So, now we're talking about the properties that will be moved into H-3/H-4.

MS. MILLER: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: And those objectives, you said those criteria are objective.

MS. MILLER: So, H-3/H-4, objective. The list now, our stance...we're providing comments today, so our stance is that all Minatoya list properties are lawfully operating today and should have the opportunity to move into that zoning. So, we're just saying when you're looking at the fact that H-3/H-4 established that eligibility, that all properties be considered to move into that.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, then the properties that we're moving today are...the criteria is arbitrary?

MS. MILLER: I guess it depends on who you ask. That's probably --

COUNCILMEMBER RAWLINS-FERNANDEZ: I'm asking you. *. . .(laughing). . .*

MS. MILLER: -- more of an attorney question. And I'm not an attorney.

COUNCILMEMBER RAWLINS-FERNANDEZ: It's part of your…your testimony. Okay. Mahalo, Chair.

COUNCILMEMBER PALTIN: Sorry, Chair. One more --

CHAIR UʻU-HODGINS: Yeah, go ahead. Go.

COUNCILMEMBER PALTIN: -- clarification based on what she was saying. Like when…when you folks were talking about arbitrary criteria, you're not including like the things that if they would have gone through a Change in Zoning themselves that they would have had to provide, right? Because that's not arbitrary, that's...

MS. MILLER: Yeah. Those are things that you would have required. And my understanding of creating the H-3/H-4 and you guys doing the--or you all I should say, sorry, I try not to use guys--moving everyone into the H-3/H-4 is that essentially by going through the TIG, going through those properties, you are saying they are essentially pre-qualified. Now, we understand that not everyone is probably going to end up in those, but by creating that list and saying the Minatoya list and subsequent A-1/A-2 properties that meet those requirements within H-3/H-4 have the opportunity to move into there and are eligible to do so. Did I do...is that...

COUNCILMEMBER PALTIN: I think I understand that clarification, and feel free to say you ladies, too.

MS. MILLER: Just trying to move away from guys.

CHAIR UʻU-HODGINS: Ladies and sons of ladies. Any other questions, ladies and sons of ladies? If not, thank you very much.

MS. MILLER: Thank you ladies.

CHAIR UʻU-HODGINS: Next testifier, please.

MS. MCKINLEY: Chair, the next testifier is logged in as Representing The Royal Patented [*sic*] Kingdom, to be followed by Greg Rylsky.

REPRESENTING THE ROYAL KINGDOM OF HAWAIʻI PAE ʻĀINA: Aloha. I'm representing Ko Hawaiʻi Pae ʻĀina, this royal patented allodial titled kingdom where we all are right now. The lady that had testified before me, she wrong. None of them are lawfully able to operate in these king…in this kingdom where we all stand right…standing right now. And it's all illegal because the descendants never have given consent or anything like that. And I'm testifying as a royal patent descendant of the original title holders and sovereign of these Hawaiian Kingdom lands. I submit this testimony in strong opposition. All lands in Hawaiian…in the Hawaiian Islands are vested and allodial-titled by royal patent established under Kamehameha III through the Māhele of 1840s…the royal patents and Land Commission awards. Said patents were issued to original title holders and their heirs and successors in perpetuity, which has already been adjudicated from 1840s. By...by your law and the Hawaiian Kingdom law, the lands are supposed to revert and already belong back to the original title holders and their descendants. The descendants of said original awardees and patentees are the rightful legal title holders to specific ʻāina to this day and forever on. No lawful conveyance has...has occurred from the descendants of the original title holders or the Hawaiian Kingdom even to the...to the State of Hawaiʻi, County of Maui, or the United States. The County of Maui is a corporation created under the laws of the State of Hawaiʻi, which is the United States. It holds no lawful jurisdiction, sovereignty, or authority to make any land decisions, zoning changes, or community plan amendments affecting royal-patented lands without...without prior and informed consent of the descendants of the original title holders. The con...the continued assertion of jurisdiction and overdevelopment of lands belonging to Kānaka without consent violates the United Nations Declaration of Rights of Indigenous Peoples, specifically Articles 10, 26 and 32, which requires states to obtain free, prior, and informed consent before approving any project affecting indigenous lands or resources. The United States' illegal occupation of the Hawaiian Kingdom since January 17, 1893, remains a matter of ongoing international dispute. Actions by political subdivisions of the occupying power to alienate or reclassify land constitute further action...wait, further acts of usurpation. The cumulative effect of rezoning development approvals and business operations on land without title holder consent constitutes a systematic deprivation of land, resources, and culture. Under Article 2 of the Convention of the...on the Prevention of...wait. Convention on the Prevention and Punishment of the Crime of Genocide, deliberately inflicting conditions of life calculated to bring about the physical destruction of a group in . . .*(timer sounds)*. . . or in part constitutes genocide. And please recognize that yeah...and recognize that there's no legal authority to make any land decisions over royal-patented/allodial-titled lands, and I suggest you defer all such matters to the descendants of the original title holders and of these specific parcel and all lands. Mahalo.

CHAIR UʻU-HODGINS: Thank you. Members, any clarifying questions? Seeing none. Thank you very much. Next testifier...

REPRESENTING THE ROYAL KINGDOM OF HAWAIʻI PAE ʻĀINA: And for correct the lady, the letters, she was wrong, the one that...who testified before me. Mahalo.

CHAIR UʻU-HODGINS: Thank you. Oh, I see our next testifier coming down. And then after him, who do we have?

MS. MCKINLEY: Chair, after that we have...

REPRESENTING THE ROYAL KINGDOM OF HAWAIʻI PAE ʻĀINA: And you don't...and you don't even have to be a lawyer or an attorney for...for know all this information, by the way.

CHAIR UʻU-HODGINS: Thank you.

REPRESENTING THE ROYAL KINGDOM OF HAWAIʻI PAE ʻĀINA: It's all in public noted. And yeah, it's on public knowledge.

CHAIR UʻU-HODGINS: Thank you very much. Next testifier we have is Mister...I...your name has so many consonants, that's not how I'm used to pronouncing last names. Can you please say it for me again?

MR. RYLSKY: I...I usually just go by Greg.

CHAIR UʻU-HODGINS: Okay. Greg is good. Okay.

MR. RYLSKY: Yes.

CHAIR UʻU-HODGINS: And then after Greg we have...can you please...

MS. MCKINLEY: Johann Lall on Teams.

CHAIR UʻU-HODGINS: Okay. Sounds great. Thank you. Aloha, Greg.

MR. RYLSKY: Aloha, Committee, ladies, sons of ladies. Pleasure to be here. I actually have a note because I have kind of a few things...I usually try to wing it. First of all, I want to thank Councilmember Johnson for his walk through all these properties that...that he mentioned and I hope everyone, not just the TIG but everyone's had an opportunity to go to the properties. I have not, but you're the Committee so you're...you're responsible for that. All of these properties...I know Members have gone to the Planning Commission. The Planning Commission is a tough spot, and what we hear from the Planning Department is that especially shoreline properties are all unique and must all be taken the time to look at them one at a time. I just worry sending over 25 properties at a time to the Planning Commission, I mean, maybe there's going to be a mechanism in there where they can say we like A, we like B, we don't like C. So, hopefully, during discussion you guys can clear that up so we can understand how that works, and also so that the...I'm sure the Planning Commission members are going to watch this meeting and...and can only imagine what those long nights are going to be like. The leasehold lands, you know, that's a...that's...that's an interesting opportunity for...for a condition. I'm sure that whether the Committee, the Council or even the Planning Commission comes up with it, but that's something that might...I mean, I'm looking forward to the discussion on...on the leasehold from the Committee. And acting as a hotel, right, we have some properties that are amazing hotels that have one employee that's supposed to be there 24/7. That doesn't sound like any hotel I'd want to stay in. You know, if I wanted to change rooms, is that even possible in those kind of properties? If I needed towels, if...you know, anything that comes with what you would expect from a hotel, you know, let's just make sure that these properties really have it. Just because they have a front desk that doesn't mean it's a hotel. What do we have now? I haven't heard anything about shoreline access and parking that we've kind of talked about a lot, so I hope that that comes up in...in discussion, as well as the once talked about vacant home tax. So...so, there's a lot of opportunities because this has run so fast, I mean I can't believe I'm back here again. I was not planning on...on coming in this...this soon, but here I am. And I guess my biggest concern is...and it's come up before where a lot of these properties were residential in the past, right? My...my Minatoya non-Apartment-zoned property was once very residential, and I've seen it taken over.

So, I'm hoping that there are figures that you can say how many residents are there now? Historically, if there's any way to figure out how many residents there were. And the way that the Minatoya list works...like my community is 230 properties. And it was like well, if one did it, now you can all do it. So, I don't know. If there's one resident, does that mean everyone can be a resident? I look forward to the discussion within the Committee and just the opportunity to not forget the residents. . . .*(timer sounds)*. . . And...I have another three minutes, right, because I'm doing both of them? Okay. And then...and I'll make this quick. And...and again, you'd be surprised how many residents don't want to come testify and piss off their board because the ramifications that they deal with is...is awful. And so, I mean I know...I don't know if you guys or Staff or somebody can identify a resident and maybe just...just knock on the door and ask them, and kind of get an actual resident's opinion on if they like paying inflated HOA fees, if they believe that no one could ever actually live there, if having limited parking really offsets the amazing opportunities to live where they live, right? Right now, if I...if I had no parking spaces at this moment, I could live there fine. So, I think that...that being able to look at the wide variety of potential of residents and not necessarily listening to the continental-based board of investors that come in and...and present their cases. It's been interesting listening to all of the testimony, and I am very much looking forward to watching the recording of the discussion later today because I have things to do. Thank you very much. This concludes my time.

CHAIR U'U-HODGINS: Thank you. Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Greg. The one clarifying question I had was, when you mentioned about tax on vacant properties or vacant units, are you not thinking that that's covered by the Non-Owner-Occupied tax classification? You want some...like I feel like our vacant...the Non-Owner-Occupied is the vacant one because you have like a Long-Term Rental classification and Owner-Occupied classification. So, I feel like Non-Owner-Occupied is synonymous with the vacant one.

MR. RYLSKY: I thought that too. During the bill we're not supposed to talk about between eight and ten [*sic*], Councilmember Johnson actually had mentioned that he was contemplating and looking at other jurisdictions that had done something. So, I do understand all of our...all of our tax rates and the way they are and I didn't know if there was some other special classification that...that...that could be had because I haven't heard it since, right? That came up, God, a year ago? And so, I was just throwing that back out there because I paid attention to those little details and I just wanted to remind you that that was mentioned. So...actually if that came up in discussion too, like I don't have to clarify, you know what, that's off the table now, that would...that would be good too.

COUNCILMEMBER PALTIN: Thank you. Thank you for that clarification.

CHAIR U'U-HODGINS: Thank you. Members, any...oh, Member Johnson?

COUNCILMEMBER JOHNSON: Thank you, Chair. Yeah, thank you, Greg, for your testimony. Since you guys had that conversation, I'll jump in for clarification only. I...I think the City and...Honolulu is looking at revisiting in July of next month. Councilmember or

Council Chair Tommy Waters is going to look at their Vacancy Tax. So, seeing what they do is...is important to see what the...where the State's moving. So, I...it's not off the table, but we want to hear what the City in Honolulu is doing. So, that's just for clarification. Thank you, Chair.

CHAIR U'U-HODGINS: Thank you. Any other questions? Seeing none. Thank you very much for your testimony. Next testifier, please.

MS. MCKINLEY: Chair, the next testifier is Johann Lall and...to be followed by Albert Perez on Teams.

CHAIR U'U-HODGINS: Sounds good.

MR. LALL: Good afternoon.

CHAIR U'U-HODGINS: Hello.

MR. LALL: Johann Lall, I'm...I'm testifying on my own behalf. I am against both of these resolutions, and I was in favor of creating the H-3 and H-4 zoning because they basically create due process for these Minatoya owners to be able to retain their current usage by having a type of zoning that is...is basically the same as Apartment zoning, but allows that STR and is not like upzoning to Hotel. So, that's super important, but I think equal protection is also important. And like my understanding in general is that really, laws and government policy should be fair and kind of treat everyone the same. And the testifier from the Minatoya Association...or the STR association used the term similarly situated, and I think that's like an important legal thing because if other Minatoya properties that are not on the list are...meet those criteria you guys listed but are not included, I think they have grounds to sue. So, I would really consult with your lawyers on whether this creates like new legal issues where everyone is not treated fairly and some people are apparently getting like special treatment and kind of like fast-forwarding through the...the process. I really think it should be case-by-case. Everyone should have the ability if they're in the...in the broad set of requirements for H-3 and H-4, which is basically just being on the Minatoya list, they should be able to apply and go through the process just like anyone would go through the process for any other type of Change in Zoning. Another thing is the Realtors Association brought up confusion, and so I think that's...it's kind of another point on that side of like is it going to create issues for you guys in the future? And kind of more broadly, you know, the H-3 and H-4, like I said, are supposed to be the same as A-1 and A-2 aside from the STR usage, so I think the requirements that relate...or the criteria related to like hotel stuff, it kind of doesn't make sense because that's kind of going in the other direction. It's saying well, maybe they should be applying for Hotel zoning if they really are like hotels. And this is also kind of a thing I've thought the entire time this has been an issue is, one argument that keeps coming up is that they say that their properties are more like hotels. Well, the thing is, these are all originally Apartment-zoned, so the original intent was for them to be apartments. And the Planning Department did a really good report, and they explained that it was really a loophole that allowed STR usage because *. . .(timer sounds). . .* the original zoning, it said--and I'm testifying on both...both items so I guess I'll keep going--the...the zoning had...it allowed like motel and boardinghouses, I believe, was the language...they didn't say hotel, but that was used as the justification for allowing STR. So, when you say like my property is like a hotel and has a front desk and has a concierge and all this kind of stuff, like you're basically saying that the people who built that place, they just took advantage of the loophole because they didn't build motels, they built hotels. And so, you're saying well, we should be able to keep doing it because we really, really, really took advantage of the loophole. Like some people kind of took advantage of the loophole, like they built apartments and then they transitioned into short-term use or whatever, but we like went all the way and we built a hotel. Like that's not a strong argument, that's the opposite. Like it makes you look bad when you...when you like brag about how much you took advantage of the loophole. So, I...I really don't understand that argument, and I don't think that kind of criteria should play into, you know, especially blanket zoning. But I do think that they should be able to apply individually and make their case, and the Planning Commission and you guys can say no or you can say yes. That would be fair for everyone. And I really think like due process and equal protection are important, as we've seen with like national issues lately, and fairness in government is...is really super important. So, I would encourage like if there can be changes made, or just have everyone go through the same process that any normal person would to change their zoning from Residential to Industrial if they want to build a factory on their parcel or, you know, farm to...to residential. Like just have everyone go through the same fair process. And also, as far as the community plan, like it seems kind of messy because the South Maui Community Plan is still...like the old one that's been in place forever and the new one is not approved yet. So, like I don't know how exactly that works, but I will say the community plan advisory committee put a lot of work into the maps and those...those community plan designations, so their work should be...should be respected, and like really, they put a huge amount of thought into really like every pixel of those maps. So, please be careful with...with changing anything they did. Thank you.

CHAIR U'U-HODGINS: Thank you. Anybody else...anybody...not anybody else. Anybody has any clarifying questions? Seeing none. Thank you very much for your testimony. Next testifier, please.

MS. MCKINLEY: Chair, the next testifier is Albert Perez, to be followed by Tom Croly on Teams.

CHAIR U'U-HODGINS: Okay. Mr. Perez?

MR. PEREZ: Yeah, sorry.

CHAIR U'U-HODGINS: Hi.

MR. PEREZ: Having trouble with the buttons here.

CHAIR U'U-HODGINS: No, good timing. We just called you.

MR. PEREZ: Aloha, Chair...oh, yeah. Aloha, Chair and Committee Members. Nice to see everyone. Albert Perez with Maui Tomorrow, testifying on both resos. You know, batch rezoning of thousands of properties at once eliminates the opportunity to condition each property appropriately like is normally done with conditional zoning. So, can we say that each of these proposed properties has all the things that are required to function as a hotel? Do we know that none of them have adverse impacts on their neighborhood? Let's remember why this issue became such a big one. Not only have short-term rentals been taking our housing for decades, but they're also ruining neighborhoods with all-night parties and a lack of real neighbors. We're talking about 38 properties with 1,924 units. They each have their own circumstances, and this is only the first batch, apparently. So, I'd like to refer you folks to the Maui County Code Section 19.65, which talks about short-term rental homes, which are a different animal, but there are some good criteria in there, like the availability of a short-term rental manager, that the owner be a natural person instead of a corporation, that there be no existing adverse impacts or complaints, noise, traffic, or garbage, or noncompliance with government permits. So, do we know that all 1,924 of these units comply with these well-considered standards? And Bill 9 doesn't say to rush. It allows years for this to be figured out. There's no reason to rush without doing a thorough evaluation, so I urge the Council to take the time to do this right. And if…if…if anyone is thinking that this bill would result in lawsuits being withdrawn, I think that's very unlikely and should not be a reason to include lots of units, like that's going to help them withdraw their lawsuit. They're convinced…they have been convinced that they're going to win despite intensive study by the County Administration and very clear case law examined by national…nationally recognized property rights experts. So, bottom line is, if an excessive number of units is allowed to continue TVR use, passing Bill 9 will have been a waste of time. Mahalo.

CHAIR U'U-HODGINS: Member Johnson has a question for you.

COUNCILMEMBER JOHNSON: . . .*(laughing)*. . . Thank you…thank you, Chair. Good morning, Mr. Perez. Good afternoon, I should say. You mentioned that in Bill 9, it…there was…it seemed to say there was no rush for this, and yet here we are with a long list and more to add to it. Would you recommend this body do site visits to some of these proposed amendments that…the list of units on the amendments or just overall? Do you suggest we should go and do some site visits?

MR. PEREZ: Oh, absolutely. Absolutely. Or you know, there…there's one person who I know has visited most of these, and that's Lauryn Rego. I don't mean to use your name in vain, Lauryn, but I know that she did a deep dive on each of these. So…but yes, absolutely. There's nothing like going there in person to see what's actually happening. I mean, do they have a front desk or do they just have like a shopping cart where you throw your luggage in? It's…there's a wide variety, and I think that the neighbors, as well as the prospective purchasers of these homes, whether they be affordable or not, that they deserve a thorough investigation by this County, and there's plenty of time allowed by Bill 9 to do that. Thank you for the question.

COUNCILMEMBER JOHNSON: Thank you, Mr. Perez. Thank you, Chair.

CHAIR U'U-HODGINS: Of course. Any other questions? Member Cook?

COUNCILMEMBER COOK: Thank you, Ms. [*sic*] Perez. My clarifying question, it sounds like some of the issues, you're saying homes, but many of these are condominiums. Are…are you meaning the same thing, like with trash --

MR. PEREZ: No.

COUNCILMEMBER COOK: -- and noise and issues?

MR. PEREZ: Well, no, no. Obviously a lot of these, like the bigger ones that have hundreds of units, they're...they're what I would call apartments, condominiums, but some of the same issues could be issues on that property. We should be checking with the neighbors. And by neighbors, I don't just mean people on adjacent properties. I'm also talking about, for those properties that have a mix of actual long-term residents and short-term residents, those people should be consulted and given an opportunity to weigh in. Over time, I've talked to people who have been driven out because they just can't stand all the partying, and there's actually one, a condo in Wailea, where they're identical, and one allows short-term rentals and the other doesn't, and I believe the property values are higher in the one that does not allow short-term rentals.

COUNCILMEMBER COOK: So, thank you. My other further...my clarifying question, being the South Maui rep, and I have gone to a lot of the properties, and I haven't...I'm getting a different message. And so, that's why I'm advocating for some of these, because they're...the workers, the people I've talked to, walking through them, looking like...and I think, just to clarify, like a hotel, Four Seasons, you know, different vibe, whole different thing, but a hotel where people are staying and visiting for a week, there's a swimming pool, and there are kids, and like it's obviously coming and visit short-term and then leaving. So, that's still a semi-hotel experience, would you agree?

MR. PEREZ: Well, I think, you know, it depends on where you are. Obviously, if you go to Four Seasons or the Andaz or something, people are expecting that when they book a room there.

COUNCILMEMBER COOK: Well, I...I...I'm meaning the ones that are condominiums who...short-term rentals, that...that's a hotel experience, even though it's a different hotel experience. I'm sorry, my clarifying question was just trying to get an understanding of your perception of what's residential and what is vacation.

MR. PEREZ: I...I think...

COUNCILMEMBER COOK: And I'm losing you, you're getting blurry.

MR. PEREZ: Sorry?

COUNCILMEMBER COOK: You're getting really blurry.

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

CHAIR U'U-HODGINS: On our end, Mr. Perez, yeah, you're a little bit blurry.

COUNCILMEMBER COOK: Pardon?

MR. PEREZ: I'll just turn my camera off and talk.

CHAIR U'U-HODGINS: Okay.

COUNCILMEMBER COOK: Maybe I just had too much coffee.

CHAIR U'U-HODGINS: No, he was blurry, and I wish I had more coffee. But we can hear him now, you can answer.

MR. PEREZ: Well, it's like...it's like almost...it depends on your perception and what your interests are. So, you know, it's just like noise. Somebody can be...hear the same sound and...and like it or not hear the same...or hear the same sound and not like it. But if your expectations are that you bought a property and you want to have some quiet time so you can rest after you work, and then over time, more and more short-term rentals come in and they...they start putting in amenities that appeal to visitors, these are the kinds of people who have been driven out over the years. And I know people who used to live in some of these apartments that are no longer apartments. So, I think it depends on your perspective and what your interests are.

COUNCILMEMBER COOK: Thank you, Mr. Perez.

MR. PEREZ: You're welcome.

CHAIR U'U-HODGINS: Thank you, Member Cook. Member Sugimura, go ahead.

COUNCILMEMBER SUGIMURA: Thank you. Thank you very much, Mr. Perez. So, in your testimony, you said that there are two properties, one was doing short-term vacation rental and one was not, and your...and one was higher value. Can you give us the name of the properties?

MR. PEREZ: I...I don't want to say the wrong thing. It's just...it's not coming to my mind right now --

COUNCILMEMBER SUGIMURA: Okay.

MR. PEREZ: -- but I can get back to the Committee with this.

COUNCILMEMBER SUGIMURA: Okay.

MR. PEREZ: It's going to come back to you folks anyway.

COUNCILMEMBER SUGIMURA: Thank you. So, it's on our...it's on our list then? You're saying that those properties are currently on our --

MR. PEREZ: I...yes, I believe it's on your list.

COUNCILMEMBER SUGIMURA: -- A-1/A-2 list? Okay. Thank you.

CHAIR UʻU-HODGINS: Thank you. Any other questions? Okay. Go ahead, Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Aloha, Mr. Perez. Mahalo --

MR. PEREZ: Aloha.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- for coming out of witness protection to testify today. *. . .(laughing). . .*

MR. PEREZ: *. . .(laughing). . .*

COUNCILMEMBER RAWLINS-FERNANDEZ: I appreciate your testimony. So, I...this is the first time I heard this in testimony, so you're asking us to kind of follow something similar in 19.65 to allow residents in the complex to be able to be...be notified and be...have an opportunity to testify. Because most of the folks that we hear from are folks that are using their units as a vacation rental, and then when we do hear from folks that reside in that areas [*sic*], they...they don't support the continuation of short-term rental activity. And what we did hear was, you know, about the partying, and...but also that it's the safety...the issue of safety and peace of mind, and not having community. And so, is your recommendation under...with us looking at 19.65 to kind of follow a similar process in asking the...asking for feedback from the residents of the areas of the properties that we're considering rezoning?

MR. PEREZ: Absolutely. I think we need to remember, again, like I said in the beginning of my testimony, not only are these short-term rentals...not only have they been taking our housing over time, but they're ruining our neighborhoods, whether that be on or off the property or within the property. And thank you for mentioning the part about security. It's no wonder that some of these long-term residents are moving out, considering how things have changed over time. Oh, and I just want to say, 19.65 has to do with short-term rental homes, so obviously not everything is applicable, but there are some really good nuggets of information standards that should be considered, like past complaints, noncompliance with permit requirements, excessive noise, things like that. So, I'm sure the Planning Department can take a look at that and propose something that's appropriate.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Mr. Perez. Appreciate it.

MR. PEREZ: Mahalo for the question.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR UʻU-HODGINS: Of course. Anybody else have a question? Seeing none. Thank you very much for your testimony. Next testifier, please.

MR. PEREZ: Okay. Aloha.

CHAIR U'U-HODGINS: Thank you. Bye.

MS. MCKINLEY: Chair, the next testifier is Tom Croly, to be followed by Dan McKenna, both on Teams.

CHAIR U'U-HODGINS: Okay. Aloha, Mr. Croly.

MR. CROLY: Aloha, Committee. Tom Croly, just testifying with my own mana'o here without a dog in this fight. I want to say that I appreciate...oh, I'm testifying on both resolutions. I appreciate Mr. Pfost bringing up the process that this is going to go through, and you just kind of had a discussion about that with the last testifier. And I looked up the process and recognized that when each of these goes before the Planning Commission for a public hearing, notice has to be sent out to everyone within 500 feet. So, particularly with these condos, because I've had to do this myself, you're talking about a certified notice going out to thousands and thousands of people, you know. And we really are going to have to talk about how to do that efficiently, because nobody wants to get multiple certified letters that they have to go to the mail...go to the post office and sign for and so forth in this. But it looks like that is the process that...that this zoning change is going to require. And to that end, it made me think that if there is a property that you guys don't put on the list right now, and then it goes to Planning Commission, Planning Commission would not be able to say, hey, put this property on the list because it's been, you know, recommended to us. They would be able to say to you, don't put this...we recommend don't put this...this property through, but they wouldn't be able to add any properties at that point, because notice would not have been given to the neighbors about the...the...the potential zoning change. So, I really would like to hear more from the Department when you get into your discussion about exactly how they're going to administrate this going forward. Second issue is the...I can't read my own writing here. I was scribbling while you were...while you were going. I'm going to go on to third one so that I can *. . .(laughing). . .* go back to my second. Let's be very clear about what...how all of these properties were developed. In 1981, the County of Maui defined what a transient vacation rental was. And at that time in 1981, they said, the place where we want these, the place where these are allowed is the Apartment District. So, they weren't saying put in a motel. They weren't saying, you know, that you're allowed to make hotel uses. They specifically said, this is what a TVR is, and where this is allowed is in the Hotel District and the Apartment District...end of story, okay? So, that's what we're talking about right now are the TVRs that were allowed by Code, specifically by the County, to allow them to exist in...in the Apartment District. Now, one of the caveats that was put on that was, they had the project instruments, they said, had to explicitly show that this was allowed, okay. *. . .(timer sounds). . .* Now the question...I'll go on to the second one. The question about project instruments is, what did they mean by that? Well, later, the lawyers said, well, your CC&Rs. Something needed to clearly show that that was the intent of the use that you're making here. So, I would encourage the...the Council to look for that. If someone can show that they have proof of that, that's a lot more useful information than is it operating like a hotel is today. However, moving on to what was my second issue, which was, I like what you're doing by trying to break these down into chunks for the...for the Planning Commission to digest. And if you want to say these are hotel and they really, you know, walk like a duck, quack like a duck, consider these as one group, then that's fine, okay?

But what's not clear to me right now is, what other criteria are going to come forward? You know, and that's the confusion at the moment. I know you have some others that you're going to bring forward, and that needs to be clarified as well. But as Mr. Pfost brought up very clearly, you need to be able to give direction to the Planning Commissions of this is why we are recommending each of these properties, and this is how these properties meet the criteria for a Change in Zoning. That's a very important discussion for you guys to have right now and to come out of the Committee report from here with the...with the resolution that...that you would pass on. Because what happened when Bill 88 went down is the Planning Commission looked at their own criteria and said, we don't think Bill 88 meets the criteria. So, it's up to you guys to tell them, we think it does. So...so, you need to have that discussion before you...before you move these things forward. I...I hope that no decisions will be made today. I don't expect decisions will be made today, but I do...I do expect that you can start this discussion with what you have, and I hope that very soon the other criteria that you're going to develop will come out so that you can have a very productive meeting when that time comes. Thank you, Chair, for the opportunity.

CHAIR U'U-HODGINS: Of course. Thank you, Mr. Croly. Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Croly. I just wanted to clarify what you were saying about the notice. You read that in the Code, was it for only applicant-initiated Change in Zoning and not Council-initiated Change in Zoning?

MR. CROLY: Well, I would have you ask the Department that, but I...I interpret what I read as all changes in zoning require a public hearing, and a public hearing always requires notice. Now, there are some other things about the notice, that is, protests. It says, if more than 40 percent of the people protest, then the Council needs a supermajority to pass it. But then it says, if this was initiated by the Council, then the protest part doesn't matter. So...so, I really think that that only applies to the supermajority required if 40 percent or more of the people protest. But they can protest to the Planning Commission, and the Planning Commission can recommend to you not to put a property on the list or whatever. I think that's going to be fine. But again, you got to ask the Department, how are they going to administrate this? It's not 100 percent clear to me.

COUNCILMEMBER PALTIN: Yeah, I'm just...like we did a Council-initiated Change in Zoning this morning. We didn't do any 500-foot radius notice. It didn't get a public hearing because there's 120-day time limit, which they didn't meet. So, I...I...I think that you're not correct in that there needs to be a 500-foot notice. And so, then that would negate what you said about them adding similar-like things because there wouldn't be that 500-day [*sic*] notice.

MR. CROLY: Well, don't take me as the authority, check with...check with your...your people there who are going to decide. But you can specify right now in sending the...the resolution down to the Planning Commission that you want there to be notice. And in fact, I might encourage you to do that because, again, the type of notice you send or the way that...that...that it's written up right now, I think people would have...would end up getting six different notices if they live near a bunch of different buildings, and nobody wants that. Nobody wants, you know, all...I know who definitely doesn't want it is...is the postmen who have to deliver these and get signatures for everyone because it's...it's...it's horrible. So...so, I think you do have to think about how you will serve notice of the public hearing that's going to come up that would be necessary for these. Now, whether or not notices is...is required? Well, ask your...you know, your Staff about that.

COUNCILMEMBER PALTIN: Thank you for that clarification. And there's other things I believe...like you said, you're familiar with the process to change the zoning. Is there other things that you think that we should not bypass? Like, I don't know, certified shoreline or EA or...

MR. CROLY: Well, again, all those are...are in your kuleana. So...so, you can decide what you want to...to condition this stuff on. That gets to conditions of zoning, if you will. But...but with respect to an application for Change in Zoning, there are specific criteria that are listed in Code that say you have to show that you meet these. And usually the Planning Department will do that. Usually the Planning Department will do a review of a...of a request for a Change in Zoning. And they will say, we think it meets this criteria and this criteria because of this, that, and the other thing, okay? But since this is coming from the Council, it's kind of your job to do it, okay? So...so...so, when you send this down to Planning Commission, it's the Planning Commission getting it from you saying, okay, these guys already figured out that it meets this criteria. So, again, Greg's there for you. He's there to guide you, not me. But he seemed to have a grasp on it. . . .*(laughing)*. . .

COUNCILMEMBER PALTIN: Thank you. Thank you for those clarifications and suggestions.

MR. CROLY: Aloha.

CHAIR U'U-HODGINS: Thank you. Any other clarifying questions? Seeing none. Thank you very much, Mr. Croly. Next testifier, please.

MS. MCKINLEY: Chair, the next testifier is Dan McKenna, to be followed by Linda Manry, both on Teams. *(pause)* Dan McKenna, it's your turn to testify. You need to unmute yourself. You're unmuted on our end. *(pause)* Chair, we're not seeing him responding. So, the next testifier is Linda Manry. *(pause)* I do see Dan McKenna unmuting and then muting again. Mr. McKenna, are you able to testify? *(pause)* Okay. Chair, we can come back to him. Linda Manry, if you can unmute yourself, it's your time to testify.

CHAIR U'U-HODGINS: Hi.

UNIDENTIFIED SPEAKER: I'm here --

MR. MCKENNA: Hello?

UNIDENTIFIED SPEAKER: -- but I am not a testifier.

CHAIR U'U-HODGINS: Okay.

UNIDENTIFIED SPEAKER: Dan McKenna has the testimony that our association was going to present. I think he may be having trouble with his microphone. Can you make sure it's unmuted from your side?

CHAIR U'U-HODGINS: It is.

UNIDENTIFIED SPEAKER: I'm sorry, I don't have the material.

CHAIR U'U-HODGINS: Okay. You're welcome to also submit written testimony if there's an issue for Dan McKenna. But thank you.

UNIDENTIFIED SPEAKER: Um-hmm.

MS. MCKINLEY: Yeah, I did see Dan McKenna's mic unmuted and Linda Manry's mic unmuted.

MR. MCKENNA: Hello?

CHAIR U'U-HODGINS: Hello. We can hear you now.

MR. MCKENNA: Oh, great. Sorry, I apologize. I was connected via Microsoft Edge and had to get out of that and onto Teams. Aloha, Chair and Committee Members. My name is Dan McKenna. I'm a property owner in Wailea Ekahi, and I am a two-time past president of Ekahi's Board of Directors. I'm speaking with the support of other individual Ekahi property owners who together strongly support Resolution 26-111 as written. I want to extend our appreciation to each of you for the many hours you've dedicated to reaching this important point. Adoption of Resolution 26-111 will help to maintain zoning at Ekahi consistent with its original intended uses by transitioning A-1 properties to H-3. The resolution will also modify the land use designations for the entire property to be consistent with the purposes for which it was intended. Any additional documentation needed to move Council-initiated zoning for this property forward will be readily provided. Mahalo for all that you have done.

CHAIR U'U-HODGINS: Thank you. Any clarifying questions? Seeing none. Next testifier, please.

MS. MCKINLEY: Chair, the next testifier is Kai Nishiki. And it looks like someone is signing up for the Chamber, Lauryn Rego.

CHAIR U'U-HODGINS: Perfect.

MS. NISHIKI: Aloha, Chair --

CHAIR U'U-HODGINS: Aloha.

MS. NISHIKI: -- Members of the Council. My name is Kai Nishiki. I'm testifying in my personal capacity, but I've also served as a resource. Oh, I'm testifying on both items. I've also served as a resource to the Bill 9 Temporary Investigative Group. I am the former chair of the West Maui Community Plan Advisory Committee, and participated in a working group on the new shoreline and SMA...SMA rules, and have worked with the County on hazard mitigation planning. I offer these comments in that spirit as a resource. As the Council considers what may be the largest County-initiated zoning change and community plan amendment in Maui's history, I'd like to encourage us to step back and ask one simple question. What do we want Maui's shorelines to look like 25, 50, and 75 years from now? County coastal zone management presentations often begin with exactly that question because the answer should guide our land use decisions, our infrastructure investments, and our policies. Today, I ask that climate risk be placed at the center of this discussion. The TIG itself acknowledged that many properties within the sea level rise exposure area will not provide long-term housing for local residents. At the same time, the County's own Hazard Mitigation Plan tells us that coastal erosion will reduce property values, impact our tax base, and require increasing public expenditures as shorelines migrate inland. That raises a fundamental fiscal question. Who is ultimately left holding the bag when investors decide to exit aging shoreline properties built in the '70s? Investors naturally seek to maximize their return when they sell, but the County and our taxpayers remain responsible for the long-term consequences, whether that's emergency response, damaged infrastructure, beach loss, shoreline hardening, or declining tax revenues. I believe it is fiscally reckless to encourage additional investment in known hazard areas while expecting FEMA and the U.S. taxpayers to absorb the costs when the inevitable occurs. Former FEMA Administrator Chris Fugate asked an important question that I think applies directly to today's discussion. He said, what is the proper balance between you as a Federal taxpayer subsidizing states that are building in high-hazard coastal areas that are profiting from that development, but you're basically their insurance policy? That is exactly the conversation we should be having here in Maui. Real estate has always been about location, but what happens when the location itself is becoming increasingly hazardous? According to the Planning Department's May 22nd, 2025 memorandum, 43 Minatoya properties representing approximately 2,440 units primarily located in West Maui appear to be affected by the 3.2-foot sea level rise exposure area. Within *. . .(timer sounds). . .* the lifespan of this zoning, many of these properties are likely to experience increasing erosion, beach loss, insurance challenges, repeated emergency repairs, and growing pressure for shoreline hardening. Fortunately, Maui has an opportunity to do something different. Rather than simple...simply increasing development value, we can align this zoning with adaptation pathways, long-term hazard mitigation, and stewardship of our public trust resources. If upzoning these properties substantially increases the value of these properties, then it is entirely reasonable for the public to expect corresponding public benefits and stewardship responsibilities. This Council-initiated process also puts an incredible amount of added responsibility upon our already understaffed County of Maui Planning Department to do the work usually required of applicants. Primarily, the benefits of this proposal are for the private property owners, and they should be required to do the work and prove that they are worthy of stewarding our priceless coastal public trust resources. I ask the...I ask this Council to consider requiring shoreline properties proposed to provide the same level of review that would normally be required of applicant-initiated Change in Zoning and community plan amendment requests, including environmental review, ka pa'akai analysis, shoreline certification, structural assessments, hazard mitigation planning, and meaningful shoreline access and parking. Likewise, the

Maui Planning Commission tasked with coastal zone management authority for the County of Maui are all volunteer members and should receive complete information regarding each shoreline property's environmental history, shoreline protection history, structural condition, repairs, sinkholes, and long-term viability before making decisions. As many Members of this Council have said, we must correct the mistakes of the past. This is not simply about where people live or offshore investors extracting profits. It is about whether our planning decisions today support healthy beaches, functioning coastal ecosystems, fiscal responsibility, and supporting the natural landward migration of our shorelines, or whether they unintentionally encourage greater investment in areas we already know face increasing long-term risk. The plans, policies, and management actions we adopt today will determine whether future generations inherit healthy beaches and thriving coastal ecosystems or fields of sandbags, failing seawalls, and collapsed buildings. I've submitted detailed written testimony with additional questions and recommendations for your consideration. There's also multiple pictures posted on my Facebook page, probably every single day, of a majority of all of these properties showing sinkholes, failing seawalls. So, please . . .*(timer sounds)*. . . review those photos, and we must do better. This is not it.

CHAIR UʻU-HODGINS: Thank you, Ms. Nishiki. Member Paltin?

COUNCILMEMBER PALTIN: Thank you. I just wanted to go over the criteria in applicant-initiated zoning for shoreline properties. I wrote down environmental review, structural assessment, ka paʻakai analysis, shoreline certification, public access, and parking. Did I miss any of the ones that you said?

MS. NISHIKI: There...there should be structural...I'm so sorry, I wasn't...I'm not sure if you said structural assessment.

COUNCILMEMBER PALTIN: Environmental review, structural assessment, ka paʻakai analysis, shoreline certification, public access, and parking.

MS. NISHIKI: Hazard mitigation planning, so that there is a funded plan for each of these structures for their eventual removal and restoration of our shorelines.

COUNCILMEMBER PALTIN: Thank you. That's all the ones you mentioned in your testimony?

MS. NISHIKI: It is, but there's...I submitted ten...ten pages of testimony that has a lot of other questions that I think that should be asked of the various departments. Finance should probably do a projection of declining tax revenue and how that's going to affect the County in regards to these properties being on the shoreline. And most of them are ready...ready to fail.

COUNCILMEMBER PALTIN: Thank you. You must know how much we all love to read. Thank you.

CHAIR UʻU-HODGINS: Thank you. Any other clarifying questions? Seeing none. Next testifier, please.

MS. MCKINLEY: Chair, the next testifier, and currently the last person signed up, is Lauryn Rego.

CHAIR U'U-HODGINS: Okay. Aloha.

MS. REGO: Aloha. Thanks for having us here. I'm going to testify on both. I'm kind of just going to try to go through the list in the order that they are presented in the agenda, if that's cool.

CHAIR U'U-HODGINS: Yes.

MS. REGO: I'm Lauryn Rego. I am Maui Organizing Manager with Our Hawai'i. In that capacity, I work very closely with Lahaina Strong. We did all the site visits to all of these places. We also looked up all the documents we could find online that kind of painted the picture of like how they came to be or what they said they were going to do. So, that's kind of a background to my comments. Okay. Starting on the first reso, the first four properties are in Mā'alaea. As Jordan testified, we really have stayed firm the whole time that we don't support any upzoning in Mā'alaea because the reasons that she said, the taxpayer investment in the regional wastewater facility. Also, it's one of the few properties where there is empty land across the street owned by Mahi Pono, but maybe there's an opportunity to deal with parking or moving some things. So, I think it's a pretty good spot for residential housing. Property by property, Hono Kai, in the 2023 DC...DCCA filing, they reported that they're 40 percent owner-occupied. If you do go to the properties, being as kind as possible, Hono Kai is not a place that if you went and it was your Airbnb and you went to check in that you would be like really confident in that you made the right decision. So, I'm sure it's a lovely place to live. I think it'd make excellent residential housing, but sometimes like we have so many tourist accommodations, I don't know that these are the best suited, given their history of owner-occupancy and then also like what they're offering. None of the Mā'alaea properties had visible staff, open offices, that kind of thing, at the times that we visited them. Lauloa, just ten years ago, the owner-occupancy was 33 percent. Mā'alaea Kai, right about the same. Milowai Mā'alaea, ten years ago it was 50 percent owner-occupancy. So, these are units where we lost housing in the last ten years, like very clearly. I am going way too slow, so let's speed this up. South Maui, Maui Sunset, this is a hard one. In 1970, you know, their declaration was residential apartments that may be leased from time to time to transients. The last filing, it was 8 percent owner-occupied. So, it matters to me what they said when they got their entitlements to build. And like time to time to transients, I don't know if that's the same as 92 percent off-island owned, 100 percent of the time short-term rental. But the office wasn't open when we went by, online says the office does do check-ins. Kind of on the fence on that one. Maui Hill was exemplary. In fact, we've always supported that you could just *. . .(timer sounds). . .* move that over to the hotel list. Tons of employees, linen services, let's go. Maui Hill's great. The next is the onesie-twosies. In my perfect world, you guys would have had that be a clean, separate list. Because if it was a clean, separate list, we could fully support it, and we would love to fully support something. We were fully supporting the hotel list earlier before Tom's amendments. But if we could pull out those onesie-twosies, they would be not...really, it would be easy. I would even add some. We're missing Lahaina Beach House, which somebody testified about. Wailea

Inn, Palms at Uluniu Shores, I see how you missed them because they maybe started out as like 12 or 8 units, and then over time got kind of morphed into like 1 or 2 or 4 apartments...but I would add those. I would take off Kapu Place, they already have a permit, and I've noticed a trend of like the 100 percent TVRs. I mean, 100 percent timeshares are not on here. The ones with variances aren't on here. So, if somebody has a permit, they probably don't need to be on here either. Let's save the Planning Commission one to research. So, that leaves us at R, Kahana Outrigger. It's a tough one. 1979, private dwellings may be rented for long-term or short-term, including daily...you know, that matters. Hale Mahina, that's...that's a really tough one. 1976, Hale Mahina Condominiums. 1978, on the building permit, they called it an apartment building, you know. At some point, they like add a sign, beach resort. That happens a lot on these. Hale Mahina's been a pretty bad actor without public beach access. There was no mention of occupancy in their reports. I think we should get housing and beach access back. Hale Ono Loa, same thing. 1968, residential apartments, no mention of transient or hotel. We want the housing back. Kuleana Resort, I'm not going to spend time on the ones we don't really care about. Maui Sands II is tricky. I feel like this list was maybe rushed because as somebody testified, it's hard to have a Maui Sands II on the list without the Maui Sands I. They're both leasehold is my understanding. I'm not really advocating for either of them to be on the list, but...but it feels inconsistent, so it does feel like we're rushing. Maui Sands II, 1968, only as a place of dwelling, but they have no pool or anything. So, if Maui Sands I continues, Maui Sands II tourists, so then going into the pool at Maui Sands I, it's a little weird. In Kāʻanapali Royal, I don't have strong opinions, but ten years ago, they were at 54 percent owner occupancy. 1978, no mention of transient or hotel use. There are some additions suggested to that list. Kauhale Makai, you know, I went there twice. The office was always closed. There's a community garden. People are storing things long-term on the lanai. It seems like there's evidence of like people are living there. If there's timeshares, I really don't know what to do about that. Take it or leave it. The next one, Kanaʻi A Nalu *. . .(timer sounds). . .* 1975. Owners, tenants, family, servants, social guests, no mention of transient or hotel. I think I'm pau, but time-wise, yeah, it's already rang twice. Does anybody have a question for me?

CHAIR UʻU-HODGINS: I was kind of following along, so I didn't even hear the first one. Member Paltin?

COUNCILMEMBER PALTIN: Thank you. I wanted clarification on a few things. I see what you're saying about the Māʻalaea properties. There's one of them, Milowai Māʻalaea, which all the units seem to be leasehold with a leasehold expiration of 2038, whereas the other three, it's a smaller percentage. Is...is that a deeper dive type of thing?

MS. REGO: Yeah. And...and again, I'm...I'm not the person who would ask the question about...about a leasehold.

COUNCILMEMBER PALTIN: Okay. And then the other question I had was your reference to the onesie-twosies one...onesie-twosies properties, and comparing it to like Lahaina Beach Club, which might have 11 units, is in reference to single ownership?

MS. REGO: Right. And also, in reference to what we saw there. So, we visited that one, and we accidentally walked like straight through it because it wasn't clear what was happening. And then when we talked to the guests, they had rented the entire place, and it was described that it wasn't like separate apartments...I asked. And also, they are blocking the beach access, and he was like, I rented this out, and this is my beach, so for what it's worth.

COUNCILMEMBER PALTIN: So, for clarification, in your previous written testimony, you would be better if we took all the single-owner properties and made it into a separate resolution, which potentially we could do today if the lawyer says that's an option, and...and that would be something that you would be more supportive of, and including of adding on all single-owner properties for the Planning Commission to make a recommendation?

MS. REGO: That...I would say that full list, minus if Greg flagged that there's one that maybe doesn't meet the criteria because they weren't doing, then I would, you know, really want to honor that, and then if possible, and, you know, just as a layperson, this third criteria, properties with less than five units and values difficult for the average potential homeowner to afford. Like as somebody who has just been here so long and trying to have a really clean record, that, for me as a layperson, feels really kind of not objective. So, if you could...

COUNCILMEMBER PALTIN: Single-ownership properties.

MS. REGO: Single ownership, if the lawyers are like, yeah, that works. I don't know why you guys decided to go a different direction, but if that works and it's clean, I would be really happy to support that.

COUNCILMEMBER PALTIN: And then I think the last thing that I wanted clarification on that you mentioned in your testimony was that you didn't see the properties with variances or 100 percent timeshare on there. And I did have a side conversation with Planning, and part of it is...I mean, like I said, there's many different reasons for us doing it. It's not just one reason. Like, I didn't just marry my husband for one reason. But in terms of the properties, that would be nonaffected by Bill 9, like the variance properties, Kuau Plaza, Hale...Kāʻanapali Villas, 100 percent timeshare. For clarity, if they would be...would have been able to do it anyway, do you have objection to including that to H-3/H-4 for our Planning Staff to be able to be like, oh, I don't have to go look up the variance and what it says, I...I already know it's H-3/H-4. Is...is that something that you would be objected to?

MS. REGO: No, no, no. We've always said we would defer to Planning on those if something needed to be done or not, and my understanding last time we met with Planning was that they had...they had preferred to clean up the zoning, which is, I thought, what we were doing.

COUNCILMEMBER PALTIN: Thank you for that clarification, and hopefully the lawyer is amenable to letting us do the things that you said to do...lawyers.

CHAIR UʻU-HODGINS: Insert heavy eye roll. Any...Member Cook?

COUNCILMEMBER COOK: Thank you. So, a clarifying question. If a property was built in 1978, and they had a sign out front that's still there that said vacation rentals, and had documentation from them, would you be supportive of that?

MS. REGO: I think it really matters what they...what it said on paper, and what they expressed in terms of like how they got their permits, and what was allowed at the time. That means more to me than...than...than a pamphlet. So, like if I could give an example, there's one that I...that I really oppose as an amendment to the hotel list, which is Luana Kai, and I saw the supplementary material that they provided, including a pretty old pamphlet, right? But in 1978, it was a private dwelling for the owners, families, tenants, servants, and guests, with a pet policy that specified no livestock or rabbits at the Luana Kai. So, that, to me, indicates that that wasn't 100 percent a vacation rental place. Like, they were worried about what, we were going to bring out our chickens? If that helps. I think it's a bigger picture than like somebody says there was a sign there in 1970, whatever.

COUNCILMEMBER COOK: No, that's good. I haven't seen that one yet. I just have a document from the developer, an old guy. One of them died, one of them's still alive, and the primary purpose of development was to design and build an apartment in Luana Kai for owners as short-term vacation rentals and not as long-term residential. Mostly because it was a lot of Canadians --

MS. REGO: Yeah, I see that.

COUNCILMEMBER COOK: -- that were buying it to live in part-time and rent out the rest.

MS. REGO: Right.

COUNCILMEMBER COOK: So...and in Kīhei, in my district, that seemed to have been a lot of the beginning, beginning development. So, anyway, I didn't know if you realized, like...or if you've researched and identified that a lot of the buildings were built by Canadians who couldn't stay here all along...all year. So, when they initially...when they very initially built it, it couldn't have been for permanent long-term rent...long-term occupancy because they could only stay here for six months of the year. Anyway, that's my clarifying question.

MS. REGO: Yeah. I think the first time we testified in depth on this you...you weren't here, but we've always acknowledged that a lot of these were built as mixed-use at best, and that the carrying capacity...like the carrying cost was so much lower back then that they could afford to hold onto it, not come, and...and I think that's where like our community came to know a lot of these as longer-term rentals and places where people could live. And it's the advent of the Airbnb and then this nightly rate and everybody's little hotel in their pocket that really kind of shifted the balance, I believe.

CHAIR U'U-HODGINS: Thank you very much. Members, any other questions? If not, thank you very much for your testimony. Did you submit that?

MS. REGO: No, it's all scratch. I'm sorry, I was...

CHAIR U'U-HODGINS: Okay. Would you mind doing a quick cleanup --

MS. REGO: Yeah, I can do it.

CHAIR U'U-HODGINS: -- and then sending it over to us? I'd appreciate that. Thank you very much.

MS. REGO: Thank you.

CHAIR U'U-HODGINS: Members, any other questions? No. Next testifier, please.

MS. MCKINLEY: Chair, no one else has signed up to testify. Would you like me to do a last call?

CHAIR U'U-HODGINS: Yes, please.

MS. MCKINLEY: If anyone would like to testify, please raise your hand now on Teams or approach the podium. Proceeding with the countdown...three, two, one. Chair, it appears no one else would like to testify.

CHAIR U'U-HODGINS: Thank you very much. Members, without objection, I will now close oral testimony.

COUNCILMEMBERS: No objections.

. . . CLOSE PUBLIC TESTIMONY FOR ITEMS HLU-18 AND HLU-19 . . .

CHAIR U'U-HODGINS: Thank you. And as a reminder, written testimony will continue to be accepted. Members, we have about an hour left in our Committee. As you may have noticed, Member Rawlins-Fernandez needed to leave. She has a flight. And Member Paltin has a community meeting to attend tonight. So, we'll...we will be ending at 4:30 today. We are, as we already polled, going to come back on Monday. Most of you folks are available at 11:00. So, we'll be doing that. Member Rawlins-Fernandez asked to go into executive session on Monday when we come back, so we'll plan for that as well. I would love to keep this conversation today, because we only have an hour, a little bit more high level, and then on Monday, we can kind of dig into the individual parcels and the nitty gritty. So, if you have any questions about process, maybe what's coming next, I think I'd appreciate that within our hour. And then again, we can do a deep dive on Monday as we have all that day to kind of sit with each other and talk this out. Member Paltin, do you want to do a quick question? And then I would...I need to pee. So, I would love a recess. And then I'll give you like three minutes and then we'll take a quick recess and come back for the next like 40-ish minutes. Thank you.

COUNCILMEMBER PALTIN: Thank you, Chair. Whatever your pleasure, I'm...I'm fine with that. My question is based on what the last testifier said. Like you know, if the onesie-twosies and the cost is subjective and not objective, could we pull out the single-owner properties and make a different reso list today as part of our Committee work?

MR. NUNOKAWA: Thank you for the question. I...I think you definitely could if you'd like to further refine and further define sort of the criteria for those specific properties. If it can wait until Monday, we could give you a better analysis. But I think that removing properties at this point wouldn't create a real issue. It might create an issue if you wanted to re...try to reintroduce them later on, depending on the specifics of the property. But...

COUNCILMEMBER PALTIN: So, like if I did a PAF or an ASF over the weekend to pull out all the single-owner properties and make its own reso and submit it to the Committee on Monday, would...or whatever day, would that be okay?

MS. NAKATA: Oh, excuse me, Chair. I don't think there'd be an issue in removing properties from the existing reso that's been posted on today's agenda, but adding in another piece of...a separate piece of legislation to the agenda would be a problem.

COUNCILMEMBER PALTIN: Oh.

CHAIR U'U-HODGINS: What if we just created different categories? Like we have...well, the categories we do have in the existing Reso 110 is separated by what's currently existing and what we're moving it to. So, that's why there's only two separate categories. Even though there's two separate zoning categories, even though there's three separate criterias [*sic*] of why they're moving over, timeshares, leaseholds, and the onesie-twosie properties, which is why we had that separate sheet for our review. Would you like to see maybe three different graphs or like an exhibit in the reso that had them separated perhaps with those three categories? Then --

COUNCILMEMBER PALTIN: Yeah, I think that would...

CHAIR U'U-HODGINS: -- we wouldn't have to do a new reso.

COUNCILMEMBER PALTIN: Yeah, I think that might help for especially the confusion too that testifiers were talking about. The way I see it in the one reso with the different sections, ones are...one is like relating to timeshare, one is relating to leasehold, and one is relating to onesie-twosies, which we could make single-ownership properties instead. And...and...and I don't know if we need to put that in there for the clarity of what we're doing in...in that particular reso is timeshares in one section, leaseholds in another section, and single-ownership properties in a...in the third section. And then *. . .(timer sounds). . .* people can say whether they like sections or take sections out or something.

CHAIR U'U-HODGINS: Maybe we can continue to work on that.

COUNCILMEMBER PALTIN: So, still a PAF or an ASF for Monday?

CHAIR UʻU-HODGINS: There we go.

COUNCILMEMBER PALTIN: Something.

CHAIR UʻU-HODGINS: All the alphabet soup. Members, if you don't mind, we're going to take...do you guys want to do a ten-minute recess? Is that okay with you?

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

CHAIR UʻU-HODGINS: Yes? Oh, okay. I thought you said Chair. Okay. Then we will come back at 3:37, and this meeting is in recess. . . .*(gavel)*. . .

RECESS: 3:27 p.m.

RECONVENE: 3:43 p.m.

CHAIR UʻU-HODGINS: . . .*(gavel)*. . . Good afternoon, everybody. It is 3:43, and will the HLU Committee please reconvene. Thank you for that short recess. We do have some documents being handed out to us again. Just as a reminder, we have about 45 minutes left in this conversation. I would like to have some just high-level conversations. If anybody has any questions, I do have a couple things to add for discussion, which...what was I going to say? I totally forgot, I lost my paper. Actually, can we begin with Planning describing to us the process in which this County-initiated Change in Zoning will work, and how notifications will work, as Mr. Croly was asking, and what the public can expect, and what we can expect for continual conversation on this item.

MR. PFOST: Sure. Thank you, Chair. The...there were...there's two separate processes that we're talking about here when we do...between Council-initiated changes in zoning and applicant-initiated changes in zoning. And in Title 19, specifically in...in Chapter 510, 19.510, it talks about that application procedure. So, if an applicant is submitting a Change in Zoning, then there's significant amount of information that they need to submit per the...per this section within the Code. Additionally, that applicant is the one that's responsible for sending out a notification to 500-foot radius to neighboring property owners. What the Department does is, when we receive that Change in Zoning application, and we process it to the Planning Commission, what the Department's responsible for doing is doing a public hearing notification in the newspaper prior to the advance. So, that's what we do in regards to that. And then that Change in Zoning on an applicant-initiated would go through Planning Commission, and then come to Council for...for final vote. A Council-initiated Change in Zoning is something different than that, though, in that there is actually the Council is initiating that application, so there is no applicant. So, subsequently, the sections within Title 19 and 19.510 aren't necessarily complied with entirely. So, for example, there is no notification to property owners within a 500-foot radius because it's Council-initiated, not applicant-initiated. However, what the Department does do is, when we receive a resolution, such as what you're discussing today from the Council, that forwards an initiation to the Planning Department...or to the Planning Commission, what the Department does do is we still do the notification, the...to the newspaper prior to the Planning Commission. So, the Planning Commission does conduct a public hearing on the item before it then goes back to Council with the Planning Commission recommendation. So, those are the...the kind of nuances or differences between the two. Hopefully that helps answer that question.

CHAIR U'U-HODGINS: It does, but I'd just like to clarify that it's a County-initiated Change in Zoning process because the Administration has the same ability to propose any...any changes in zoning as well, which you folks would be held to the same standards we are.

MR. PFOST: That is exactly correct.

CHAIR U'U-HODGINS: So, yeah. This is a Council-initiated zoning, but it's a County-initiated zoning process.

MR. PFOST: That is correct.

CHAIR U'U-HODGINS: Thank you. Member Paltin?

COUNCILMEMBER PALTIN: Could I clarify also, one of the testifiers mentioned about environmental review, structural assessment, ka pa'akai analysis, shoreline certification, public access parking, and hazard mitigation planning. Would that be also required of an applicant-initiated Change in Zoning in addition to the certified notification?

MR. PFOST: It...it may under an applicant. Within...within Title 19, there are certain requirements that the applicant needs to submit. And for example, for project applications, there's a significant amount of information they need to submit...for example, sometimes an archeology report and things like that on various different applications. So, I can't remember whether or not those...those exact things fit into that requirement, but it's up to the Department to request those additional information on an applicant-submitted application if that's the case...and may not happen with a Council-initiated or a County-initiated.

CHAIR U'U-HODGINS: Thank you.

COUNCILMEMBER PALTIN: And then at least the certified shoreline, like there's...there's one train of thought that nothing is changing because it's already a use that's ongoing right now, but the certified shoreline does change. Would that be something that you think would be beneficial for us to know?

MR. PFOST: I'm not sure. I mean, you know, I know some of the TIG's recommendations were to change...change...do zoning changes to H-3/H-4 based upon the location within the 3.2 sea level rise exposure line. So, I suppose maybe in those instances, it would be helpful to know where the...that line is and how it affects those properties...so in the changes of zoning, which properties are affected and how much they're affected. But anything more than that, I'm not sure if they would need to submit anything more than that.

COUNCILMEMBER PALTIN: Than the certified shoreline?

MR. PFOST: Yeah. I'm not...I...I...I...that would be helpful if it was certified shoreline because then we would know exactly where we're talking about.

COUNCILMEMBER PALTIN: Because I mean, if you're saying metes and bounds are needed, isn't that inclusive of the certified shoreline? Because at the wash of the high tide, it then becomes State's jurisdiction rather than property...part of the property metes and bounds?

MR. PFOST: I don't know the answer to that, to how...how significant or how much metes and bounds we need to do to do a Change in Zoning, whether or not we actually need that in metes and bounds.

CHAIR UʻU-HODGINS: James? Oh, sorry.

MR. PFOST: Whether or not...I don't know if we need to, that...that...that description in that level of detail to do just a Change in Zoning application.

COUNCILMEMBER PALTIN: Okay. Can you...

MR. PFOST: When we talk about development applications, it's probably yes. But when we're talking about just a Change in Zoning, I'm not sure we need that specific in metes and bounds.

COUNCILMEMBER PALTIN: Okay. Just thinking of, you know, some of the folks that encroach onto what becomes public property. And...and some of the places that I visited, although there's public access on either side, you can't get to the beach because of sea level rise, erosion, whatever you call it. Like a normal person that's not going to jump in the water, swim around or climb over rocks and things like that can't get to the beach. So, I mean, I don't know if that's what the testifiers were talking about, a deeper dive or a case-by-case property situation, but public beach access is important to me. In a lot of the properties, what was the public beach access, when you get to the end of it, you can't access the beach. So, that's kind of important to me. And I don't know if we're going to be able to give a list of things to the Planning Commission to consider, but that's something I would...I would like, like certified shoreline and public beach access. Thank you. I don't want to be a hog, but I got lots more if nobody else does.

CHAIR UʻU-HODGINS: I'm going to just go by raise of hand. And then I know we only have like maybe 40 minutes, but I...I think 5 minutes is sufficient for right now. Does anybody else have any questions? Member Cook, go ahead, followed by Member Sugimura.

COUNCILMEMBER COOK: I guess my question...one of my questions is like...anyway, it's not really a question, I have a statement.

CHAIR UʻU-HODGINS: Go ahead.

COUNCILMEMBER COOK: Can I make a statement? I'm just going to ask my colleagues to reflect on when things happen in your district, how you feel about it. And I'm letting everybody know that in my district of South Maui, this is really, really affecting a lot of people. And I know...I hear people saying, I went and I looked at the properties, I did that, and I respect that. But Kīhei, the businesses are really being affected. And I'm not...I'm just talking about, this is everybody from shave ice to restaurants to the hardware store. And we don't need just tourists. We need local people too who live in the...live there and work and shop and eat. So, just through this process, I hear a lot of real kind of abstract concepts about how it will work and how it will become better. And prices are going down. I'll share the information with you guys. Prices are going down. It isn't...in six months, there hasn't been many local purchases. There have been local purchases, like 30 percent...mostly cash buyers because they're hard to finance and they're in question. There's structural impediments to people buying these properties because they can't get a loan, not just the leases, but because of this pending litigation and a whole bunch of stuff. People from the mainland are scooping these up. And they can afford them. They don't have to live in them. They pay Non-Owner-Occupied. Our tax base is going down. People aren't getting the employment. I'm just cautious and asking people to weigh out the theory and the reality. And I'm living the reality. I'm just trying to share it. I...I embrace the concept, but I don't see it happening. And I see a lot of negative consequences that...and this is just the beginning. So, anyway, I'm just asking to try and just be receptive and reflecting on what I'm saying. Thank you.

CHAIR UʻU-HODGINS: Thank you, Member Cook. Member Sugimura?

COUNCILMEMBER SUGIMURA: Thank you. Thank you, Member Cook, for fighting for your community because I think we all do that. And so, appreciated what you just shared. So, I'm wondering, just listening to the testimony today, and thank you very much for your resolutions, is there a way that the people who are impacted by this bill passing...I think we're...we're hearing the nervousness, I guess, or anxiety that's out there that Bill 9 has caused. So, does the community need to know what this Committee is going to be doing, like your resolutions you just passed, and what resolutions you have coming in the future? But more than that, people who have properties and are nervously waiting for us to do the next steps, is...is there a way that we can put out like exactly what you did earlier with Planning? So, if you're the applicant, do one, two, three, four. Council or County-initiated, then it's, you know, one, two, three, four. Something so that the different property owners or land use categories can they then say, okay, I am this, so therefore, I'm going to do this, and I don't have to wait...or I will not need to do anything until your Committee, HLU, introduces it on this date. Or just something so there's more definitive steps forward.

CHAIR UʻU-HODGINS: Sure. I was going to say that, so I'm glad you asked.

COUNCILMEMBER SUGIMURA: Okay.

CHAIR UʻU-HODGINS: So, when the TIG provided their recommendations, there were six categories--timeshares, leaseholds, the onesie-twosies, ones that operate hotel, nonaffordable units, the ones that are very expensive, and then the ones with SLR-XA concerns. Noticeably, in these two resolutions, we have timeshares, leaseholds, onesie-twosies, and the ones that operate like hotels. Those are...while there's some subjectivity, those are more objective than not. For the nonaffordable units, the ones that are extremely expensive, and SLR-XA, those required a bit more nuanced discussion and a bit more nuanced work on our end, so we didn't put those through. Additionally, when the MPC reviewed H-3 and H-4, they requested that we send down them as piecemeal as possible so they could digest it all. They initially wanted it individual, but that would have been a lot, so we tried to categorize them as best as we could. So, yes, this is not exhaustive of all the Exhibit 2. This is a portion of, to also make it easier for us to discuss, and for us to work on back here, and for Planning to work on. And Greg has to go be our mouthpiece down at MPC to give him a break too. So, that's what we can expect. On my end, we're still working on the rest of the properties that are not reflected in these two resolutions that are in Exhibit 2. I'm going to do those as the Committee Chair and as the HLU Chair. I think if everybody else wanted to do any ASFs, as we saw, do so. I'm probably not going to be doing those right now. Furthermore, just like any other zoned property, any applicant is welcome to apply on their own. It is a more difficult process, as Mr. Pfost just described. This is a bit more of a hand-holding process for the applicant, for us to help them along this County-initiated zoning process. So, they're welcome to do it. It will be a little bit longer. If it's not initiated by the County, they're still welcome to do it. And they will be reviewed on its merits as we put forth through H-4...H-3 and H-4.

COUNCILMEMBER SUGIMURA: Okay. Great. One of the testifiers was talking about...and shoot, I turned...I...on exhibit...that their additional property should have been also added, but it was not. So, how do we recognize that? Because once we pass the reso and we do not, then can...can properties be added onto ours, or do they have to now do an applicant-initiated change of zoning? Sorry, I don't have that.

CHAIR U'U-HODGINS: If your...is your question related to if they're not currently on the Minatoya list, or if they are on the Minatoya list, and we did not include them today?

COUNCILMEMBER SUGIMURA: So, I don't know if they're not on. Well, if...if it was on the Minatoya, it would have been one of *. . .(timer sounds). . . . .(inaudible). . .* right?

COUNCILMEMBER PALTIN: I think she's talking about...are you talking about Kahana Outrigger?

COUNCILMEMBER SUGIMURA: I don't know the name of the property. There was one, two, and three, and the...no, and...oh, I know, and the fourth parcel was not. Three were on, but the fourth parcel.

COUNCILMEMBER PALTIN: The fourth building.

COUNCILMEMBER SUGIMURA: Fourth building was not.

CHAIR U'U-HODGINS: Oh, that's Kahana Outrigger.

COUNCILMEMBER SUGIMURA: Yeah. Okay.

CHAIR UʻU-HODGINS: We have the option to decide. That's a policy decision.

COUNCILMEMBER SUGIMURA: Okay. So, that can be added on later.

CHAIR UʻU-HODGINS: If we choose to do so.

COUNCILMEMBER SUGIMURA: If we do...okay. Okay.

CHAIR UʻU-HODGINS: Yeah. Okay.

COUNCILMEMBER SUGIMURA: That's Monday, then.

CHAIR UʻU-HODGINS: Yes. Members, do...Member Sinenci?

COUNCILMEMBER SUGIMURA: Okay.

COUNCILMEMBER SINENCI: Thank you, Chair. I want to fight for my community, too. I did have a discussion about adding the only parcel in East Maui. However, can I do...can I still submit an ASF if it's outside the West Maui and South Maui community plan area?

CHAIR UʻU-HODGINS: James, if he works on an ASF, he can get that to us on Monday, and we can include that in the resolution?

MR. KRUEGER: Chair, our understanding is yes.

CHAIR UʻU-HODGINS: Yes.

COUNCILMEMBER SINENCI: Okay. Thank you.

CHAIR UʻU-HODGINS: You're welcome. Member Johnson?

COUNCILMEMBER JOHNSON: Thank you, Chair. I guess I'll speak overall, like you were saying, bird's-eye view. In today's meeting, I'll be honest, I don't think it moved my needle. In fact, it hardened my stance. I toured the list of the properties almost a year ago, and I agree, a few of them should...should be in H-3/H-4, if that's the route. But I wonder why five of us voted for Bill 9, and then we go on and gut it. It's like a bait and switch. That's where I really feel that this is...what was the point of Bill 9, if we're going to put this list with all these folks on, all these properties on there? I don't understand the point. I look at the Maui Island Plan, and I'll...I'll quote it. In Section 4.2.3(A), one of the objectives is "to promote a desirable island population by striving to not exceed an islandwide visitor population of roughly 33 percent of the resident's population." When I go down to South Maui, I don't feel that that's what's happening. It's...it's...it's way more tourists than there is residents. Just to use your district as an example, Councilmember Cook. In 4.2.2(D) of the Maui Island Plan, one of the objectives is to discourage supplementing of existing island housing for visitor accommodations that may have a negative impact on long-term rental housing, the price of housing, or the price of land. And we know that those...some of those units used to be 50 percent owners...or long-term renters, and 33 percent long-term renters. That number has gone down significantly. So, we're supposed to be doing something about that. And I wasn't in the TIG, so of course, I didn't get to voice my opinions there. The idea that our industry is too big to fail, right? We don't want, you know, our...our property taxes going down a little bit, we don't want...look at all these jobs that we might lose. Right now, you go to a hotel, ask them how many vacancies? They can't fill the jobs that they have right now. In fact, I'll give you an example. On Lānaʻi, there's no housing, so these folks are living in the hotel, brought over from the mainland, living in the hotel so they can fill the positions, because we just don't have the people because there's no homes. It goes back...I mean, that's...that's the story. So, I think we do all these things to deal with the...with the effects of this industry. The Kamaʻāina Credit, which is being rolled out right now, is meant to help supplement incomes because a lot of these jobs don't pay well enough. So, we've got to supplement our kamaʻāinas with utility bills, with the cost of groceries, with...and here we are doing that thing that, when it always happens, when we say it's too big to fail, is we privatize the gains and socialize the losses. So, we create the Kamaʻāina Credit program to help pay...help give some money to some folks so that they can actually live. Privatizing the gains, socializing the losses. It's just something that I...I don't think we're...we're...we have gone...we have gotten...there was a chance, and I don't...Bill 9, I thought, was a chance, and right now, with all of these amendments and putting more and more people on the list, and hearing that there might be more coming down the pike, well, for me, in my mind, I'm just like, well, what was the point? So, that's why...that's...that's kind of how I feel. When we go into discussions, you guys won't be surprised when I say these kinds of things. In fact, I'm surprised you're surprised at this point, if you...if that is a thing. But that's really where my heart is for this, and I'll just add that for now. Thank you, Chair.

CHAIR UʻU-HODGINS: Sure. Thank you. If I can add something real quick. I'm not surprised, you're not surprised, but what I am a little bit surprised on is one, I was the flip vote for Bill 9, but I was extremely clear about where I stood. We did the TIG recommendations even before we finalized our vote on Bill 9. I made it very clear that I was supporting Bill 9 because I do believe in housing, but that we had a lot of cleanup to do. This is my version of cleanup. I have only ever been probably a little bit too transparent about where I stand sometimes, so that was my vers...this is my version of doing cleanup. As you know, more than just this, H-3/H-4, Bill 9, what we just did this morning, our zoning laws are so messy, and I want to say a little bit convoluted, but that is not being accurate...it's very convoluted. So, this is really cleanup for me. This was my version of a balance, what I did in my reso, so whether or not everybody else's version of their balance is wherever they are, but this was mine, but I was very clear. So, I don't think this is gutting Bill 9. I think this was what I was expecting I was going to do as somebody who said I was going to support it, but I also supported the TIG in advance as well. But I appreciate your comments. Thank you. Chair Lee?

COUNCILMEMBER LEE: Thank you. Wow, we have a whole bunch of unhappy campers today.

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

COUNCILMEMBER LEE: Yes. And...and I have to say that I am disappointed in that the resos actually reduced the number of the recommendations in the TIG, which was in the neighborhood of 45 to 4,700 units that would have been, you know, essentially exempted. And now we're looking at a number of close to maybe 2,200.

CHAIR U'U-HODGINS: Okay. Real quick. I'm not done with the resos, though.

COUNCILMEMBER LEE: Okay.

CHAIR U'U-HODGINS: That's what I was explaining to Member Sugimura.

COUNCILMEMBER LEE: Yeah.

CHAIR U'U-HODGINS: This is only part of it.

COUNCILMEMBER LEE: Yeah.

COUNCILMEMBER PALTIN: And in addition, the ones --

COUNCILMEMBER LEE: Wait, I'm not...

COUNCILMEMBER PALTIN: -- that weren't --

COUNCILMEMBER LEE: Hey. Hui, hui, hui. I not pau yet.

COUNCILMEMBER PALTIN: -- the ones that weren't affected by Bill 9 weren't added.

COUNCILMEMBER LEE: Okay. So, the idea of this whole Bill 9 in the first place was to free up housing for local folks, you know, local housing. But as we proceeded, we found out that a lot of the housing wouldn't fit their needs. Either they would be too expensive, or they're along the shoreline, and they're...you know, they wouldn't have much economic life to...to the properties. So...so, now we're adjusting to all of that. And so, my concern is, I'm afraid that by choosing 2,200, that's insufficient to me. I think we need to...to face the hard facts that many more units, like you folks first decided in the original TIG, should be on that list. And I don't really believe we should be adding conditions. Because my concern in the very beginning was, okay, we'll go along with this, but the idea is the...the units that we put on Exhibit 2 were already pretty much in compliance. The...the use was already there, but they just didn't have the correct title as far as zoning. So, that's what the issue was. Not to...not to now, because we're requiring them to go into H-3 or H-4 to be adding conditions because they already complied with the use. So, I'm getting a little confused on...on what path we're taking forward because, you know, I appreciate all the work you've done, but I just feel that we need to put less subjective criteria and...and more realistic criteria so that if...if units are already following the use, and have been for the last umpteen years, that we should put them into the zoning category that they belong into. Thank you.

CHAIR U'U-HODGINS: Thank you, Chair. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. To the extent that I agree with Member Lee, the properties with variances were not included. The properties with 100 percent timeshare, which those are all exempt from Bill 9, were not included, and I'm open to including them. I would like to hear from the Planning Department on that. The other thing I wanted to mention is on the leaseholds. For me, I think they do all need to be looked at individually. I'd be in favor of putting it off or not including properties with less than 25 percent leasehold units, looking at the lease expiration date and other things. So, I mean, maybe we put the leasehold properties on the next reso or its own reso. But the...the thing I want to make clear as to Chair Lee's unit count is, all the ones with 100 percent timeshare right now will not be affected by Bill 9. All the ones with variances that allow them to do will not be affected by Bill 9, but they were included in that Exhibit 2. And I have no problem on including it on this list because regardless, they would be able to continue. And it...to me, it cleans things up for Planning, but I'd...I'd love to hear from Planning.

COUNCILMEMBER LEE: Can I ask her a question?

COUNCILMEMBER PALTIN: I'm open to it.

COUNCILMEMBER LEE: So, you're saying the 200...2,200 I just mentioned doesn't include timeshares?

COUNCILMEMBER PALTIN: No. If you're referring to the Exhibit 2 TIG list, properties that were 100 percent timeshare was not included on her list because it was thought to be exempt and then not needed to be on this list. But...and...and also properties with variances. So, they were on Exhibit 2, but they're not showing up here because they're thought to be not affected by Bill 9. For me, the variance properties, it would make it cleaner for Planning to understand that they're allowed to continue to do that use if they get changed zoning to H-3/H-4. It doesn't affect it because they're allowed to do it without, and it was on the TIG Exhibit 2. For the 100 percent timeshares, I think our lawyer said if there's even one timeshare, that the property should be changed because you don't want to enforce against, like you know, some units can, some units no can. But what we heard in testimony today was like, in some cases, units that were timeshare are no longer timeshare. So, if it's 100 percent timeshare and we're saying it's not affected by Bill 9, what if one or two of those units then become not timeshare, and then you have that situation? So, I'd love to hear from either the lawyers or the Planning Director about including those properties that we feel at this moment are not Bill 9 affected because it makes it easier, it makes it cleaner, it makes it...you know, in case one or two units come out of timeshare, there's no ambiguity for future workers or Councilmembers or whoever. So, that would be my question for those two sons of ladies over there.

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

CHAIR U'U-HODGINS: Don't we love that? Go ahead, please.

MR. PFOST: I tend to agree with you that the...the ones that were...and I know of two properties that received variances that allow TVR continued use, and in fact, the Department has sent them correspondence indicating that you have variances that allow your TVR continued use. And it seems to make sense that those property owners are...are interested to put them in an H-3/H-4 so it would allow that same use to occur. And then with the timeshares, I tend to agree with you, too. Bill 9 exempted validly existing timeshares, so it would be important to define what validly is, and I consider that when timeshares were permitted. So, there was a time...in fact, our existing Code right now prohibits timeshares, and so we'd want to check to see that those timeshares are valid, and if they are valid, then...same with any of these timeshares that are noted here, if they are valid, then yes, I would recommend going to H-3/H-4. It just makes it...it makes it cleaner, as you mentioned.

COUNCILMEMBER PALTIN: Thank you. And that brings me to my other point. Like all these things that people are saying I would like to verify, like that they're valid timeshares, that . . .*(timer sounds)*. . . there are leaseholds, and . . .*(inaudible)*. . . I see the other son of a lady who wants to speak.

MR. NUNOKAWA: No, I was just going to say something similar. I think...I'd have to go and verify, but I think that the properties they were talking about was leasehold, not timeshare...because timeshare, under HRS, has very specific criteria and has to be part of a plan. So, I'm...I'm not sure in that situation if they were talking about a timeshare, because normally you don't remove timeshare units, because that requires redoing of...of the timeshare plan itself. But it would be good to get further verification of those types of facts.

COUNCILMEMBER PALTIN: Thank you. I heard the bell, and I love all the things those sons of ladies said.

CHAIR U'U-HODGINS: Especially when they agree with you. Just FYI, Members, Planning's response is HLU-18 and HLU-19 in Granicus, items 14 and 10, for your reference. Does anybody have any other...Nāhulu? Oh, go ahead, Mr. Pfost.

MR. PFOST: Yeah, I was just going to follow up to Nāhulu's comment, was that it's important, I agree, to verify that before we actually do a final approval of any changes in zoning. As I mentioned earlier in my opening comments, that some of these properties that are the onesie-twosies, so to speak, actually, I...I think that they do not qualify under the criteria to actually be in H-3/H-4. You remember one of those criteria is that they operated TVR prior to a certain date, that was in September of 2020. I think there are actually a majority of these onesie-twosies that, at least by our records, do not show that they operated TVR prior to that date. And so, we would want those owners to come forward and provide proof that they did so that we could include them. And I think those kind of things should be rectified before we get to a final vote on any of these moving to an H-3/H-4.

COUNCILMEMBER PALTIN: Is there a problem with combining them? Like we have the timeshares, the leaseholds, the onesie-twosies, would you prefer like taking it through the Planning Commission process to have one reso per, or is that not important to you?

MR. PFOST: I don't think that's as...as much as important as it is providing reason for why timeshares, why the onesie-twosies, why...why the leasehold properties from a Council policy direction so that the Commission can understand why you're choosing these...these and why these individual properties fall within that choice of policy. So, that...I think that's the important part, and whether that's in deliberation or in Committee report, or actually when the ordinance itself...if you were to break it up into three ordinances, you might provide some information within the ordinance itself to give those reasons. That would help the Planning Commission in understanding in their deliberations of what the Council policy direction is.

COUNCILMEMBER PALTIN: So, like one reso, three or four ordinances?

MR. PFOST: It could be that, and then each...each ordinance specifically describes, you know, these timeshares, and because these reasons. I noted in the earlier comments that I had at the beginning that really, in doing a Change in Zoning, there's criteria identified within the Code that says, you know, the Council should abide by this criteria, and doing a Change in Zoning, it would be helpful perhaps if those ordinances described how the Council felt that that criteria was being met. That way it gives the Planning Commission more direction, and the public as well, on what the Council's policy direction is in moving forward. So, I think that anything would help to provide more information too.

COUNCILMEMBER PALTIN: Thank you. That's very helpful, I think.

CHAIR U'U-HODGINS: Thank you. Members, if you don't mind, I'm going to just use up our last few minutes of this Committee meeting. So, a couple of things I wanted to share. In the event that whatever properties pass after our Council meeting, if it passes here, then if it passes at Council, we are going to send a letter to all the properties affected and say, hey, this is what we're considering, please provide us your metes and bounds, please let us know if you do not want to be included. So, as Mr. Pfost was saying, if those properties that are the onesie-twosies, they're not...you know, they don't want to be included, they're not doing short-term rentals, at that time they would let us know. We were working on the list that Planning provided to us. So, if they were on the list, we discussed them. Now, whether or not they want to continue to be TVR-rentaled or not is their prerogative, and they can continue to work with us. What I do want to ask, though, Nāhulu, is--and I've already prepped you with this question, Mr. Nunokawa--I guess I should not call you Nāhulu, this is a little too casual. Deputy Corporation Counsel Nunokawa. So, for properties that are not on the Minatoya list, because we know they aren't exhaustive, but we put in Bill 9 a date in which we needed to send properties a letter saying that they are going to be Bill 9 affected. What happens to those properties that we did not send a letter to?

MR. NUNOKAWA: Thanks for the question, Chair. That's probably something that warrants a longer discussion and probably in executive session, so it might be better to have on Monday.

CHAIR U'U-HODGINS: Okay. We will have that conversation on Monday. Members, do you guys have any other final quick questions? Go ahead, Member Paltin.

COUNCILMEMBER PALTIN: The vetting that you spoke about, like the onesie-twosies or the 1991 timeshare, at what point is it that we do that? Before it goes to the

Planning Commission, before we pass it? Like at what point should that verification vetting occur?

MR. PFOST: I would recommend that that occur before going to Planning Commission. The more information we have, the better, whether that is a letter that comes from either the Chair that she was speaking to notify these property owners and perhaps those specific onesie-twosies. Can you please…you know, we have evidence that does not show that you have done TVR before this use, can you provide that evidence so that then you can make a decision when you pass the resolution?

COUNCILMEMBER PALTIN: So, you guys could help the Chair or whoever craft the letter --

MR. PFOST: Yes.

COUNCILMEMBER PALTIN: -- to provide specific verification of the various criteria?

MR. PFOST: Yes. It's…it's basically the criteria that's…it's actually in Bill 88 or, you know, that was passed. But yeah, we can help with crafting that letter if you like.

COUNCILMEMBER PALTIN: So, I'm just wondering about the timeline. Like we need this verification from the property owners before we --

CHAIR U'U-HODGINS: Yeah.

COUNCILMEMBER PALTIN: -- send it to the Planning Commission. So, we're going to give them a set amount of time?

CHAIR U'U-HODGINS: Yes.

COUNCILMEMBER PALTIN: It might be good to like already post the evidence or that we need so some of the property owners can start…

CHAIR U'U-HODGINS: Getting their things together.

COUNCILMEMBER PALTIN: Uh-huh.

CHAIR U'U-HODGINS: So, in our pre-Committee meeting, it looks like Planning Commission intends to hear this maybe mid-September, late September. So, we're going to give a deadline before that to compile the information. And we will absolutely work with Planning Department to get whatever information they need and we need to make this possible. Greg?

MR. PFOST: If I may, yeah. You actually could pass the resolution to this Commission, but just with the understanding that we need this information --

CHAIR U'U-HODGINS: Yeah.

MR. PFOST: -- before going to Planning Commission.

COUNCILMEMBER PALTIN: By a certain date.

MR. PFOST: Yeah, you know, so that the Planning Commission has understanding. And then Staff would actually, you know, as...as the Department actually provides recommendations to the Planning Commission, if we were to receive that information in that report, we'd probably recommend that these taken out because we do not have proof of such that these were valid, you know. So, I don't think that should stop the Council from moving forward and...and at least moving the resolution forward.

COUNCILMEMBER PALTIN: Thank you. I'm glad we clarified this for whoever's paying attention.

CHAIR U'U-HODGINS: I do...thank you. So, Member Sugimura, followed by Chair Lee, and then Member Sinenci in nine minutes.

COUNCILMEMBER SUGIMURA: Go fast.

CHAIR U'U-HODGINS: Yeah, go ahead.

COUNCILMEMBER SUGIMURA: As we're talking about possibly, if I understand what Member Paltin is saying, to add TVR and change them...their...their zoning to H-3/H-4...is that what we're talking about now?

CHAIR U'U-HODGINS: TVR or timeshare?

COUNCILMEMBER SUGIMURA: Oh, I'm sorry, timeshare.

MR. PFOST: Yeah, we were talking specifically about the timeshare units and whether they're valid timeshare units per the Code, and whether or not the onesie-twosies, for lack of a better term, actually meet the criteria of the Code as well. That's what we were talking about, those two . . .*(inaudible)*. . .

COUNCILMEMBER SUGIMURA: Okay. So, those that are already excluded now from Bill 9, we're looking at it and doing something. My...

CHAIR U'U-HODGINS: Oh, that's not what...that's not what Mr. Pfost is saying.

COUNCILMEMBER SUGIMURA: That's not what he's saying.

CHAIR U'U-HODGINS: So, when we did our...when we did Bill 9, we excluded timeshare units. So, those are not Bill 9 affected. And there are several properties that are 100 percent only timeshares, and those are not Bill 9 affected. But to make everything clean, we should consider perhaps changing them over to H-3/H-4 so that it's just...it's...it's uniform and very clear. However, regardless, if we move them over, they're still not Bill 9 affected.

COUNCILMEMBER SUGIMURA: Okay.

CHAIR UʻU-HODGINS: Yeah.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR UʻU-HODGINS: No worries. Chair Lee?

COUNCILMEMBER LEE: Mr. Pfost, real quickly. If we pass this reso, gave it to you, you'd probably schedule this matter with the Planning Commission sometime in August?

MR. PFOST: My guess is September. We need 45 days for notification. So --

CHAIR UʻU-HODGINS: September.

MR. PFOST: -- so --

COUNCILMEMBER LEE: And then...then what...

MR. PFOST: -- that puts us around September.

COUNCILMEMBER LEE: When would their deadline be?

MR. PFOST: Preferably sometime by the end of August would be great.

COUNCILMEMBER LEE: No, no, no. I mean, 120 days, do they need all that time?

MR. PFOST: The Planning Commission?

COUNCILMEMBER LEE: Yeah.

MR. PFOST: That's a good question. I'm going to get it to the Planning Commission before the 120 days. Hopefully they can do this in one meeting. I don't know.

COUNCILMEMBER LEE: Okay. Because the reason why, I think we can pass this first resolution fairly quickly. But the next one, you know, you probably wouldn't take it up until November, October?

MR. PFOST: Yeah. The next one...I think that the Chair mentioned the next set of ordinances, yes, that would probably occur later in the year.

COUNCILMEMBER LEE: And when do you think that could be returned to the Council?

CHAIR UʻU-HODGINS: That depends when we give it to them.

COUNCILMEMBER LEE: No, but if...if we give it to them in October.

MR. PFOST: Then probably to Council at the first of the year, my guess is.

COUNCILMEMBER LEE: So, it would be the following Council --

MR. PFOST: Yeah. Because we...

COUNCILMEMBER LEE: -- a brand new Council practically.

MR. PFOST: Could...could be, yes.

CHAIR UʻU-HODGINS: If we give it to them in October, but that's not necessarily my plan.

COUNCILMEMBER LEE: Okay. Okay.

CHAIR UʻU-HODGINS: Yeah.

COUNCILMEMBER LEE: All right. Sounds good.

CHAIR UʻU-HODGINS: We can't...we can't talk about it, it's a Sunshine Law violation.

COUNCILMEMBER LEE: All right.

CHAIR UʻU-HODGINS: That's why I can't really say all the things.

COUNCILMEMBER LEE: Okay. Thanks.

CHAIR UʻU-HODGINS: Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. For Monday's executive session, it's just --

CHAIR UʻU-HODGINS: Yeah.

COUNCILMEMBER SINENCI: -- by the request of a Member, or --

CHAIR UʻU-HODGINS: Yeah.

COUNCILMEMBER SINENCI: -- that's --

CHAIR UʻU-HODGINS: We...we have...

COUNCILMEMBER SINENCI: -- for consultation?

CHAIR UʻU-HODGINS: Uh-huh.

COUNCILMEMBER SINENCI: Okay.

CHAIR UʻU-HODGINS: Yeah.

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

CHAIR UʻU-HODGINS: Yes. We will need six votes. It was requested by Member Rawlins-Fernandez, so we will discuss going into executive session on Monday morning.

COUNCILMEMBER SINENCI: Okay. Thank you.

CHAIR UʻU-HODGINS: Yeah. You're welcome. Any other questions? Okay. If not, this meeting is going to be recessed until July 6th, 2026, at 11:00 a.m. through the same Microsoft Teams links and connections that we are using today, with in-person viewing available here in the Council Chamber. No objections to recessing until then?

COUNCILMEMBERS VOICED NO OBJECTIONS (excused: KRF).

CHAIR UʻU-HODGINS: All right. Seeing none. It is 4:25. This meeting is in recess. *. . .(gavel). . .*

RECESS: 4:25 p.m.

hlu:min:260701min:ds

Transcribed by: Daniel Schoenbeck

CERTIFICATION

I, Daniel Schoenbeck, hereby certify that pages 1 through 80 of the foregoing represents, to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 23rd day of July 2026, in Wailuku, Hawaiʻi

Daniel Schoenbeck