

RECEIVED

March 2, 2023

2023 MAR -2 AM 11: 12

OFFICE OF THE  
COUNTY CLERK

MEMO TO: DRIP-1 File

F R O M: Tamara Paltin, Chair  
*Tamara M. Paltin*  
Disaster, Resilience, International Affairs, and Planning Committee

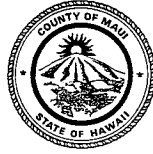
SUBJECT: **TRANSMITTAL OF INFORMATIONAL DOCUMENTS RELATING  
TO BILL 4 (2023), CONVERTING APARTMENT BUILDINGS FROM  
TRANSIENT VACATION RENTAL USE TO LONG-TERM  
RESIDENTIAL USE** (DRIP-1)

The attached documents pertain to Item 1 on the Committee's agenda.

drip:ltr:001afile01:pmg

Attachments

KATHY L. KAOHU  
County Clerk



JAMES G.M. KRUEGER  
Deputy County Clerk

**OFFICE OF THE COUNTY CLERK**

COUNTY OF MAUI  
200 SOUTH HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.mauicounty.gov/county/clerk](http://www.mauicounty.gov/county/clerk)

August 24, 2021

Honorable Tamara Paltin, Chair  
Planning and Sustainable Land Use Committee  
Council of the County of Maui  
Wailuku, Hawaii 96793

Dear Chair Paltin:

At its meeting of August 24, 2021, the matter relating to inventory of County owned real property excluding roadways and easements, was referred to your Committee.

Respectfully,

A handwritten signature in black ink that reads "Kathy L. KaoHu".

KATHY L. KAOHU  
County Clerk

/lks

Enclosure

cc: Director of Council Services

2021 AUG 24 PM 3:35  
OFFICE OF THE  
COUNTY COUNCIL

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Council Chair  
Alice L. Lee

Vice-Chair  
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore  
Tasha Kama

Councilmembers  
Gabe Johnson  
Kelly Takaya King  
Michael J. Molina  
Tamara Paltin  
Shane M. Sinenci  
Yuki Lei K. Sugimura



**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.MauiCounty.us](http://www.MauiCounty.us)

August 4, 2021

Director of Council Services  
Traci N. T. Fujita, Esq.  
  
Deputy Director of Council Services  
David M. Raatz, Jr., Esq.

RECEIVED  
2021 AUG -4 AM 11: 12  
OFFICE OF THE  
COUNTY CLERK

The Honorable Alice L. Lee  
Council Chair  
County of Maui  
Wailuku, Hawaii 96793

Dear Chair Lee:

**SUBJECT: PHASING OUT TRANSIENT ACCOMMODATIONS IN  
APARTMENT DISTRICTS (PAF 21-188)**

May I request the attached proposed resolution, entitled "REFERRING TO THE PLANNING COMMISSIONS A PROPOSED BILL RELATING TO PHASING OUT TRANSIENT ACCOMMODATIONS IN THE APARTMENT DISTRICTS," be placed on the next Council meeting agenda.

Sincerely,

TAMARA PALTIN  
Councilmember

paf:rem:21-188c

Enclosure

COUNTY COMMUNICATION NO. 21-422

# Resolution

No. \_\_\_\_\_

REFERRING TO THE PLANNING COMMISSIONS  
A PROPOSED BILL RELATING TO PHASING  
OUT TRANSIENT ACCOMMODATIONS IN THE  
APARTMENT DISTRICTS

WHEREAS the Council is considering a proposed bill to phase out transient accommodations in the Apartment Districts; and

WHEREAS Sections 8-8.4 and 8-8.6 of the Revised Charter of the County of Maui (1983), as amended, require that the appropriate planning commission review proposed land use ordinances and provide findings and recommendations to the Council; now therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That it refers the proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING CHAPTER 19.12, MAUI COUNTY CODE, PHASING OUT TRANSIENT ACCOMMODATIONS IN THE APARTMENT DISTRICTS," a copy of which is attached as Exhibit "1," to the Lanai Planning Commission, Maui Planning Commission, and Molokai Planning Commission for appropriate action, in accordance with Sections 8.8.4 and 8.8.6 of the Revised Charter of the County of Maui (1983), as amended;
2. That it respectfully requests that the Lanai, Maui, and Molokai Planning Commissions transmit their findings and recommendations to the Council as expeditiously as possible; and
3. That certified copies of this resolution be transmitted to the Mayor, the Planning Director, and the Lanai, Maui, and Molokai Planning Commissions.

ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2021)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 19.12, MAUI COUNTY CODE, PHASING OUT TRANSIENT ACCOMMODATIONS IN THE APARTMENT DISTRICTS

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. The purpose of this Ordinance is to amend the Comprehensive Zoning Ordinance by phasing out transient accommodations in the Apartment Districts to create long-term affordable housing opportunities for residents, as recommended in the 2021 Maui County Comprehensive Affordable Housing Plan. Buildings within the Apartment Districts are intended to provide “higher density housing . . . on a long term residential basis,” according to Chapter 19.12, Maui County Code. This Ordinance furthers that objective by making more units available for residential use.

SECTION 2. Section 19.12.020, Maui County Code, is amended to read as follows:

**“19.12.020 Permitted uses.** Within the A-1 and A-2 districts, the following uses are permitted:

- A. Any use permitted in the residential and duplex districts.
- B. Apartment houses.
- C. Boarding houses, rooming houses, and lodging houses.
- D. Bungalow courts.
- E. Apartment courts.
- F. Townhouses.
- G. Transient vacation rentals in building and structures meeting all of the following criteria, until the date

after December 31, 2021, on which the property is first sold or transferred:

1. The building or structure received a building permit, special management area use permit, or planned development approval that was lawfully issued by and was valid, or is otherwise confirmed to have been lawfully existing, on April 20, 1989.

2. Transient vacation rental use was conducted in any lawfully existing dwelling unit within the building or structure prior to September 24, 2020, as determined by real property tax class or payment of general excise tax and transient accommodations tax.

3. If any such building or structure is reconstructed, renovated or expanded, then transient vacation rental use is limited to the building envelope as it can be confirmed to have been approved or lawfully existing on April 20, 1989. The number of bedrooms used for transient vacation rental must not be increased.

H. Bed and breakfast homes, subject to the provisions of chapter 19.64 of this title, until the date after December 31, 2021, on which the property is first sold or transferred.

I. Short-term rental homes, subject to the provisions of chapter 19.65 of this title, until the date after December 31, 2021, on which the property is first sold or transferred.”

SECTION 3. In printing this bill, the County Clerk need not include the underscoring.

SECTION 4. This Ordinance takes effect upon its approval.

paf:rem:21-188a

Council Chair  
Alice L. Lee

Vice-Chair  
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore  
Tasha Kama

Councilmembers  
Gabe Johnson  
Kelly Takaya King  
Michael J. Molina  
Tamara Paltin  
Shane M. Sinenci  
Yuki Lei K. Sugimura



Director of Council Services  
Traci N. T. Fujita, Esq.

Deputy Director of Council Services  
David M. Raatz, Jr., Esq.

**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.MauiCounty.us](http://www.MauiCounty.us)

October 11, 2021

Ms. Michele McLean, Director  
Department of Planning  
County of Maui  
Wailuku, Hawaii 96793

Dear Ms. McLean,

**SUBJECT: PHASING OUT TRANSIENT ACCOMMODATIONS IN  
THE APARTMENT DISTRICTS (PSLU-34)**

May I please request your written response to the following:

With the assistance of the GIS section, please provide a list of "Apartment District Properties Allowed to be Used for Short-term Rental Occupancy" that are included within or abut the Sea-Level Rise Exposure Area of 3.2 feet.

May I further request a response no later than **November 4, 2021**. To ensure efficient processing, please transmit your response to [pslu.committee@mauicounty.us](mailto:pslu.committee@mauicounty.us) and include the relevant Committee item number in the subject line of your response.

Should you have any questions, please contact me or the Committee staff (Wilton Leauanae at ext. 7761 or Clarita Balala at ext. 7668).

Sincerely,

Handwritten signature of Tamara M. Paltin in black ink.

TAMARA PALTIN, Chair  
Planning and Sustainable Land Use  
Committee

pslu:ltr:034apl01:wal

cc: Mayor Michael P. Victorino

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October 29, 2021

2021 NOV -1 AM 7: 51

OFFICE OF THE  
COUNTY COUNCIL

MEMO TO: PSLU-34 File

F R O M: Keani N.W. Rawlins-Fernandez *KRF*  
Council Vice-Chair

SUBJECT: **TRANSMITTAL OF LEGISLATIVE PROPOSAL RELATING TO  
PHASING OUT TRANSIENT ACCOMMODATIONS IN THE  
APARTMENT DISTRICTS** (PAF 21-244)

The attached legislative proposal pertains to Item 34 on the Committee's agenda.

paf:nas:21-244j

Attachment



# Resolution

No. \_\_\_\_\_

REFERRING TO THE PLANNING COMMISSIONS  
A PROPOSED BILL PHASING OUT TRANSIENT  
VACATION RENTALS IN THE APARTMENT  
DISTRICTS

WHEREAS, the Council is considering a proposed bill to phase out Transient Vacation Rentals in the Apartment Districts; and

WHEREAS, Sections 8-8.4 and 8-8.6 of the Revised Charter of the County of Maui (1983), as amended, require that the appropriate planning commissions review proposed land use ordinances and provide findings and recommendations to the Council; now therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That it refers the proposed bill entitled “A BILL FOR AN ORDINANCE AMENDING CHAPTER 19.12, MAUI COUNTY CODE, PHASING OUT TRANSIENT VACATION RENTALS IN THE APARTMENT DISTRICTS,” a copy of which is attached as Exhibit “1,” to the Lanai Planning Commission, Maui Planning Commission, and Molokai Planning Commission for appropriate action, in accordance with Sections 8-8.4 and 8-8.6 of the Revised Charter of the County of Maui (1983), as amended;
2. That it respectfully requests that the Lanai, Maui, and Molokai Planning Commissions transmit their findings and recommendations to the Council as expeditiously as possible; and
3. That certified copies of this resolution be transmitted to the Mayor, the Planning Director, and the Lanai, Maui, and Molokai Planning Commissions.

**Resolution No.** \_\_\_\_\_

APPROVED AS TO FORM AND LEGALITY:

/s/ Stephanie M. Chen

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Department of the Corporation Counsel  
County of Maui

paf:nas:21-244h

Exhibit "1"

ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2021)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 19.12 MAUI COUNTY  
CODE, PHASING OUT TRANSIENT VACATION RENTALS IN THE  
APARTMENT DISTRICTS

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. The Council finds that under-regulated growth in Transient Vacation Rental units in Maui County is contributing to a shortage in long-term housing inventory and is causing increasingly burdensome tourism impacts. These factors are harmful to residents' quality of life, the environment, and the County's infrastructure.

The Maui Island Plan includes a policy calling for a daily visitor population not to exceed one-third of the resident population. With a daily visitor census of nearly 70,000 and resident population of 164,754 in 2020, Maui dramatically exceeded the desired visitor-resident ratio. The Council finds phasing out Transient Vacation Rentals in Apartment Districts is a step to effectuating the policy.

The Council also finds that businesses operating within Maui County are experiencing employment shortages as a direct result of the housing-inventory crisis, as local workers are forced to relocate outside of the County in search of shelter.

According to the Planning Director’s correspondence to the Chair of Maui County Council’s Affordable Housing Committee, dated August 6, 2021, there are more than 6,000 condominium units in the Apartment Districts that are lawfully being used as Transient Vacation Rentals in Maui County.

Section 46-4 of Hawaii Revised Statutes allows for any county to phase out nonconforming uses over a reasonable period in apartment-zoned areas via a zoning ordinance.

The Council also finds that the lack of long-term housing supply has caused numerous challenges for the community that have been detrimental to public health, safety, morals, and welfare. According to data from the State Department of Business, Economic Development, and Tourism, the Hawai‘i Tourism Authority, Esri, and the United States Census Bureau, Maui County is experiencing a number of housing challenges, including:

- Increased homelessness.
- Increased overcrowding in existing housing.
- Housing and transportation costs outpacing wages.

The purpose of this Ordinance is to amend the Comprehensive Zoning Ordinance to create long-term housing opportunities for residents by phasing out Transient Vacation Rentals in the Apartment Districts.

SECTION 2. Section 19.12.020, Maui County Code, is amended to read as follows:

**“19.12.020 Permitted uses.** Within the A-1 and A-2 districts, the following uses are permitted:

A. Any use permitted in the residential and duplex districts.

B. Apartment houses.

C. Boarding houses, rooming houses, and lodging houses.

D. Bungalow courts.

E. Apartment courts.

F. Townhouses.

G. Transient vacation rentals in building and structures meeting all of the following criteria:

1. The building or structure received a building permit, special management area use permit, or planned development approval that was lawfully issued by and was valid, or is otherwise confirmed to have been lawfully existing, on April 20, 1989.

2. Transient vacation rental use was conducted in any lawfully existing dwelling unit within the building or structure prior to September 24, 2020 as determined by real property tax class or payment of general excise tax and transient accommodations tax.

3. If any such building or structure is reconstructed, renovated or expanded, then transient vacation rental use is limited to the building envelope as it can be confirmed to have been approved or lawfully existing on April 20, 1989. The number of bedrooms used for transient vacation rental must not be increased.

4. The director determines that the existing building or structure is within the 3.2-foot sea level rise exposure area according to the State sea level rise viewer.

H. Bed and breakfast homes, subject to the provisions of chapter 19.64 of this title.

I. Short-term rental homes, subject to the provisions of chapter 19.65 of this title.”

SECTION 3. Material to be repealed is bracketed. New material is underscored. In printing this bill, the County Clerk need not include the brackets, the bracketed material, or the underscoring.

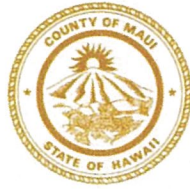
SECTION 4. This Ordinance takes effect on January 1, 2023.

APPROVED AS TO FORM AND LEGALITY:

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Deputy Corporation Counsel  
County of Maui

paf:nas:21-244i



MICHAEL P. VICTORINO  
Mayor

MICHELE CHOUTEAU MCLEAN, AICP  
Director

JORDAN E. HART  
Deputy Director

**DEPARTMENT OF PLANNING**  
COUNTY OF MAUI  
ONE MAIN PLAZA  
2200 MAIN STREET, SUITE 315  
WAILUKU, MAUI, HAWAII 96793  
November 1, 2021

Honorable Michael P. Victorino  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

**APPROVED FOR TRANSMITTAL**

*Michael P. Victorino*  
Mayor      11/3/21  
Date

For Transmittal to:

Honorable Tamara Paltin, Chair  
Planning and Sustainable Land Use Committee  
Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

RECEIVED  
2021 NOV -4 AM 10:36  
OFFICE OF THE  
COUNTY COUNCIL

Dear Committee Chair Paltin:

**SUBJECT: PHASING OUT TRANSIENT ACCOMMODATIONS IN THE APARTMENT DISTRICTS (PSLU-34)**

Thank you for your inquiry requesting the list of “Apartment District Properties Allowed to be Used for Short-term Rental Occupancy” that are included within or abut the Sea-Level Rise Exposure Area of 3.2 feet. The attached spreadsheet reflects these properties.

If you have any questions or need additional information, please feel free to contact me.

Sincerely,

JORDAN E. HART  
Deputy Planning Director

Attachment

- C: Michele McLean, Planning Director
- Pam Eaton, Planning Program Administrator
- Jacky Takakura, Administrative Planning Officer

JEH:atw

P:\LETTER\PSLU-Phasing Out Transient Accommodations in the Apartment Districts (PSLU-34).docx

**Apartment District Properties Allowed to be Used for Short-term Rental Occupancy within/abutting SLR-XA**

TMK	Sea Level Rise Exposure Area (SLRXA)	Project Name	Total Units	Long Term		Short Term		Zoning	Community Plan Area	Year
				Owner Occupied Units	Rental Units	Timehsare Units	Rental Units			
221008064	Within or touching 3.2 foot SLRXA	WAILEA EKAHI I	100	1	0	0	99	A1	South Maui	1976
238014001	Within or touching 3.2 foot SLRXA	MAKANI A KAI	24	1	1	0	22	A2	South Maui	1974
238014002	Within or touching 3.2 foot SLRXA	HONO KAI	46	7	0	0	39	A2	South Maui	1972
238014004	Within or touching 3.2 foot SLRXA	KANAI A NALU	80	5	0	0	75	A2	South Maui	1977
238014011	Within or touching 3.2 foot SLRXA	MAALAEA BANYANS	78	9	2	0	67	A2	South Maui	1978
238014015	Within or touching 3.2 foot SLRXA	ISLAND SANDS	83	10	5	0	68	A2	South Maui	1975
238014016	Within or touching 3.2 foot SLRXA	LAULOA MAALAEA	47	8	1	0	38	A2	South Maui	1979
238014021	Within or touching 3.2 foot SLRXA	MAALAEA KAI	79	11	5	0	63	A2	South Maui	1974
238014022	Within or touching 3.2 foot SLRXA	MILOWAI-MAALAEA	42	8	2	0	32	A2	South Maui	1977
239001002	Within or touching 3.2 foot SLRXA	MAUI SUNSET	225	16	4	45	160	A2	South Maui	1974
239001006	Within or touching 3.2 foot SLRXA	LUANA KAI	113	9	2	0	102	A2	South Maui	1979
239001107	Within or touching 3.2 foot SLRXA	KIHEI BAY SURF	118	9	5	0	104	A1	South Maui	1980
239001134	Within or touching 3.2 foot SLRXA	KOA RESORT II	54	7	1	0	46	A1	South Maui	1980
239001136	Within or touching 3.2 foot SLRXA	KIHEI RESORT	64	10	7	0	47	A1	South Maui	1981
239001143	Within or touching 3.2 foot SLRXA	KIHEI BAY VISTA	60	2	3	0	55	A1	South Maui	1989
239005012	Within or touching 3.2 foot SLRXA	MY WAI BEACH COTTAGE	1		0	0	0	A1	South Maui	1970
239005021	Within or touching 3.2 foot SLRXA	HALE MAHALANI	7	3	3	0	1	A1	South Maui	1951, 1976
239005022	Within or touching 3.2 foot SLRXA	INDO LOTUS BEACH HSE	1		0	0	0	A1	South Maui	1970
239005023	Within or touching 3.2 foot SLRXA	KAMAOLE ONE	12	1	0	0	11	A1	South Maui	1973
239005038	Within or touching 3.2 foot SLRXA	PUNAHOA BEACH APTS	15	0	0	0	15	A1	South Maui	1970
239007001	Within or touching 3.2 foot SLRXA	1194 ULUNIU RD	2		0	0	0	A1	South Maui	1979
239007002	Within or touching 3.2 foot SLRXA	1178 ULUNIU RD	1		0	0	0	A1	South Maui	1935
239008003	Within or touching 3.2 foot SLRXA	HALE KAI O'KIHEI	59	1	0	0	58	A1	South Maui	1969
239008011	Within or touching 3.2 foot SLRXA	KIHEI GARDEN ESTATES	84	9	3	0	72	A1	South Maui	1979
239008031	Within or touching 3.2 foot SLRXA	KIHEI BEACHFRONT	4	0	0	0	4	A1	South Maui	1980
239009010	Within or touching 3.2 foot SLRXA	WAIHULI BCH DUPLEX	2	0	0	0	2	A1	South Maui	1979
239009029	Within or touching 3.2 foot SLRXA	WAIHULI BEACH HALE	52	1	3	0	48	A1	South Maui	1979
239017003	Within or touching 3.2 foot SLRXA	SHORES OF MAUI	50	5	3	0	42	A1	South Maui	1975
239017010	Within or touching 3.2 foot SLRXA	KIHEI PARKSHORE	16	1	2	0	13	A1	South Maui	1974
239017017	Within or touching 3.2 foot SLRXA	KANOE RESORT	18	10	2	0	6	A1	South Maui	1982
242001024	Within or touching 3.2 foot SLRXA	KAPALUA BAY VILLAS	141	3	3	0	135	A2	West Maui	1977
243005009	Within or touching 3.2 foot SLRXA	KAHANA REEF	88	9	7	0	72	A2	West Maui	1974
243005020	Within or touching 3.2 foot SLRXA	KAHANA OUTRIGGER	8	0	0	0	8	A1	West Maui	1981
243005021	Within or touching 3.2 foot SLRXA	KAHANA OUTRIGGER	4	0	0	0	4	A1	West Maui	1981
243005029	Within or touching 3.2 foot SLRXA	KAHANA VILLAGE	42	1	0	0	41	A1	West Maui	1978
243005031	Within or touching 3.2 foot SLRXA	KAHANA OUTRIGGER	4	0	0	0	4	A1	West Maui	1981
243006004	Within or touching 3.2 foot SLRXA	MAUI LANI TERRACES	159		0	0	0	A2	West Maui	1989
243006006	Within or touching 3.2 foot SLRXA	LAHAINA BEACH CLUB	12		0	0	0	A2	West Maui	1971
243006007	Within or touching 3.2 foot SLRXA	NOHONANI	28	0	2	0	26	A1	West Maui	1974
243006012	Within or touching 3.2 foot SLRXA	MAKANI SANDS	30	4	0	0	26	A2	West Maui	1974
243006013	Within or touching 3.2 foot SLRXA	KALEIALOHA	67	9	9	0	49	A2	West Maui	1973
243006014	Within or touching 3.2 foot SLRXA	HONO KOA	28		0	0	0	A2	West Maui	1980



243006016	Within or touching 3.2 foot SLRXA	LOKELANI	36	4	1	0	31	A2	West Maui	1971
243006041	Within or touching 3.2 foot SLRXA	HALE MAHINA BEACH	53	2	1	0	50	A2	West Maui	1981
243006044	Within or touching 3.2 foot SLRXA	HALE ONO LOA	67	5	2	0	60	A2	West Maui	1969
243006063	Within or touching 3.2 foot SLRXA	PIKAKE	12	2	0	0	10	A2	West Maui	1966
243008001	Within or touching 3.2 foot SLRXA	MAHINAHINA BEACH	32	8	7	0	17	A1	West Maui	1979
243008002	Within or touching 3.2 foot SLRXA	POLYNESIAN SHORES	52	2	4	0	46	A1	West Maui	1972
243008004	Within or touching 3.2 foot SLRXA	KULEANA	18	0	0	4	14	A1	West Maui	1972
243008005	Within or touching 3.2 foot SLRXA	KULEANA	100	5	4	29	62	A1	West Maui	1974
243008006	Within or touching 3.2 foot SLRXA	HOYOCHI NIKKO	17	0	0	0	17	A1	West Maui	1973
243009002	Within or touching 3.2 foot SLRXA	NOELANI	50	1	0	0	49	A2	West Maui	1974
243009005	Within or touching 3.2 foot SLRXA	MAHINA SURF	44		0	0	0	A1	West Maui	1969
244001041	Within or touching 3.2 foot SLRXA	HONOKOWAI PALMS	30	5	11	0	14	A2	West Maui	1965
244001042	Within or touching 3.2 foot SLRXA	HALE KAI I	40	4	1	0	35	A2	West Maui	1967
244001050	Within or touching 3.2 foot SLRXA	PAKI MAUI III	28	0	2	1	25	A2	West Maui	1978
244001051	Within or touching 3.2 foot SLRXA	PAKI MAUI I & II	80	10	3	5	62	A2	West Maui	1975
244001052	Within or touching 3.2 foot SLRXA	MAUI SANDS I	56	6	0	0	50	A2	West Maui	1966
244001055	Within or touching 3.2 foot SLRXA	PAPAKEA	364	9	4	35	316	A2	West Maui	1977
244001071	Within or touching 3.2 foot SLRXA	MAUI SANDS II	20	3	1	0	16	A2	West Maui	1969
244006011	Within or touching 3.2 foot SLRXA	HALE KAA NAPALI	258	6	0	0	252	A2	West Maui	1964, 1967
245004002	Within or touching 3.2 foot SLRXA	PUUNOA BEACH ESTATES	10	0	0	0	10	A1	West Maui	1984
245013027	Within or touching 3.2 foot SLRXA	LAHAINA ROADS	41	4	3	0	34	A2	West Maui	1969
256004055	Within or touching 3.2 foot SLRXA	WAVECREST	126	12	6	0	108	A2	Molokai	1975
<b>Totals:</b>			<b>3682</b>	<b>0</b>	<b>125</b>	<b>119</b>	<b>2932</b>			

# Planning and Sustainable Land Use Committee (2021) on 2021-11-03 9:00 AM

Meeting Time: 11-03-21 09:00

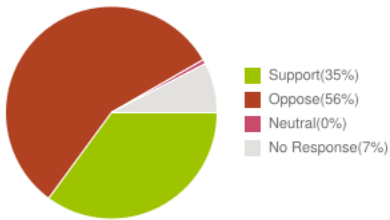
## eComments Report

Meetings	Meeting Time	Agenda Items	Comments	Support	Oppose	Neutral
Planning and Sustainable Land Use Committee (2021) on 2021-11-03 9:00 AM	11-03-21 09:00	3	302	106	171	2

### Sentiments for All Meetings

The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

#### Overall Sentiment



# Planning and Sustainable Land Use Committee (2021) on 2021-11-03 9:00 AM

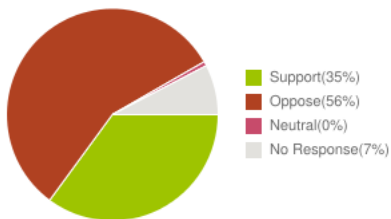
11-03-21 09:00

Agenda Name	Comments	Support	Oppose	Neutral
A G E N D A	34	21	9	0
PSLU-28 CC 21-280 MORATORIUM ON NEW TRANSIENT ACCOMMODATIONS ON MAUI (PSLU-28)	72	43	23	1
PSLU-34 CC 21-422 PHASING OUT TRANSIENT ACCOMMODATIONS IN THE APARTMENT DISTRICTS (PSLU-34)	196	42	139	1

## Sentiments for All Agenda Items

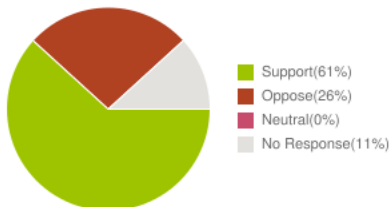
The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

### Overall Sentiment



### Agenda Item: eComments for A G E N D A

### Overall Sentiment



### Guest User

Location:

Submitted At: 5:10am 11-04-21

What does tourism got to do with properties that are ZONED by DEED and LAW for short term rentals?

The state should fix their own problem and not look for a way out of building and spending the states money not take away from small businesses that are legal

### Guest User

Location:

Submitted At: 7:12pm 11-03-21

Eliminate ALL AirBnB's ... STOP the condo-ization of ag land and "ohanas' ... keep the long term rental housing stock on Maui. Eliminate ALL fractional home ownership ... STOP all REIT's. and we will see more housing

available to the local population for HOMES NOT PROFITS. ONLY YOU .. can prevent homelessness

**Guest User**

Location:

Submitted At: 8:54am 11-03-21

This is real simple, if you do away with TVR's, you substantially reduce my ability to sell my unit and therefore the market value of the unit. I would expect to be FULLY compensated for any loss in value associated with eliminating TVR's when I sell my unit. I'm sure there are plenty of lawyers that would love to take on that class action suit on a contingent fee basis.

Mike Grande - Ekahi 44C

**Guest User**

Location:

Submitted At: 6:34am 11-03-21

I am in support of this bill.

**Guest User**

Location:

Submitted At: 4:50am 11-03-21

I oppose the proposed moratorium on new transient accommodations. I live in Maui about 3 months/year. I provide temporary(locums) help at Maui Memorial Medical Center. I purchased investment property on Maui for the specific purpose of transient rentals and resale. This is a major part of my financial portfolio. The proposed moratorium will significantly impact the resale value of my property.

**Guest User**

Location:

Submitted At: 3:08am 11-03-21

There is a shortage of affordable housing, but reducing or eliminating short term vacation rentals will not fix the problem. The County makes much more money from taxing these units by far than residential units. The housing crisis would be much better off with the County reinvesting tax dollars to create affordable housing. A properly established program of medium term loans for building affordable rental housing would do far more to create housing than reducing or eliminating short term rentals. Loan conditions would require builders to keep the units affordable for 15 years.

Please consider this alternative before you make your decision.

Mahalo,

David

**Guest User**

Location:

Submitted At: 10:10pm 11-02-21

I believe not putting a ceiling on the number of TA licenses is antithetical to wanting to preserve and protect the island. Thank you for voting yes on this.

**Guest User**

Location:

Submitted At: 10:04pm 11-02-21

Prioritize housing for residents not visitors.

**Guest User**

Location:

Submitted At: 6:11pm 11-02-21

I was born on Maui and lived here most of my adult life.I strongly support both PSLU-28 and PSLU-34 . We need to look for other alternatives than overtourism. We need to create housing that is affordable for our resident families. Many of the students that I work with in the high schools tell me they know that they cannot afford living here and plan to go to school or get employment in the continental US and reside in a state that they can get a good job. They say to have a better quality of life.. How sad is that for our families?

**Guest User**

Location:

Submitted At: 5:21pm 11-02-21

Build more housing for residents

**Guest User**

Location:

Submitted At: 4:57pm 11-02-21

We must top the continued expansion of our already overbuilt tourism industry.

Mahalo

Bobbie Best

280 Hauoli St. Wailuku

**Guest User**

Location:

Submitted At: 4:16pm 11-02-21

Pacific Shores is zoned to "highest and best use"...please keep STR legal...It is vital for our economy... All of the restaurants, shops, small businesses and excursions are counting on our visitors.

**mary drayer**

Location:

Submitted At: 2:45pm 11-02-21

strongly support both PSLU-28 and PSLU-34 - mahalo for the opportunity to comment #speakup

**PSLU Committee**

Location:

Submitted At: 2:00pm 11-02-21

Testimony from Sarah Hofstadter in support of PSLU-28 and PSLU-34.

**Guest User**

Location:

Submitted At: 1:47pm 11-02-21

Aloha ,are we not paying attention to Global Warming, The rise in the average temperature of earths atmosphere and oceans , we need leaders who can attack this climate change. Kahului Maui is One of the hottest spots in the Hawaiian islands. To coin a phrase they paved paradise and put up a parking lot . No more hotels no more building mega mansions on the ocean or anywhere in the islands . Start planting trees We know this we need to act now please stop the madness .

I cannot believe that Hawaiian Airlines is starting new Direct flights in and out of the islands It's unbelievable the flights that are flying over my house here in Haiku it's nonstop all day long evenings also. We need to limit the air traffic to Hawaii again it's your money or your life . We need to take control of tourism and limit the amount of visitors coming here The damage is almost irreversible now

With today's technology I see no reason why our government employees need to fly all over the place for meetings when we have zoom / Skype.

Human activity and burning fossil fuels will be the end of us, please make it stop, I know you know this, step Up do it now

Mahlo, with Aloha, haikujoe@gmail.com

**Guest User**

Location:

Submitted At: 1:31pm 11-02-21

Prioritize housing for residents not visitors.

**Guest User**

Location:

Submitted At: 1:00pm 11-02-21

We need to build AFFORDABLE rentals and housing. IF new Developments (hotels, etc) are approved, then the

developer needs to commit and actually BUILD housing for Maui Residents. NOT buy housing credits.

### **Guest User**

Location:

Submitted At: 12:52pm 11-02-21

My husband and I bought 10 years ago and plan on moving when we retire. This would only force us to sell, or leave it empty so we can visit when we are able. It would not provide more rental housing on island, as we bought and renovated for our use. We have always paid our taxes. We believe this is truly government overreach as we bought our condo based on its history of vacation rentals so we could afford our dreams.

### **Guest User**

Location:

Submitted At: 11:32am 11-02-21

The housing situation on Maui has become a nightmare for residents. Maui is world famous for vacationers and therefore the ability for home owners to rent out their homes as vacation rentals is unlimited. People think that when they own something they can do whatever they want with it but an island community is unique and requires a unique set of laws. There are no bedroom communities where residents can live.

I am not that familiar with how vacation rental laws work. I just know that I see tourists living in neighborhoods for their vacations and last month when we were searching for an upcountry rental the property manager I contacted about an advertised rental didn't answer until I pressed. Her reply was she received 120 emails in the first day and couldn't possibly respond and it wasn't her fault that there are no rentals on Maui. It was IMPOSSIBLE to find a long term rental. And we have the means to pay. It makes me shudder to think about people with low income. Please make this nightmare for Maui residents stop. I know it's not an easy answer that will please everyone. I just find myself wondering if homeowners could find a way to make ends meet with long term rentals rather than going for the big bucks of vacation rentals that raise the price of real estate in other ways too. What has happened here has been a long time brewing but Covid has really made the problem explode. Thank you for putting this issue on your agenda.

### **Rosa McAllister**

Location:

Submitted At: 11:15am 11-02-21

I am in complete support of PSLU-28 & PSLU-34.

Maui has become over-run by tourists, clogging our roads, using our precious resources, destroying our beautiful & sacred aina. We must find multiple ways to deal with the extraordinary level of over-tourism that has existed & profited on maui. It is about time that residents of maui arte heard, respected, & honored first... & the hotels, developers, off-island investors, & more take a back seat. Please support your ohanas, your Kaunas, your keiki & support PSLU-28 & PSLU-34. Our future is in your hands.

### **Guest User**

Location:

Submitted At: 10:40am 11-02-21

Please see my extended testimony in support of BOTH PSLU-28 AND PSLU-34 submitted via email. - Sarah Hofstadter, Kihei resident

### **Guest User**

Location:

Submitted At: 10:40am 11-02-21

The tourism industry in Hawaii will always be a leader. We need (our leaders need) to realize that and understand it.

The problem is that there is too much brainwashing going on. Our leaders are leaders. They are not hosts. What's being fed to them by HTA and other tourism-favored businesses is that "we need to be sensitive to the industry...to maintain a steady and growing flow of visitors to maintain the revenue flow". This is misleading.

What we should realize is that Hawaii has what NO OTHER state can offer in the way of annual warm weather,

majestic beauty and an amazing culture. Folks, we are not going to lose revenue if the cost of visiting increases. We must not be scared or timid thinking that another 5% accommodations tax is going to destroy tourism; that a 50% increase in room rates and rental car cost will create a vacuum. This past year, we have seen room rates double...car rental rates 10-20X the normal rate...and it has not slowed tourism as much as even our leaders want to see. I am amazed that the airport Marriott was asking for and completely booked at basically the same rate that The Grand Wailea usually charges...\$600 a night! The GW went up to \$1600 a night! And we still had close to normal visitor numbers!

We are being sold out cheap. WAY too cheap.

If there is anything wrong with tourism in Hawaii, it's that the pricing is MUCH too low. THIS is what keeps tourism-based jobs paying so little and residents barely getting by...if that.

It's time that we make demands of our leaders. We cannot ease the pressure. We are moving forward in a positive direction in what we saw this past summer with the new taxing structure and laws regarding STR's, property tax and accommodation taxes...but that's just the beginning. We need to push for higher property taxation and state income taxation on the huge corporations like Marriott, Sheraton and Hilton. They won't up and bolt. They KNOW that Hawaii is their cash cow. They will just simply raise room rates to accommodate the tax increases...especially since ALL hotels and resorts would be affected.

Big corporations are sending boatloads of Hawaiian-generated profits back to mainland home offices and laughing all the way to the bank....

#### **Guest User**

Location:

Submitted At: 10:28am 11-02-21

Enough hotels, tourists, transplants who live here couple months of the year. Take care of the kanaka and other local people first. All our beaches that I used to go to are not accessible because of tourism. And now the beaches the locals go to are getting overcrowded with tourists. Enough already! Maui is not the same place it used to be because of overtourism. Aloha is gone. People are fed up. We the local people cannot afford to live here anymore. When will the politicians see what they are doing to our islands? This place is not Hawaii anymore. Cry for the gods! Cry for the people! Cry for the land that was taken away! Open your ears and your eyes not your pockets! Ua mau ke ea o ka aina i ka pono!

#### **Guest User**

Location:

Submitted At: 9:39am 11-02-21

I am proud to say that I am NOT A REALTOR OR a "Short term vacation rental agent"

I support a moratorium on new transient accommodations on Maui. I am an ER doctor and can testify that the LACK of housing has contributed to the difficulty in getting and keeping healthcare workers in our community. In the last few years, we have lost countless staff from doctors, nurses, techs, radiology staff, case workers, to cleaning staff because they LOST their housing to new owners (who own multiple dwellings) who decided it was more profitable to short term rent their houses. These are neighborhoods and apartments where families lived upcountry, Wailuku, Paia, Kihei and Lahaina. Now these folks live in Vegas, Oregon, Washington State and we have LOST their contributions to our community. Everyday I see extraordinary amounts of tourists and owners who claim to "pay their taxes" and "supply jobs" when in reality, those "jobs" will be utilized REGARDLESS of short term rental or not. I have landscapers, I use cleaners, I do NOT short term rent multiple properties at the expense of my community. I feel we have become of society of haves and have nots. Many of these comments I am reading are WEALTHY OWNERS with multiple properties or REAL ESTATE AGENTS whose vested interest is NOT FOR THE COMMUNITY BUT FOR THEIR OWN WALLETS. Please keep tourism in tourist areas such as hotels. KEEP OUR COMMUNITY for those who CONTRIBUTE TO OUR COMMUNITY in more ways than "employing workers" and "paying their taxes".

Sincerely,  
Vijak Ayasanonda

**Robin Knox**

Location:

Submitted At: 9:18am 11-02-21

I support the passage of PSLU 28 Moratorium on New Transient Accommodations on Maui

**Vijak Ayasanonda**

Location:

Submitted At: 9:03am 11-02-21

As a long time resident of Maui and healthcare worker I am in support of placing limits on tourism and additional visitor accommodations. The amount of visitors and housing that is accommodating visitors and non residents has grown out of control, especially in the last few years. As residents we are told there is not sufficient water, the sewage treatment facilities are insufficient, we have lack of roads, some which are threatened by erosion and sea level rise, we don't have healthcare facilities or adequate number of healthcare providers. The number of visitors per resident is already far higher than the community plan calls for on a daily basis. It has become difficult to go on hikes or to beaches on many days as there is not enough parking. The grocery store has become unbearable on most days. The culture is disappearing and Maui is turning into a place like any other on the mainland. If we cannot enjoy or afford the place we live, we too will have to leave.

**Guest User**

Location:

Submitted At: 8:13am 11-02-21

I have lived on Maui for many years and have witnessed a very large, and unsustainable growth in tourism. With the limited resources, a lack of infrastructure, etc., the quality of Maui's beaches, reefs and ecosystem will continue to deteriorate. We support the proposal to limit the number of tourists that visit Maui and limit the number of vacation rentals, hotel rooms, and other accommodations to keep our slice of paradise vibrant, alive and sustainable. Thanks for your good work. Mike & Jodi Ottman

**Guest User**

Location:

Submitted At: 10:42pm 11-01-21

We can't have all our reliance upon Tourism, we need alternative economy for our community. Thank you for allowing our community to have a voice here. We need to learn from our experiences through Covid and create an alternative economy without all our resources and reliance upon tourism.

Please stop building more visitor accommodations.

Please reduce the existing number of visitor accommodations.

**Marty Martins**

Location:

Submitted At: 10:34pm 11-01-21

1. When the events of 2020 opened our beaches, parks, and parking lots to locals, and made it fun to drive again after 30,000 rental cars were taken off the streets, it showed us that tourism is out-of-control. One way to manage tourism is to limit the number of hotels. The current abundance of hotels are never filled to capacity and are tickled if they reach 65%. A moratorium on hotel construction for the whole island is long overdue. If the day comes that Maui really and truly needs more hotel rooms, the moratorium can always be lifted.
2. Maui has a shortage of available dwellings for residents. I think many of these vacation rentals could and should be made available for local residents. I am not opposed to a certain number of licensed and permitted vacation rentals as long as the owners are residents of Maui. There are too many non-residents who own condos that they use a few weeks to a few months every year and the rest of the time rent out the unit to tourists. There needs to be a moratorium on these kinds of rentals and any current unit rented by a non-resident should pay double the property tax as that paid by local citizens.

**Guest User**

Location:

Submitted At: 9:36pm 11-01-21



local people are priced out of the market in both rentals and ownership. at what point does the culture and HAWAIIANS be considered more important than the american value of money??? when is enuf enuf??? my friends and i are sad on a daily basis. and if not for the post of FB we wouldn't even know about these bills. Many local people don't even know how to navigate the internet to find these items for public comment. i am trying my best to share the info ..PLEASE PLEASE put some sanity back into the decisions that are being made 'for the people' ...mahalo.

**Michael O'Neill**

Location:

Submitted At: 6:12pm 11-01-21

My wife and I own a vacation rental condo in Kihei and we are very strongly opposed to this PSLU-34 Measure. We have been coming to Maui for more than 30 years and have dreams of retiring here someday. We have always operated our property legally and paid very high taxes to the state and county. Without short term rentals to support our 2-bedroom unit the expenses would amount to \$3200/ mo to rent it on a long-term basis. Most of our guests are repeat visitors that do not want to stay in a resort bubble hotel where they will spend all their time and money. They want to support the local community in Maui. They love the people of Maui and shop at the small and local businesses. They go out to the local restaurants. The big hotel guests don't do that. We as owners employ local electricians, cleaners, locksmiths, painters, AC technicians, property managers etc. which support the local economy. If we need to buy a large appliance like a refrigerator, washer or dryer (which we have) we buy it locally because it's too expensive to ship it on island.

If this measure were to go through, it would have a huge negative impact on local businesses and workers. It would not translate into local housing because of the high rent that would have to be charged and also because it's not really suitable for long term renters.

Somehow, I think the responsible STVR owners were lumped in with other owners that were renting bedrooms and other "under the table" situations to avoid taxes and compliance with the rules. The apartment condo owners are not part of that group.

If this goes through, we would definitely not be retiring in Hawaii, we would be the victim of government overreach that would devastate our property value. It would not result in anything near affordable housing in Maui.

**Guest User**

Location:

Submitted At: 3:53pm 11-01-21

I am so sorry to hear that this is being proposed again! I know how hard I have worked to acquire a permit and provide jobs to local people to maintain the property. My guests have appreciated a clean, safe and private place to vacation. Vacation rentals contribute a lot not only to the economy, but through taxes as well.

**Guest User**

Location:

Submitted At: 12:06pm 11-01-21

Gee Whiz.....another useless exercise and more stress to us by the Maui gummint....

Do they not know that the people that rent from us transient providers do so because they cannot afford the room charges at our local hotels.?

And...most important, stay at a mini home usually, with magnificent ocean views and easy access that you have to pay a fortune for at any of the Maui hotels that have similar attributes.?

Reminds me when the Maui gummint wanted to have our local RE agents collect our rents, take out the Transient and GE taxes, and send us the remainder.

The local RE agencies just about had a stroke, for they would have to add many people to handle these kind of transactions, with no benefit to the RE company, so with the rising up of the RE companies on Maui, thankfully this latter day device of private imposition happily died a quick death.

Larry Burke, Owner  
Kana'i a Nalu  
250 Hauoli Street  
Wailuku

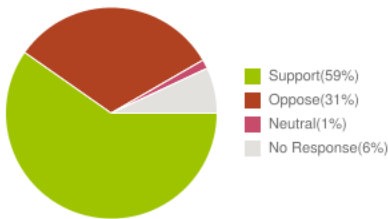
**Dr. Marion Ceruti**

Location:  
Submitted At: 4:38pm 10-31-21

Please see attached file for comments. Mahalo for your kokua.

Agenda Item: eComments for PSLU-28 CC 21-280 MORATORIUM ON NEW TRANSIENT ACCOMMODATIONS ON MAUI (PSLU-28)

Overall Sentiment



**Guest User**

Location:  
Submitted At: 10:00am 11-04-21

PSLU-28cc

**Guest User**

Location:  
Submitted At: 4:09pm 11-03-21

I support the moratorium and think it should be much longer. I do not see how you can in good conscious have this moratorium lifted in 2 or 2.5 years when you are basically trying to reduce existing, legal vacation rentals with the second bill.

That seems very strange to me.

**Thomas Croly**

Location:  
Submitted At: 2:35pm 11-03-21

Comments for PSLU- 28 and PSLU-34

First I would like to comment on PSLU-28. I don't believe this measure is consistent with our Maui island plan because it does not seek to "manage" visitor, part time resident, and resident ratios. Instead of managing visitor accommodations as the B&B and STRH ordinances do, it simply places a moratorium on a portion of Maui's visitors. because the largest increase in The three groups that the island plan seeks to manage are the part time residents, who are being counted as visitors. Nothing is being done to stop the tsunami of home sales for use as second homes.

While I don't favor more hotels, I don't believe that tearing apart an ordinance that is working well to manage one sector of our visitor industry and a moratorium on permits will address the growth issues that Maui suffers from. The largest growth has come from new residents moving to Maui and the second largest growth has been by part time residents and all of these residents depend on the taxes and revenues generated by the visitor industry.

PSLU-34

I would urge this committee to file PSLU 34 and use the input from this meeting to come up with a better proposal to meet the stated goal of creating affordable housing for residents. I do have some suggestions for ways to actually create some resident housing opportunities, but unilaterally taking away a vested property right is not a good plan for achieving this goal.

Committee chair gave a brief historical overview of the properties that would be affected by this measure. But I am afraid this history did not go back far enough to tell the whole story of these properties. The properties in the Apartment districts that would be impacted by this bill are buildings that were built in the 1960's 70's and 80's and were built specifically for transient accommodation uses and this land use right has been instilled in these properties for 30 to 50 years. They did not gain Transient use from the 2014 codification of the minitoya opinion. These properties were specifically endowed with transient use rights when they were built and those rights were affirmed in 1989 and 1991 in ordinances 1797 and 1989. Prior to these dates the apartment district contained an express permission for transient uses.

But in 1991 a prohibition on transient uses for newly built buildings in the Apartment district and these buildings were expressly restricted "long term residential use". And this is my first suggestion for finding resident housing. All buildings in the apartment district are required to to be used for long term residential use, but the majority are currently being used as second homes. The County could make an effort to ensure that these buildings are not being used as second homes and are used exclusively for resident housing, either as homeowner or long term rentals.

A second suggestion I have is to put together a program to offer to condo buildings where short term rental use is allowed by code to voluntarily opt out of short term rental use in exchange for a lower property tax rate. I know there are some buildings where some number of the owners would prefer there to be no short term rentals. If these owners voted to change their CC&Rs to forbid short term rental, they might welcome a tax abatement.

Finally I would suggest a program where new short term rental home permit applicants could bypass the 15 year ownership requirements and established caps by offering a short term rental condo as an affordable rental. For example, the owner of a \$5million house could be permitted to operate it as an STRH by purchasing a vacation rental condo and offering it thru the County to a low income qualified tenant at an affordable rent. One short term rental eliminated in exchange for a high end property becoming a regulated STRH.

I hope the Council will listen to the vast majority of testifiers today and will file this measure.

Ordinance 1989 removing transient accommodation use from being expressly allowed in the Apartment district:

Time share units, time share plans and transient vacation rentals are allowed in the hotel [and apartment districts] districts.

Footnotes of Ordinance 1989 making clear that transient uses may continue in buildings built prior to 1991:  
SECTION 11. This ordinance shall take effect upon its approval; provided that this ordinance shall not apply to building permits, special management area use permits, or planned development approval which were lawfully issued and valid on the effective date of this ordinance.

**Guest User**

Location:

Submitted At: 1:41pm 11-03-21

PLSU-28 we need a moratorium.

I support PLSU-34 phase out vacation rentals in apartment districts, it should be for residents to rent.

Mahalo

Ui'lani Kapu

**Guest User**

Location:

Submitted At: 12:39pm 11-03-21

I strongly support both PSLU 28 and 34. I assume that visitors come to Maui to experience it's peace and beauty. The more we build, the more we destroy the very thing people come here to experience. So many beautiful places that have been overrun with tourists and these places have started to implement procedures to protect and 'clean up' the impact of over-tourism. (Venice, Manchu Picchu, Barcelona, Santorini, Amsterdam, areas of Iceland, Mallorca, Kyoto to name a few). We are already experiencing a housing crisis for local residents on Maui which simply is not okay. Who will be able to work in the tourist industry if people cannot find or afford housing. This is an example of the proverbial 'shooting yourself in the foot'.

SUGGESTIONS: implement a hefty tourist tax (money to be used to address issues resulting from over tourism, limit visitors per day (1 visitor per 25 residents), moratorium on building to accommodate visitors (if we limit the amount of visitors, there should already be enough accommodations), reduce the current number of visitor accommodations, LIMIT the number of vacation rentals so that there is more housing available for local residents.

There MUST be an honorable balance that we can strike so that local families are valued and protected as we share this island CONSCIOUSLY with visitors who want to enjoy this island.

Do NOT wait till it's too late to do anything about protecting this beautiful island. The vision must go beyond 'money in the pocket now' at the expense of marring and destroying Maui in the future....PLEASE look ahead....

### **Guest User**

Location:

Submitted At: 12:06pm 11-03-21

Papakea was approved and built as a resort. I am absolutely against any changes to the rental structure that has been in place since it was built in 1976-1977. The rental structure you propose will not help owners or long term renters. The purpose of the resort should be honored.

### **Guest User**

Location:

Submitted At: 11:03am 11-03-21

I support a moratorium on new transient accommodations. I support small, resident owned accommodations that help local residents and tax dollars stay in the state. And how can we justify new hotels when upcountry residents have been waiting for water meters for decades.

### **Guest User**

Location:

Submitted At: 10:41am 11-03-21

Aloha Council members,

I would like to support PSLU 28- I appreciate the moratorium because it creates the opportunity to re-align the vision for our island- We have limited resources, land, water, infrastructure , housing. Why the need for speed? The moratorium allows consideration of the long term quality of life over immediate financial gains. Think about it what will Maui look like, feel like and be in twenty years time at this rate? Once the building is done , the resources used, the numbers of visitor accommodation increased to an unsustainable number, it will be too late. It is now that we have the opportunity to plan, consider, balance, re-direct not later. Many voices speaking against the moratorium are focusing on immediate financial gain- that is not the place to come from. I would love an opportunity to see data on how many of the laborers and tradesmen on the large transient accommodation projects are imported from the mainland and outer islands. I think we would all be surprised by the numbers. We are no longer considering how to support our local families, and our local workforce. We are now importing lots of laborers and tradesmen doing the same jobs for these projects who compete directly with our own community. Not only for work , but also for housing. Is Maui here for the taking of the top percentage in the tourism and development industry who are benefitting greatly from this out of control building ? Please vote through PSLU 28, Mahalo

### **Guest User**

Location:

Submitted At: 10:32am 11-03-21

Private property is not only the foundation of prosperity but of freedom itself. The constitution protects private property under the 5th. & 14th. amendments.

The basic rights they recognized, beyond acquisition and disposal, were the right of sole dominion — variously described as a right to exclude others, a right against trespass, or a right of quiet enjoyment, which all can exercise equally at the same time and in the same respect — and the right of active use. This will seize these rights as well as the value of our property.

The county government's assumed power to seize property thru the insidious method of overregulation, still seizes our property as in a dictatorial communist state.

I definitely agree that there is a need for affordable housing for the permanent resident. Taking property rights and value from existing home homeowners, I believe is not the correct path to go.

I would suggest to maybe enact a 1% tax on all vacation rentals dedicated solely to building affordable residential housing.

Mahalo, Marilyn McDonald

### **Guest User**

Location:

Submitted At: 10:02am 11-03-21

Aloha my name is Suzette Felicilda, born raised and kanaka maoli of Mala, Lahaina. I've seen too many changes and I don't want more hotels and vacation rentals being built here-Maui and support a moratorium on building more visitor accommodations.

Mahalo,  
Suzette Felicilda  
Kanaka Maoli  
Mala, Lahaina

### **Guest User**

Location:

Submitted At: 9:54am 11-03-21

Please build more affordable housing!

### **Kahala Johnson**

Location:

Submitted At: 9:53am 11-03-21

Aloha mai k\_kou my name is Kahala Johnson, I am a Kanaka Maoli and Filipino resident of Maui whose labor has been exploited by the hotel industry in the past. I stand in strong support of PSLU-28 and the moratorium on hotels. Tourism has always been an unsustainable colonial business maladaptive to the future of Hawaiians and Filipinos on Maui. By placing us into a commercial relationship of abusive dependency on transient populations with no commitment to our communities, our ecologies, and our food chain supply systems, tourism parasitizes our people and land, gaslighting our experience of exploitation by paying lobbyists to testify how grateful we should be as its local hosts. And yet the labor of Hawaiians and Filipinos has always been harvested by the hotels, who exoticise and caricature Hawaiian culture while rendering the harms done to Filipina at the hotels invisible. Tourism, and the hotel industry in particular, is an outdated, unsustainable economy that will continue to exploit these communities on Maui. The moratorium is a step to halting that abuse where we can take time as a community to explore more sustainable options that center the needs of Hawaiians and Filipino/as, the people whose land and labor this archaic remnant of colonization is built upon.

### **Guest User**

Location:

Submitted At: 9:41am 11-03-21

Aloha Kakou my name is Kaipo Kekona born and raised here in Lahaina Maui. I am absolutely in support of PLSU 28 CC 21-280. I have had the pleasure of serving our communities not only Lahaina and Ka'anapali during the pandemic closure and have had numerous conversations with community members of all ages and heard first hand of their appreciation for the break we were experiencing from the overwhelming exploitation of the Island. This moratorium is much needed so we can begin the conversations on the reforming of our visitors industry. This

conversation needs to be done. Clean environmental programs, micro plastic screening by all commercial ocean activities. The potential is huge we need the space and time for this to happen. The time requested in this bill is small and should be longer. Mahalo nui Kaipo Kekona

**Guest User**

Location:

Submitted At: 9:37am 11-03-21

Aloha mai, My name is Nameaaaa Hoshino. I am in support of this bill.

**Guest User**

Location:

Submitted At: 9:08am 11-03-21

I believe that we the people of Maui County need to have a full discussion on both PSLU-28 and PSLU-34 as it relates to the goal set by the Maui County Council to have 5000 homes built in the next 5 years. I encourage the Maui Realtors Association and others to be part of that discussion. I think that the efforts of the Maui County Council to make this discussion possible should be commended. The question that I see is how do we take care of the housing needs for our low-income and moderate-income residents? Do we build new or do we repurpose what is already built? Let us talk without blaming or bad mouthing one side or the other.

**Guest User**

Location:

Submitted At: 9:05am 11-03-21

Aloha Chair Rawlins-Fernandez and Members of the Committee,

My name is Jade Chihara and I am born and raised in Lahaina. Mahalo for proposing this moratorium on building new visitor accommodations. I feel that visitor accommodation of short term visitors has taken priority over the quality and wellbeing of the residents who live here long term. I appreciate this moratorium and support Chair Rawlins-Fernandez's work on this matter.

Mahalo,  
Jade

**Guest User**

Location:

Submitted At: 8:55am 11-03-21

I oppose any further restrictions from the legally existing transit accommodation in the vacation rental zones and what the zoning currently permits. No need for further changes just enforce the rules by making the various platform(Airbnb/VRBO) verify the accommodations on there sites are legal and paying taxes. In addition, the current legal transient accommodations provides various income for the people staying on Maui(cleaning services, property management services, restaurants, grocery store, diving shops, car rentals, tourism shops) for low to middle income resident on Maui. To deprive them of making a living is wrong. The council could better use the tax dollars the transit accommodations are generating to fund moderate to low income housing developments for the residents of Maui instead of approving these restrictions.

**Guest User**

Location:

Submitted At: 8:30am 11-03-21

Mahalo for proposing this long-awaited and much-needed moratorium on building new visitor accommodations. Although most of the Maui Nui I\_hui would advocate a longer term than this legislation proposes, we'll take what we can get and hope for future extensions, renewals, or broader moratoriums. Although I'm in West Maui, where K'\_anapali and L\_hain\_ are quite negatively impacted by the extractive visitor industry, during Ka'apuni O Lono, I had the opportunity to speak with many moku districts who feel the same way about supporting a moratorium for their communities as well. The whole mokupuni needs a break from the unsustainable construction of more hotels and other visitor accommodation.

Fay McFarlane  
L\_hain\_, Hawai'i

**Guest User**

Location:  
Submitted At: 8:20am 11-03-21

We already have too many visitor accommodation. Stop building more!

**Guest User**

Location:  
Submitted At: 7:53am 11-03-21

This is a terrible idea. It will only drive \$\$\$ to hotels owned by rich mainlanders. We should support properties like this, many of which are owned by locals.

**Guest User**

Location:  
Submitted At: 7:48am 11-03-21

We need to rethink how to make affordable housing a reality without losing money through TAT

**Guest User**

Location:  
Submitted At: 7:42am 11-03-21

Aloha Planning and Sustainable Land Use Commission,  
If there's one thing the tsunami of visitors that has arrived in 2021 has shown us is that there is such a thing as too much: too many people, too many cars, not enough residents to care for all of the visitors and fill all of the job openings necessary to keep the tourist machine running.  
Median prices on homes has skyrocketed due to mainland real estate speculators being able to work remotely pricing local families and residents out of ever being able to own a home. Rents have skyrocketed in step with the cost of home purchase. Properties that were always workforce housing are being purchased and converted to vacation rentals. On West Maui to name a few, Napili Ridge and Kahana Manor always were workforce housing, a starter place for young people that fill so many jobs in tourism. My first place out of my parents house when I was 22 was the Kahana Manor. Recently a real estate speculator purchased 30+ apartments at Kahana Manor, so many friends losing their long time homes, and turned into vacation rentals. A home in Mahinahina that had 5 separate unit recently was given a STR permit taking away housing for 15 more people. Our housing is not a commodity to be sold to greedy real estate speculators that don't live here and don't give back to our community. Enough is enough! Vacation rentals should not be allowed in workforce housing. Our community needs places for young people and working families to live and live in dignity, not 5 people in a studio because that's all they can afford. Our elected officials need to represent the people of Maui not mainland investors that only seek to exploit a system that doesn't work for our residents. Please NO MORE VACATION RENTALS IN APARTMENT DISTRICTS. Please Council members, do what's right for our community and protect what housing we still have left for our community.  
Please support a moratorium on new hotels. There are plenty of vacation rentals lining the west and south shores of this island, some in desperate need of repair and coastal retreat. As stated above we cannot even house enough workers to fully staff the hotels we already have.  
Please do the right thing. Protect workforce housing by denying and revoking STR permits in apartment districts and please no more hotels!  
Mahalo for your time,  
Amy Stephens  
Napili

**Guest User**

Location:  
Submitted At: 7:37am 11-03-21

Dear Maui County Councilmembers,

On behalf of Maui PRMA, the Vacation Rental Trade Council under the Maui Chamber of Commerce, we would like to express our opposition to PSLU-28 and PSLU-34. PRMA, the Professional Rental Management Association, is a coalition of professional property management companies representing over 1600 legally zoned condominium vacation rental units throughout Maui. Our members are licensed in the State of Hawaii, engaged in the management of legal vacation rental properties, primarily condominiums, and comply with real estate license law and code of ethics. Our companies represent 216 years in business, employing nearly 200 employees and over 300 independent contractors and vendors and nearly all of our members have properties listed on the Minatoya list, some with a majority of their inventory on the list.

Since 2018, Maui's vacation rentals have contributed \$18.9 million towards affordable housing, more than all the hotels, all the homeowners and all other businesses combined. This year the legal short-term rentals generated \$8.5M for the affordable housing fund.

PLSU-34 could potentially defund affordable housing for Maui County at a time when we need it most. The intent of this proposed phase out bill is to create affordable housing; however, most of these properties would not be affordable to rent. Many of these properties do not have storage, parking or ample space for children to play that would be appropriate for affordable housing.

This bill could result in a potential loss of \$74M in Real Property Tax revenue for the county of Maui, and a loss of \$69M in TAT Revenue for the State. The result will be an increase in taxes for Maui residents.

We are in agreement with RAM's below proposed reasons for opposing these two bills:

1. **Economic Benefit:** The County of Maui has identified approximately 7,302 condominium units that have the ability to conduct TVR use under the comprehensive zoning ordinance's permitted uses for the A-1 and A-2 districts. Based on recent changes to our real property tax laws, these properties are generally placed in the short-term rental tax classification by default. These 7,302 condominiums represent approximately \$74.7 million in annual RPT revenue overall. It makes no financial sense to eliminate such a reliable and substantial source of revenue for the county, especially at the risk of jeopardizing our bond rating.
2. **Funding the Comprehensive Affordable Housing Plan:** The Comprehensive Affordable Housing Plan calls for the County of Maui to "increase funding into the Affordable Housing Fund to \$58 million annually." Similarly, the plan calls for the County of Maui to use its excellent bond rating to borrow against the Affordable Housing Fund in order to fund other components of the plan. Eliminating TVR use from these subject condominiums would result in a possible loss of \$74 million in annual revenue lost overall. Such a loss in revenue and reduction in our tax base would make it impossible to fully fund the Comprehensive Affordable Housing Plan.
3. **Eliminating TVR Use May Actually Jeopardize Long-Term Affordable Housing Opportunities for Residents:** TVR use in the subject condominiums is an incentive for investment purchasers to seek out and purchase these aging condominiums instead of other residential properties on the island.
4. **Empowering the Hotels and Maximizing Advertising Dollars:** Eliminating TVR use in the subject condominiums only benefits the hotel industry, as it will be eliminating their only real competition while negatively impacting county revenue and affordable housing development.
5. **Legal Challenges:** Many property owners have already contacted RAM and expressed their intent to take legal action against the County of Maui if their property rights are abridged.

On behalf of PRMA, our members, employees and vendors, we ask that you please focus your attention on providing the housing we need, instead of looking for ways to punish property owners for doing what the County of Maui expressly allows them to do.

We welcome any discussion with you or a member of your administration and can be contacted at [Mauprma@gmail.com](mailto:Mauprma@gmail.com).

Mahalo,



John Kevan  
Angela Leone  
Co-Founders of Maui Professional Rental Management Association (Maui PRMA)

**Guest User**

Location:  
Submitted At: 6:52am 11-03-21

This is short sided thinking. There are so many possibilities of ways to serve all needs of the community. This isn't one of them. Don't bite the hand that feeds you.

**Guest User**

Location:  
Submitted At: 6:41am 11-03-21

As a VRBO member, I oppose PSLU-34. Small businesses always take the fallout.

**Guest User**

Location:  
Submitted At: 6:34am 11-03-21

I am in support of this bill.

**Guest User**

Location:  
Submitted At: 6:22am 11-03-21

Strongly oppose!

**Guest User**

Location:  
Submitted At: 3:22am 11-03-21

There is a shortage of affordable housing, but reducing or eliminating short term vacation rentals will not fix the problem. The County makes much more money from taxing these units by far than residential units. The housing crisis would be much better off with the County reinvesting tax dollars to create affordable housing. A properly established program of medium term loans for building affordable rental housing would do far more to create housing than reducing or eliminating short term rentals. Loan conditions would require builders to keep the units affordable for 15 years.

Please consider this alternative before you make your decision.

Mahalo,  
David

**Amy Fonarow**

Location:  
Submitted At: 1:16am 11-03-21

Aloha,

I support the moratorium on transient accommodation development, and I respectfully request that you do the same and extends its provisions to all of Maui County.

There are ways to make tourism simultaneously sustainable and profitable. In order to have the time to explore and discuss those ways, we must stop and examine our current accommodations and the numbers of visitors we have already made room for, and compare those numbers with the environmental, cultural, and societal carrying capacity of Maui County before considering adding more room for more visitors.

Please use this moment in time to stop and think about the future without considering money. What will be important to the Islands twenty years from now? One hundred?

Thank you for your thoughtful consideration.

Mahalo nui and m\_lama pono,

Amy Fonarow (former Maui resident)

**Guest User**

Location:

Submitted At: 10:37pm 11-02-21

We need to respect the locals who contribute to OUR community everyday and every year (via work, taxes, community service) now we have basically let the mainland turn us into Honolulu and anyone can come buy anything anywhere and charge 4-7x the rent should be or turn it into a vacay rental. (I am a housekeeper and have been cleaning condos for 12yrs, never have I endured the rudest "new" owners and guests). No aloha. And now no one here can afford anything to rent. You're more likely to get a slumlord than a normal/fair landlord. And the market is insane from all these mainland people coming here and using us and the rest of the mainland to pay their mortgage here and their mortgage at their own home on the mainland. Again, no aloha or respect to the people who do all of the work here. It's disgusting. It breaks my heart. Where did the good humans go?

**Guest User**

Location:

Submitted At: 6:18pm 11-02-21

I highly support putting a pause on new visitor accommodations. We already have more room nights than our roads and infrastructure can handle. Thank you Council Members for bringing this to a vote. I have noticed that every opposing comment is from someone who is either making money from vacation rentals, or who clearly does not understand the bill, or both. I hope the council is able to take that fact into consideration. The people who live here and work in the community are supportive of this bill. Thank you for all of your hard work and dedication to the needs of the community.

**Guest User**

Location:

Submitted At: 6:15pm 11-02-21

This impacts my livelihood and will immediately decrease the value of my home. In addition, this will result in the loss of generated property tax for Maui as well. I am not okay removing the ability to sell my property as a vacation rental. I bought the property as a vacation rental property and it is the reason I bought it where I did. I will lose home value because of this. It should not be whether someone who owns the property can vacation rent but the property itself that is a vacation rental that should be grandfathered. You are also creating a bias towards higher income tourist because vacation rentals are a more affordable alternative to hotels for families.

**Evan Oue**

Location:

Submitted At: 5:50pm 11-02-21

Aloha,

Please find attached ARDA Hawaii's testimony Opposing PSLU 28. Please let me know if any councilmembers need additional information.

Mahalo

**Guest User**

Location:

Submitted At: 5:39pm 11-02-21

I support the building of affordable housing for residents, however, the use of these condominiums will not solve the problem, as land value, which drives market rent will preclude many residents. The County must step in and designate/buy property for the express purpose of building affordable housing.

**Guest User**

Location:

Submitted At: 4:35pm 11-02-21

Dear Maui County Councilmembers,

On behalf of Maui PRMA, the Vacation Rental Trade Council under the Maui Chamber of Commerce, we would like to express our opposition to PSLU-28 and PSLU-34. PRMA, the Professional Rental Management Association, is a coalition of professional property management companies representing over 1600 legally zoned condominium vacation rental units throughout Maui. Our members are licensed in the State of Hawaii, engaged in the management of legal vacation rental properties, primarily condominiums, and comply with real estate license law and code of ethics. Our companies represent 216 years in business, employing nearly 200 employees and over 300 independent contractors and vendors and nearly all of our members have properties listed on the Minatoya list, some with a majority of their inventory on the list.

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PLSU-34 could potentially defund affordable housing for Maui County at a time when we need it most. The intent of this proposed phase out bill is to create affordable housing; however, most of these properties would not be affordable to rent. Many of these properties do not have storage, parking or ample space for children to play that would be appropriate for affordable housing.

This bill could result in a potential loss of \$74M in Real Property Tax revenue for the county of Maui, and a loss of \$69M in TAT Revenue for the State. The result will be an increase in taxes for Maui residents.

We are in agreement with RAM's below proposed reasons for opposing these two bills:

1. Economic Benefit: The County of Maui has identified approximately 7,302 condominium units that have the ability to conduct TVR use under the comprehensive zoning ordinance's permitted uses for the A-1 and A-2 districts. Based on recent changes to our real property tax laws, these properties are generally placed in the short-term rental tax classification by default. These 7,302 condominiums represent approximately \$74.7 million in annual RPT revenue overall. It makes no financial sense to eliminate such a reliable and substantial source of revenue for the county, especially at the risk of jeopardizing our bond rating.
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3. Eliminating TVR Use May Actually Jeopardize Long-Term Affordable Housing Opportunities for Residents: TVR use in the subject condominiums is an incentive for investment purchasers to seek out and purchase these aging condominiums instead of other residential properties on the island.
4. Empowering the Hotels and Maximizing Advertising Dollars: Eliminating TVR use in the subject condominiums only benefits the hotel industry, as it will be eliminating their only real competition while negatively impacting county revenue and affordable housing development.
5. Legal Challenges: Many property owners have already contacted RAM and expressed their intent to take legal action against the County of Maui if their property rights are abridged.

On behalf of PRMA, our members, employees and vendors, we ask that you please focus your attention on providing the housing we need, instead of looking for ways to punish property owners for doing what the County of Maui expressly allows them to do.

We welcome any discussion with you or a member of your administration and can be contacted at

Mauiprma@gmail.com.

Mahalo,

John Kevan  
Angela Leone  
Co-Founders of Maui Professional Rental Management Association (Maui PRMA)

**Guest User**

Location:  
Submitted At: 4:27pm 11-02-21

Aloha PSLU Committee,

Please oppose PSLU-28 CC 21-280 MORATORIUM ON NEW TRANSIENT ACCOMMODATIONS ON MAUI (PSLU-28).

This law is not the right solution to affordable housing on Maui. It is just an unfair tactic to take away rights of one group to benefit another. The 7,300 units that will be impacted were never intended to house families based on the Minatoya Act. Our vested property rights were codified.

My husband and I purchased our vacation home at the Maui Vista 18 years ago with the knowledge that it was zoned as a "condotel" in 1980. We purchased it knowing it was never built with the intention of housing families on a long term basis. The units are small, getting old, have very little storage and even more limited parking. The infrastructure of the properties cannot support needs of families on a long-term basis.

Owners like us will suffer loss of revenue and property values if this bill passes. The County will experience a loss of TAT taxes. This bill could result in a potential loss of \$74M in Real Property Tax revenue for the county of Maui, and a loss of \$69M in TAT Revenue for the State. Families needing affordable housing will not be able to afford the rent, utilities and amenity fees that we would need to pass on to cover costs.

And not only will the value of our property go down, but the small businesses that we support will also suffer such as housekeepers, property managers, the nearby restaurants who enjoy the business of our guests, the tour operators and so many more.

The solution to affordable housing needs to focus on "adding" and not "taking away". Let's focus on building the infrastructure to construct appropriate REAL affordable housing, but not on the backs of those who are already helping you raise the revenue to support this cause.

Mahalo,

Kimberly & Keith Lee  
2191 S. Kihei Rd, Unit 2115  
Kihei, HI 96753

**Guest User**

Location:  
Submitted At: 4:17pm 11-02-21

I support this bill

**Guest User**

Location:  
Submitted At: 4:00pm 11-02-21

11/02/21

I do support the moratorium on short term vacation rentals on Maui, especially in neighborhoods where the permanent residents of Maui live. I have now lived in two different condo areas on the West side where the units are supposed to be for long term occupancy. At both places, people rent out their units to "vacationers" that are

on vacation in vacation mode. Loud, rude, and very uncaring of their surroundings or the people that live and work here. When you ask the short- term guests if they are owners or relatives of the owners, they lie or say that it's a friend that owns the place. I have had to move due to the owner selling the unit I lived in and had to find a new place to live. The rental costs are naturally higher, and it now costs me \$700.00 more a month. If the prices continue to go up, I would not be able to afford to live here. What about all the other homes and apartments that have been sold. How many other people have had the same thing happen or that they could not afford to even move into another place. How dare people that oppose this act as if this is not affecting the permanent residents of Maui. How many have become homeless because of the increase of home sales this past year and a half? Everyone has their own agenda; they only care about how much income they can make on their piece of Maui. The Realtors should be ashamed of themselves for selling this beautiful island to greed, both theirs and the people that won't even live here full time. The people of Maui are losing a chance of ever being able to own their own home. We keep hearing about affordable housing, please explain what you consider affordable and where are you putting these homes? I have been to some of the places that were built as affordable housing, it is nonexistent. A few homes in the neighborhood are and then the rest sell for above average pricing and then the owners rent them out at ridiculous prices. Please think about what is happening to this beautiful island. Maui does not need to have more short-term rentals. Please stop the greed. Do not ruin this beautiful island.

Dorothy Jakubek  
Lahaina, 96761

**Guest User**

Location:  
Submitted At: 3:33pm 11-02-21

As a housing advocate for the residents of our islands, I strongly support these moratorium. Our Islands are seeing an extreme shortage of housing for our local residents. The priority of available housing units must go to local residents not to providing hotel rooms to tourists. Thank you.

**Guest User**

Location:  
Submitted At: 3:24pm 11-02-21

I am strongly in support of PSLU-28 and PSLU-34. These measures are necessary to halt, or at least slow, the degradation of Maui's natural resources and quality of life and are entirely consistent with preserving Maui's attractiveness as a tourist destination. Long overdue, in my opinion. Mahalo, Andy (Makawao)

**Guest User**

Location:  
Submitted At: 3:17pm 11-02-21

Our family has owned a condo on Maui for 40 years and has lived there part time and rented out part time (before the term "transient vacation rental" was in use). Renting our property has allowed us to give back to the community through paying taxes, employing local workers, and purchasing local furnishings. We contribute our volunteer time and money through our Lahaina church ohana. We love Maui and feel we contribute to its community and economy through the fair use of our property. Please do not pass either of these proposals.

**kreul Heidi**

Location:  
Submitted At: 2:52pm 11-02-21

Aloha mai Kakou,

I am in support on a moratorium on building new hotels or an expansion of permits for stvr and Bnb. Born and raised in the state of Hawaii tracing my family back many generations I have seen many Kamaaina and Kanaka Maoli be forced to relocate to the continental USA as they can no longer afford to live here. Bnb and stvr take away homes for residents they drive up property prices and taxes. Make it virtually impossible for our keiki to live here.

There is a great importance to create residential zones and tourist zone. Insuring that there are ample places for our working community to live and raise their children. The beauty of Hawaii is the people. Please protect our community, our aina and most importantly allow our keiki to remain here.

He wa'a he moku, he moku he wa'a.

Mahalo nui,  
Heidi

**mary drayer**

Location:  
Submitted At: 2:39pm 11-02-21

we sadly cannot even provide affordable housing for our residents - let\_s take care of those who are already here  
- especially kanaka maoli \_ PLEASE HELP US!

**Guest User**

Location:  
Submitted At: 2:18pm 11-02-21

stop the continued expansion of our already overbuilt tourism industry and return it to its appropriate place as a contributor to quality of life on Maui.

**Tony Youga**

Location:  
Submitted At: 2:16pm 11-02-21

I support this proposal. We should work on improving the quality of visitors, not the quantity, to improve the experience for both visitors and locals. Keep the transient accommodations at their current level.

**Guest User**

Location:  
Submitted At: 2:00pm 11-02-21

I support the moratorium on no new vacation rentals here on the island  
Please keep vacation rentals out of the North Shore , country, and keep them in designated visitor areas only  
Shut down all vacation rentals not in designated visitor areas  
We need smarter politicians working for the people  
Stop the greed, do what is Pono

**Guest User**

Location:  
Submitted At: 1:45pm 11-02-21

Dear County Council Members:

We are writing this letter in support of the proposed moratorium on transient visitor accommodations on Maui. We support this moratorium as an initial step toward remediating the current unregulated over-tourism we are seeing on Maui.

The goal for visitors to Maui has been to limit the number of visitors to approximately 1/3 the number of residents in order to preserve our environment, infrastructure, quality of life and all that makes Maui such a beautiful and popular tourist destination.

The current volume of tourists we were seeing pre-pandemic and now, in 2021, during the pandemic, is a threat to the health, safety and quality of life of the residents of Maui, our environment and wildlife.

These huge numbers of tourists are consuming and using scarce resources with few restrictions and controls. Maui's sewage treatment injection wells are inadequate to properly treat the sewage produced by our residents, let alone thousands of tourists. This results in inadequately treated sewage discharging into our oceans, killing coral, infecting people and ocean life, alike.

Due to climate change and global warming, Maui is experiencing a major drought that is predicted to get worse, not better. Tourists not only consume water, but the resorts and hotels and golf courses consume massive amounts of water in a wasteful manner to maintain the illusion of a green and lush Maui in areas that have traditionally been dry and sunny, not lush and green.

Traffic on our highways is terrible, particularly on the road to Hana, and East Maui is being overwhelmed by tourist traffic. All of Maui is being overwhelmed by traffic. The exhaust from the thousands of cars is ruining the clarity of air, threatening our health and consuming fossil fuels that contribute to the acidification and destruction of our oceans. Toxic sunscreen further pollutes the ocean, killing and bleaching the coral on which we depend to create reefs that help control our sea levels, provide a haven for fish, and support a sustainable fishing industry.

Tourists crowd our beaches, and tour boats crowd our oceans disturbing the quality of life for both residents and existing wildlife. Noise from tour boat engines affects the already struggling whale, honu and dolphin populations. Despite Federal and state regulations and guidelines, tourists on our beaches and in our coastal waters have been seen disturbing spinner dolphin pods and honu which are trying to bask and sleep during the day causing them illness and harm. 25% of Maui's coral reefs are damaged and destroyed both directly and indirectly by tourism. The ocean water is often oily and poisoned by excessive use of cancer causing sunscreen. Molokini is a great example of how tourism disturbs the overall marine environment. During the pandemic, the fish and oceanic predator population returned to its normal ecological balance. Now it is once again disturbed, as shown in a recent study.

Rents and the cost of housing are sky high due to short term transient tourist rentals (TVRs). Many residents of Maui can no longer afford to live here. Eliminating TVRs will decrease rents and improve the quality of residential neighborhoods. Please don't authorize the building of what we have too much of already.

These are but a few of the consequences of the unregulated rampant over-tourism we are once again experiencing. I thank you in advance for your support of this moratorium on transient tourist accommodations. Maui is literally being "loved to death" by excess tourism, and we are in danger of sacrificing our island, its rich cultural heritage, environmental beauty and diversity on the altar of tourism. Once the island is destroyed, tourism will decrease and we will literally have destroyed that which is currently supporting us. Now is our chance to limit tourism and begin to diversify our economy.

Sincerely,

Joy and Rob Kaaz  
Permanent Kihei residents  
Joy Kaaz is a member of the HALE Hawai'i Steering team

### **PSLU Committee**

Location:

Submitted At: 1:38pm 11-02-21

Aloha

I am MJ Duberstein, a retired economist and a resident of South Kihei.

I appreciate the opportunity to testify on behalf of limits on tourism.

These limits are definitely needed.

For almost a decade, no real attempts have been made to accommodate the Chapter 4 Policy of the Maui Island Plan pertaining to maintaining a numerical balance between resident population and the number of tourists.

None. Zero. Zilch.

It's become the vaunted Third Rail of Maui policy makers!

And, just as obviously, the reason confronts us as The Elephant In The Room.

With the demise of the Last Sugar Mill, Tourism is all we got.

And that's even worse now than when the Plan was enacted. Our economy is held hostage to exogenous factors—factors neither you nor I can either determine or affect.

As an economist, I remind you of John Maynard Keynes dictum: In the long run, we're all dead.

So, let's not talk of long-term efforts. What we want, what we need are immediate answers. Not just one. A bunch.

These are a start and a good one. The technical details will be effective. The impact upon the community which is waiting for positive steps will be effective.

I urge you to pass these measures.

Malama pono.

Malama aina.

Ua Mau ke Ea o ka 'Aina I ka Pono.

MJ Duberstein  
34 Iliwai Loop  
Kihei 96753  
891-0597

**Guest User**

Location:

Submitted At: 1:30pm 11-02-21

I support this, thank you.

**DC Minogue**

Location:

Submitted At: 1:26pm 11-02-21

I support. I believe the overall benefits to Maui outweigh the costs/difficulties. Also, short-term transient renters break up neighborhood communities.

**Guest User**

Location:

Submitted At: 12:58pm 11-02-21

November 2, 2021

Aloha Esteemed members of Maui County Council,

I am a member of the Maui County Planning commission and am not speaking for or representing the MPC in any way. I am providing this testimony as a citizen of Maui.

I am writing this letter to bring some material facts to you, in case they hadn't been considered prior to the drafting of Bill 5159.

As a thirty-one year resident of Maui County, I concur that we have had far too many visitors over the past 3 years. However, phasing out short term rental condominiums is not the solution.

This bill seems to be very short-sighted for a number of reasons.

1) Forcibly changing use and tax category: I am wondering if forcing a property owner to use their property in the way the county sees fit (e.g. being forced to change the use of their property that has had the same use for years) is constitutional? Americans are guaranteed inalienable rights under the Constitution. Property rights seem that they fall under that category?

2) Reduction in tax revenues. Has anyone calculated the budget deficit from the change in property tax classification, revenue derived from the higher rates and the proposed allowed exemptions? There are approximately 12,000 short term rental units on Maui. Looking at the aggregate value and taxes received in 2020-2021 then recalculating the tax classification and new taxes assessed should make you pause and figure out if the budget can be adjusted with such a huge reduction. Even if you say it will happen over time, the net effect will still be a huge reduction in tax revenues for the County. This would force the Council to increase all other categories to cover that deficit, causing a huge burden on not only older tax payers on fixed incomes, but businesses that are struggling to stay open.

3) Some owners' comments: If this bill were to pass, three owners of properties with whom I have spoken said (a), "I don't want to sell as I love my Maui home, but I will sell my property as I can't rent it long-term for enough to cover all my expenses." Another four said, (b) "I will leave it empty and come over once or twice a year." Still two more have said, (c) "I won't have the county force me to create housing for the Maui County Residents. They can sue me because I intend to use my property as I always have. Perhaps I will bring an action against them if they don't allow me to continue as I have and will for years. Maui County passed a law that made my condo, and others and its use of a short term rental 'legal'. How do they justify changing their minds and affecting thousands of owners? I have paid hundreds of thousands of dollars for my property, maintained it and it is part of my retirement plan."

4) Ramifications of above scenarios: (a) A glut of properties come on the market as owners can no longer afford to own oceanfront properties because of the high expenses. Over time, Property values drop, tax revenues drop, and most renters still will not be able to afford one of these condos. (b) Tax classifications and revenues will be reassessed to second homes with a loss of revenue for the lower classification and use (c) I believe that there will



be dozens and dozens of lawsuits that will come from this, perhaps a class action or two but definitely many individual lawsuits, which the county will spend thousands and thousands of dollars defending. With decreased revenues from reassessed properties, where will this unforeseen expense be in the budget.

5) Long-term Rentals: Many people are not interested in home ownership because of the upkeep, taxes, etc., but they are very interesting in having a nice, clean, affordable place to live and not pay \$1,800 for a 250 SF (or less) room with a shared kitchen and bathroom. The county of Maui should have been building affordable RENTALS over the past 30 years. Part of the funds for these units coming from tax revenues and part from developers. The county should be proposing a bill for affordable housing in areas that have or are close to schools, services, bus lines, businesses, etc. and MAKING developers actually build housing rather than buying credits. Had developers actually been building homes instead of buying credits, perhaps the shortage wouldn't be as great?

My opinion: It is NOT up to the current, individual property owners to provide housing to the residents of Maui county. It is up to the municipality to house their population. This bill was written to target these condos which are seen as 'low hanging fruit' and an immediate solution to the housing shortage. Again, individual property owners are NOT responsible for building or providing housing to the county's residents; the County of Maui and State of Hawai'i is. So, why does the Council have that expectation?

PLEASE CONSIDER the items I have stated above; they are some, but not all of the reasons, why this bill is a bad idea. As a Realtor I would benefit from clients and owners selling their properties under scenario (a). However, as a citizen of the United States I don't think it is American to try to force people to use their property in a manner contrary to their historical use NOR to provide housing for the general population of the area in which the property is located. Passage of this bill would most certainly be a calamity.

PLEASE DO NOT PASS THIS BILL. It is not the short-term solution you think it is to a long-term problem. Mahalo Nui Loa for your time and consideration.

With regards and aloha,  
P. Denise La Costa  
Maui Resident since January 19, 1990  
Principal Broker/Owner  
La Costa Realty Hawai'i, LLC

**Rosa McAllister**

Location:  
Submitted At: 11:15am 11-02-21

I am in complete support of PSLU-28 & PSLU-34.

Maui has become over-run by tourists, clogging our roads, using our precious resources, destroying our beautiful & sacred aina. We must find multiple ways to deal with the extraordinary level of over-tourism that has existed & profited on maui. It is about time that residents of maui arte heard, respected, & honored first... & the hotels, developers, off-island investors, & more take a back seat. Please support your ohanas, your Kaunas, your keiki & support PSLU-28 & PSLU-34. Our future is in your hands.

**Colin Ford**

Location:  
Submitted At: 11:11am 11-02-21

I Oppose! This is propably not a wise decision, although for those selfish people who want to keep Maui for themselves I guess it makes sense. Banning new ST rental units will put a cap on jobs from servicing and managing these units, and lower the amount of money that goes into the local economy. Taxes imposed on these units will not make it to state and local governments, who are always complaining they don't have enough money to spend. Wise planning would control the slow growth of these units as well as providing low income units. There needs to be balance and common sense. Unfortunately, these both seem to be lacking from most every level of governmet these days!

**Guest User**

Location:  
Submitted At: 10:40am 11-02-21

Please see my extended testimony in support of BOTH PSLU-28 AND PSLU-34 submitted via email. - Sarah Hofstadter, Kihei resident

**Guest User**

Location:  
Submitted At: 10:35am 11-02-21

Please do not phase out TVRs. It is the only way we can make ends meet.  
Gary Mariegard

**Guest User**

Location:  
Submitted At: 10:35am 11-02-21

Please do not phase out TVRs. It is the only way we can make ends meet.  
Gary Mariegard

**Guest User**

Location:  
Submitted At: 10:33am 11-02-21

Oppose phasing out existing transient accommodations in apartment districts. Support limiting the construction of new transient accommodations.

There is no dispute regarding the need for affordable housing. The challenge of course is in how to do it. Phasing out existing transient accommodations in apartment districts is not a desirable approach.

Loss of Tax Revenue. Reduction of transient accommodations would also reduce TAT and GET taxes as well as property taxes for short term rental properties. Rather than reduce the tax revenue, that revenue should be repurposed to provide other affordable housing alternatives.

Loss of Jobs. Reduction of transient accommodations would also reduce jobs from those who perform transient accommodations services: rental booking, rental management, capital improvements, maintenance, gardening, housekeeping, bookkeeping, and accountant services as well as the income taxes produced by these workers. These would be the very people who would be the demographic for affordable housing.

Lack of Affordability and Availability of Converted Transient Accommodations. With current market property and rental values, it's unlikely that those who need affordable housing would be able to afford the phased out transient accommodations without a government subsidy. It's also unlikely that owners would be willing to stay in the rental market to manage long term rentals with substantially reduced rental income.

Inequity to Current Transient Accommodation Owners. Most of the owners of the 7,300 potential properties considered for phase out bought, improved, and maintained the properties in reliance on investing in short term rentals. If the properties were converted from short to long term rentals, the properties would be reduced in value. Upon sale of the properties, there would be reduced capital gains taxes for the State. It would also send the message to potential real estate investors to be wary of investing in Hawaii.

Better Options. (1.) Review current affordable housing programs to evaluate how they can be improved and expanded. (2.) Model a program after California's SB 8, 9, and 10 recently adopted. (3.) If transient accommodations are to be phased out, focus on those properties that have successfully evaded registering and paying GET, TAT, and short term rental property taxes.

**Guest User**

Location:  
Submitted At: 10:11am 11-02-21

Tourism is the lifeblood of Hawaii, and for you to impose ridiculous, harsh regulations is only going to cause higher taxes to Maui residents. Who else is going to pay for the lost revenue you would be creating? Strongly oppose this measure.

**Duane Fisher**

Location:

Submitted At: 10:06am 11-02-21

Attached please find the testimony of Derek Kanoa, Hawaii Senior Vice President, Sales, of Hilton Grand Vacations.

**Guest User**

Location:

Submitted At: 9:37am 11-02-21

As a long time resident of Maui and healthcare worker I am in support of placing limits on tourism and additional visitor accommodations. The amount of visitors and housing that is accommodating visitors and non residents has grown out of control, especially in the last few years. As residents we are told there is not sufficient water, the sewage treatment facilities are insufficient, we have lack of roads, some which are threatened by erosion and sea level rise, we don't have healthcare facilities or adequate number of healthcare providers. The number of visitors per resident is already far higher than the community plan calls for on a daily basis. It has become difficult to go on hikes or to beaches on many days as there is not enough parking. The grocery store has become unbearable on most days. The culture is disappearing and Maui is turning into a place like any other on the mainland. If we cannot enjoy or afford the place we live, we too will have to leave.

**Vijak Ayasanonda**

Location:

Submitted At: 9:32am 11-02-21

I support a moratorium on new transient accommodations on Maui. I am an ER doctor and can testify that the LACK of housing has contributed to the difficulty in getting and keeping healthcare workers in our community. In the last few years, we have lost countless staff from doctors, nurses, techs, radiology staff, case workers, to cleaning staff because they LOST their housing to new owners (who own multiple dwellings) who decided it was more profitable to short term rent their houses. These are neighborhoods and apartments where families lived upcountry, Wailuku, Paia, Kihei and Lahaina. Now these folks live in Vegas, Oregon, Washington State and we have LOST their contributions to our community. Everyday I see extraordinary amounts of tourists and owners who claim to "pay their taxes" and "supply jobs" when in reality, those "jobs" will be utilized REGARDLESS of short term rental or not. I have landscapers, I use cleaners, I do NOT short term rent multiple properties at the expense of my community. I feel we have become of society of haves and have nots. Many of these comments I am reading are WEALTHY OWNERS with multiple properties or REAL ESTATE AGENTS whose vested interest is NOT FOR THE COMMUNITY BUT FOR THEIR OWN WALLETS. Please keep tourism in tourist areas such as hotels. KEEP OUR COMMUNITY for those who CONTRIBUTE TO OUR COMMUNITY in more ways than "employing workers" and "paying their taxes".

**Guest User**

Location:

Submitted At: 9:29am 11-02-21

I am emailing to support a moratorium on transient accommodations. If the corona virus pandemic taught Maui anything, it should be the importance of a diversified economy. When so many jobs and so much of our economic stability depends on tourism, when something interferes with tourism, we are in trouble. Economically, increasing tourism is short sighted. It puts short term gains above longterm sustainability. We need more housing for residents, more agriculture, more options for residents to live and work, not more options for tourists to stay and then go.

**Robin Knox**

Location:

Submitted At: 9:28am 11-02-21

I support

**Guest User**

Location:

Submitted At: 8:29am 11-02-21

The land and infrastructure cannot support any more development. Traffic, full parking lots, trash, no spot on the

beach, water shortages, dying reefs... Meanwhile no one left that can afford to live and work here. Overcrowding diminishes the reason why Maui is such a desirable place to visit. It should be expensive and hard to find accommodations! Stop building, protect the land and residents!

**Guest User**

Location:

Submitted At: 8:07am 11-02-21

Please stop building more vacation rentals and please stop granting more permits. Locals are getting squeezed out of older developed neighborhoods to make room for tourists!

**Guest User**

Location:

Submitted At: 7:38am 11-02-21

Please, please, please stop, stop building more visitor accommodations. Maui's paradise has been spoiled by the greed, destruction and shortsightedness of our County officials. I cannot fathom the on-going over development that seems to continue and continue and appears to have no end in sight. Lets preserve what is left of our aina by controlling future planning of visitor accommodations. I feel powerless in preserving Maui's natural beauty as I knew it and are indebted to what our ancestors left us. Is every inch of land going to be concrete now ?

**Guest User**

Location:

Submitted At: 1:19am 11-02-21

Smart growth.

Government has it wrong.

If you over regulate and make property owners illegal in renting long term then unexpected consequences will occur!

We should make homelessness illegal and not allow people to visit without accommodations.

**Guest User**

Location:

Submitted At: 10:31pm 11-01-21

Thank you for allowing our community to have a voice here. We need to learn from our experiences through Covid and create an alternative economy without all our resources and reliance upon tourism.

Please stop building more visitor accommodations.

Please reduce the existing number of visitor accommodations.

**Guest User**

Location:

Submitted At: 9:40pm 11-01-21

PLEASE PLEASE PLEASE start to think of the culture and kanaka maoli - priced out of their homeland - it took a LONG time to get to where we are today - but we have to start somewhere to try to save what is left... mahalo

**Guest User**

Location:

Submitted At: 8:56pm 11-01-21

If people would like to come to Maui, stay at a resort or other establishment where the infrastructure has been established and dedicated to your visit. Investment properties with the sole purpose of renting out as a short term rental take away from the housing available and raises the cost of property and/or the rent for the people that serve you while you are visiting.

**Guest User**

Location:

Submitted At: 6:09pm 11-01-21

Please help us protect Maui's quality of life! Tourism numbers already far surpasses the recommended ratio of 1 tourist to every 3 residents (established in the Maui Island Plan). A moratorium will help us get a handle on this ratio and bring it in to balance. I'm in full support, so we can plan for smarter growth for future generations. Mahalo nui.

### Guest User

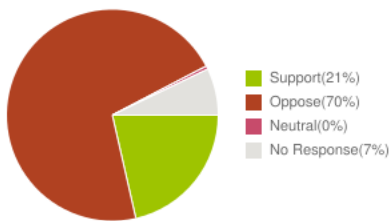
Location:

Submitted At: 3:13pm 11-01-21

It is very hard to find a vacation rental during Dec to April 1st. Please do not make this even harder!

## Agenda Item: eComments for PSLU-34 CC 21-422 PHASING OUT TRANSIENT ACCOMMODATIONS IN THE APARTMENT DISTRICTS (PSLU-34)

### Overall Sentiment



### Guest User

Location:

Submitted At: 8:18am 11-05-21

PSLU item 34, oppose

Mahalo for the opportunity to submit testimony.

412 Kahana

### Guest User

Location:

Submitted At: 1:30pm 11-04-21

I am a resident and also ST rental owner. We pay very high taxes to own a ST rental. Also, visitors pay very high taxes for the privilege of renting a vacation rental. When all those taxes disappear, who will pay them? Also remember, when international travel is allowed again, people will have choices, and as Maui has become VERY expensive, they will go elsewhere. And that means lost jobs, lost tax revenue, lost income for locals. This ST rental business supports a lot of locals, don't forget that!

### Guest User

Location:

Submitted At: 1:24pm 11-04-21

This bill will do nothing for affordable housing. It will cause taxes on residents to be raised to make up the shortfall for the 17 percent the county and state take from visitors. Where's the replacement income to come from? Resident taxpayers.

### Guest User

Location:

Submitted At: 5:04am 11-04-21

My hale on the island of Molokai that is located at the Wavecrest Resort . It has been zoned for short term since it was built over 50 yrs ago. My ONLY income for my small business-mortgage recovery from forbearance since travel stopped from Covid-19 that put my mortgage in the RED (\$20,000 still behind) Also, I provide WORK for

the Molokai people such as help cleaning before and after guests-upkeep and supplies from other stores on Molokai.

As far as long term -it's Section 8 on Molokai and major problems with renters and property damage.

Owners purchased for this specified zoning - many law suites against the state thinking they can just CHANGE laws to fit their agenda.

The apartments that were on the list should continue to operate as such if on the list BY THE LAW of deed transfer as a short term complex.

Instead the state should spend our TAT tax money to build apartments for long term renters or homeless.

### **Guest User**

Location:

Submitted At: 7:11pm 11-03-21

Eliminate ALL AirBnB's ... STOP the condo-ization of ag land and "ohanas' ... keep the long term rental housing stock on Maui. Eliminate ALL fractional home ownership ... STOP all REIT's. and we will have long term rentals for the local population again ... ONLY YOU ... can prevent homelessness

### **Guest User**

Location:

Submitted At: 5:22pm 11-03-21

Mahalo for the opportunity to submit testimony.

I strongly oppose as this measure is almost tantamount to expropriation

The condo owners having acquired the properties at fair market value with rights to rent will see the value reset to not being able to rent which is about half all the while paying the extra high property tax

Not acceptable

This is almost communism where the government seized property..

Andre Guéziec

### **Guest User**

Location:

Submitted At: 5:21pm 11-03-21

Hana Kai Maui  
on hana bay

11/02/2021

To whom it may concern:

Hana Kai Maui has been operating as a 'condo-tel' since 1971. For the past 15 years we have employed 12-15 people on a year-round basis. We hire employees, not contract labor. Minimum wage for a permanent employee at Hana Kai is currently \$17.00 / hour. In this case it would not make sense to offer 19 long term rentals at the cost of 15 local jobs.

Hana Kai Maui contributes approximately \$300,000 in General Excise and Transient Accommodation taxes on an annual basis and combined property taxes in 2021 of \$96,000.

This property is not suitable for long term rental. Our 70's wood buildings, and our remote, windward, oceanfront location add to the extremely high cost of upkeep and maintenance on the property. We are the only property in Hana with an on-site Wastewater Treatment Plant (WTP) which requires a licensed wastewater operator on staff. In 2019, as a requirement of the Department of Health, Hana Kai replaced our WTP. The average cost per unit to pay for new system is over \$450 per month for the next 10 years, not including upkeep and repairs which are constant in our salty location. For these reasons, maintenance fees at Hana Kai are among the highest on Maui

making affordable long-term rentals in this location impossible.

Hana Kai Maui has operated in good faith and in a responsible manner within the community for many years. We often house artists, performers, judges, etc. for community events free of charge. We not only accepted the mandate to replace our WTP system, we went above and beyond by installing a system that would produce the best quality effluent in order to be good stewards of Hana Bay now and into the future.

The owners of Hana Kai Maui ask the County of Maui to reconsider this legislation and understand that Hana Kai, and many other condominiums with similar circumstances will not achieve the goal of affordable housing they are seeking and in fact will harm the local communities they are trying to help.

We agree that there is a need to block the development of new short-term rentals on Maui, especially without increasing infrastructure. We agree with a moratorium on new short-term rentals in residential districts and agree and support development of alternative revenue sources, such as agriculture on Maui and throughout Hawaii.

Respectfully submitted,

Susie Pu  
General Manager  
Hana Kai Maui AOA & Hana Kai Maui Resort, LLC.

**Guest User**

Location:  
Submitted At: 3:06pm 11-03-21

This bill is going to raise taxes on all Maui residents to make up for the multi-million dollar shortfall in MCTAT taxes that visiting guests provide. Use those taxes to effectively build affordable housing. I will never rent my condominium long term, so Maui will not gain and additional property and instead will lose all the taxes my unit generously provide Maui County. Proponents have no idea the losses this will produce for EVERYONE -- owners, Maui residents, Maui County government, holidaymakers, many support jobs . . . this is a lose-lose proposition.

**Guest User**

Location:  
Submitted At: 2:59pm 11-03-21

This bill will be devastating to STR owners and not create new low income housing. Maui county will lose millions in TAT taxes, which will have to be recovered by taxing Maui residents and reducing services. How is that possibly good for Maui residents. This bill is only good for the big multinational hotel chains. I would like to see an investigation into hotel owners lobbying for this bill and who is getting paid off.

**Guest User**

Location:  
Submitted At: 2:53pm 11-03-21

There should be more thought given to the consequences of changing short term rentals.

**Guest User**

Location:  
Submitted At: 2:38pm 11-03-21

My husband is born and raised on Maui, I have lived here since I was 21. He is 75 and I am 67. We have been married for Over 43 years. For the first 20 years we both worked three jobs. Five years ago we sold a house in Pauwela to a local family and purchased a condo at Kamaole Sands. We purchased this with the express purpose of using it as a vacation rental.

Owning this vacation rental has been interesting. We basicaly clear about \$2000 a month from this endeavor. We work very hard at this, including cleaning the unit ourselves. We are definielty not wealthy. We bought this condo to help us during our retirement with the idea of moving into the unit eventually. Having a little more reality of condo life, we have decided that we really do not want to live in a condo. This will mean we will eventually want to sell this condo or give to our children.

The people who stay in our condo rarely cook their dinners at the condo. They pretty well cook or eat breakfast and then eat out for lunch and dinner. They enjoy all the tours and various fun things Maui allows. We connect with each of these renters, We educate them on numerous things that in turn make them great visitors. A lot of these folks are return visitors to our unit.

I would like to ask the committee members if any of their friends or family have come to Maui and stayed in vacation rentals as they are more affordable. The folks who use our unit are usually very sweet families, who just love Maui.

Just wanted to give you a local owner's perspective.

### **Thomas Croly**

Location:

Submitted At: 2:35pm 11-03-21

#### Comments for PSLU- 28 and PSLU-34

First I would like to comment on PSLU-28. I don't believe this measure is consistent with our Maui island plan because it does not seek to "manage" visitor, part time resident, and resident ratios. Instead of managing visitor accommodations as the B&B and STRH ordinances do, it simply places a moratorium on a portion of Maui's visitors. because the largest increase in The three groups that the island plan seeks to manage are the part time residents, who are being counted as visitors. Nothing is being done to stop the tsunami of home sales for use as second homes.

While I don't favor more hotels, I don't believe that tearing apart an ordinance that is working well to manage one sector of our visitor industry and a moratorium on permits will address the growth issues that Maui suffers from. The largest growth has come from new residents moving to Maui and the second largest growth has been by part time residents and all of these residents depend on the taxes and revenues generated by the visitor industry.

#### PSLU-34

I would urge this committee to file PSLU 34 and use the input from this meeting to come up with a better proposal to meet the stated goal of creating affordable housing for residents. I do have some suggestions for ways to actually create some resident housing opportunities, but unilaterally taking away a vested property right is not a good plan for achieving this goal.

Committee chair gave a brief historical overview of the properties that would be affected by this measure. But I am afraid this history did not go back far enough to tell the whole story of these properties. The properties in the Apartment districts that would be impacted by this bill are buildings that were built in the 1960's 70's and 80's and were built specifically for transient accommodation uses and this land use right has been instilled in these properties for 30 to 50 years. They did not gain Transient use from the 2014 codification of the minitoya opinion. These properties were specifically endowed with transient use rights when they were built and those rights were affirmed in 1989 and 1991 in ordinances 1797 and 1989. Prior to these dates the apartment district contained an express permission for transient uses.

But in 1991 a prohibition on transient uses for newly built buildings in the Apartment district and these buildings were expressly restricted "long term residential use". And this is my first suggestion for finding resident housing. All buildings in the apartment district are required to be used for long term residential use, but the majority are currently being used as second homes. The County could make an effort to ensure that these buildings are not being used as second homes and are used exclusively for resident housing, either as homeowner or long term rentals.

A second suggestion I have is to put together a program to offer to condo buildings where short term rental use is allowed by code to voluntarily opt out of short term rental use in exchange for a lower property tax rate. I know there are some buildings where some number of the owners would prefer there to be no short term rentals. If these owners voted to change their CC&Rs to forbid short term rental, they might welcome a tax abatement.

Finally I would suggest a program where new short term rental home permit applicants could bypass the 15 year ownership requirements and established caps by offering a short term rental condo as an affordable rental. For example, the owner of a \$5million house could be permitted to operate it as an STRH by purchasing a vacation rental condo and offering it thru the County to a low income qualified tenant at an affordable rent. One short term



rental eliminated in exchange for a high end property becoming a regulated STRH.

I hope the Council will listen to the vast majority of testifiers today and will file this measure.

Ordinance 1989 removing transient accommodation use from being expressly allowed in the Apartment district:

Time share units, time share plans and transient vacation rentals are allowed in the hotel [and apartment districts] districts.

Footnotes of Ordinance 1989 making clear that transient uses may continue in buildings built prior to 1991:  
SECTION 11. This ordinance shall take effect upon its approval; provided that this ordinance shall not apply to building permits, special management area use permits, or planned development approval which were lawfully issued and valid on the effective date of this ordinance.

**Guest User**

Location:

Submitted At: 2:09pm 11-03-21

This is not the answer to the affordable housing issues in maui, but a gift to the hotel industry. I strongly oppose this

**Guest User**

Location:

Submitted At: 1:55pm 11-03-21

Dear Councilmembers,

We purchased a condo in Luana Kai in April of this year. We had to take out a large HELOC on our primary residence in Seattle to cover the down payment and closing costs. It was a big financial risk for us, but one we were willing to take, knowing that short-term rental income could offset our monthly expenses moving forward and help us pay down our mortgage over the coming years. We hope to retire in Maui one day.

If the Phasing Out of Transient Accommodations in the Apartment District legislation is passed, it will pull the rug right out from under us. There is no way we ever would have purchased this unit if we thought we would be unable to rent the unit on a short-term basis. How would we be able to vet a long-term renter from Seattle? How would we be able to be responsive landlords for maintenance issues? Our current property management company is not designed for long-term rentals.

Moreover, our understanding is that eliminating the revenue generated from short-term rentals would negatively impact the Affordable Housing Fund.

This proposal is short-sighted and punitive to owners like us. Please reject it.

**Guest User**

Location:

Submitted At: 1:51pm 11-03-21

As homeowner of a Maui condo, employers, and taxpayers, we are sincerely concerned about what this will do to the island's economy. On our short-term rentals alone we pay close to 20k/year each in TAT/GET and property taxes. If we assume that 75% of the 7000 Condos are also paying similar taxes that would mean a potential long-term loss of over 60 million of lost tax revenue as these are slowly converted over.

For owners that rent out their Condos, it also provides many jobs from the cleaners that clean them, to the property managers that manage them, to all the ancillary business they support such as landscaping, food and beverage, and maintenance.

Condos bring different types of guests to our islands. These guests tend to be more self-sufficient, purchase

groceries in the stores, frequent many of the tourist locations and shop locally, helping support local businesses.

Furthermore, most of these condos would be out of reach financially for the residents of Hawaii this bill is trying to address. My maintenance and utilities alone are almost \$1000 per condo, before any mortgage payments. This is not in the realm of "low-cost" housing. Affordable housing is not just a Hawaii problem it's a nationwide problem, and beachfront property (which many of these condos are) worldwide have prices that are continually increasing and would not be appropriate low-cost housing options. These condos are also generally not designed or built to be full-time residents, with a shortage of parking and storage.

We purchased our Condos in a complex that was set up and built for short-term rentals. It even has a property management office onsite. While the proper zoning may not have been there in the 80's when it was built, it was certainly the intent. Changing the zoning now will have a significant impact on our overall property value, reducing it but still keeping it out of reach for those seeking affordable housing. Furthermore, it will likely choke sales as most owners would see it as now more profitable to rent than sell, and you'd only see sales on death or critical life events, ourselves included.

We strongly encourage you to reconsider the greater impact this change will have on the Hawaii Economy, and find other ways to find affordable housing. This is not the answer and would instead take away jobs from many of your residents that need this housing to begin with.

**Guest User**

Location:

Submitted At: 1:32pm 11-03-21

We are owners of a legal short term rental. The property tax we pay for TVR classification is almost double what we would pay otherwise. The revenue loss to Maui from phasing out transient accommodations would be substantial. This lost revenue will have to be made up somehow. Additionally the short term rental ecosystem generates significant jobs for Maui, including cleaners, managers, and repair people. Finally, we supply each guest with a list of small local restaurants and businesses. A visitor to Maui staying in a short term vacation rental seems much more likely than a resort visitor to get out into the community and spend at local businesses. Whereas resorts want their guests to spend every dollar on their grounds.

**Guest User**

Location:

Submitted At: 1:29pm 11-03-21

Mahalo for the opportunity to submit testimony.

Aloha!

My wife and I are Canadian "snowbirds." We have been coming to Maui for over 40 years, always in the same condo complex. We retired 13 years ago and since then our average stay is about two months. During our stay we rent a car from a local company, do our grocery shopping at local stores, and go Scuba diving with local operators.

We read with alarm about the desire to eliminate temporary vacation rentals within the hotel zone. If this happens then we will no longer be able to afford to come to Maui. We can't afford the big luxury hotel chain room rates, compounded by their lack of in-room cooking facilities which would force us to eat many of our meals in their expensive restaurants.

If this passes then we will be forced to move our winter get-away to Mexico or the Caribbean, taking a few thousand dollars with us. I suspect that this will also be true for many of the seasonal friends that we have met here.

Yes, it will be "Aloha" in the "goodbye" sense.

Be careful, stay healthy...

Bill Fane

**Guest User**

Location:

Submitted At: 1:25pm 11-03-21

Aloha,

Let me introduce myself. I'm a breast sonographer at Maui Medical group in Wailuku. I'm the person who helps diagnose your mother, your auntie yourself for breast cancer. I'm the only tech on island that specializes in Breast ultrasound.

I've lived here since 2014, 7 years. I finally bought my STR at Maalea yacht marina in 6/2019. I bought there because it was cheap but also a leasehold which gave it a high monthly expense \$1200 HOA and leasehold payment a month. I bought the property as a STR to help with my retirement. It's too expensive to live there as a long-term resident. I totally remodeled it using my friends (locals) set up tax account have an accountant who helps me pay monthly TAT and GET. My cleaner is amazing with 3 kids and a husband in which they support themselves by cleaning condos. Loss of units affects them tremendously.

I survived the pandemic. I only had 3 months of my unit on market before it hit. And now they are telling Maalea yacht marina is not on the Minitoya list, and I can't rent it. MYM was told we only have to get it rezoned correctly and that will be taken care of. In the meantime, the county has told us we can no longer rent, opposite of what the agreement that was made earlier in the year to us. We are coming up on high season and I cannot rent my little one-bedroom condo. I pay thousands of dollars to Maui County every month and year to rent. Use the money for AFFORDABLE Housing.

Next when this hurdle is jumped then I have to deal with the county shutting down our local STR to satisfy the hotel industry. Please help me overcome these hurdles. I feel helpless after being able to finally purchase and remodel a unit totally on my own as a single woman. I was able to get local bank loans to support me, they are covering me because I can make some sort of income in the long run. It's not even a lot but enough to make my life easier.

Mahalo

Please help

Jill Olson

612-270-0487

**Guest User**

Location:

Submitted At: 1:24pm 11-03-21

Aloha,

First of all I want to let you know that I love Maui and I respect Hawaiian culture and traditions!

But I strongly oppose to this proposal.

I am an owner of one bedroom short term vacation rental condo since 2018.

I personally think we should focus on cracking down and stopping illegal vacation rentals on the island and not punishing owners who happily obey all your laws.

I also would like you to know that I do not make any profit by renting my place, short term vacation rental does not even cover my costs.

And that's OK I did not buy my condo to make a profit, I simply love Maui and want to live with Aloha Spirit.

As a working class person with full time job, I come and stay in my place twice a year.

I proudly hire local contractors and businesses. Maui property management company represent me and rent my unit. Please think how this proposal will affect them since I will be forced not to use their services, if this proposal passes.

I pay all my taxes and bills on time.

As you know effective November 1st, 2021 County of Maui is implementing 3% County TAT, that's on top of 10.25% State TAT (House Bill 862, H.D. 2, S.D.2, C.D.1), which I understand.

County of Maui loss in revenue will be devastating if this proposal passes and it would not help affordable housing.

found.

My AOA fees and property taxes are really high, but I am not complaining. I am hard working person, working 70 hours a week to make sure all my bills are paid on time.

I really don't see how this proposal will create long term affordable housing.

Maui will lose millions of dollars in TAT Revenue.

This proposal not only affects me and other owners, but many local businesses and County of Maui.

Please reconsider this proposal.

Mahalo for taking your valuable time and reading my letter.

Sincerely Yours

Mariola Katryniok

mkatryniok@reyesholdings.com

### **Guest User**

Location:

Submitted At: 12:43pm 11-03-21

We strongly oppose this bill. This will not solve the housing crisis. Vacation rental owners are not going to rent their units long term at a discount to market rates. They will more likely leave them vacant and visit for holidays, Maui and the State of Hawaii then loose out on millions in taxes. The GET tax will then need to rise to compensate, and low income people will be even worse off. The proponents of this bill have clearly not thought of the ramifications.

### **Guest User**

Location:

Submitted At: 12:43pm 11-03-21

I strongly support both PSLU 28 and 34. I assume that visitors come to Maui to experience it's peace and beauty. The more we build, the more we destroy the very thing people come here to experience. So many beautiful places that have been overrun with tourists and these places have started to implement procedures to protect and 'clean up' the impact of over-tourism. (Venice, Manchu Picchu, Barcelona, Santorini, Amsterdam, areas of Iceland, Mallorca, Kyoto to name a few). We are already experiencing a housing crisis for local residents on Maui which simply is not okay. Who will be able to work in the tourist industry if people cannot find or afford housing. This is an example of the proverbial 'shooting yourself in the foot'.

**SUGGESTIONS:** implement a hefty tourist tax (money to be used to address issues resulting from over tourism, limit visitors per day (1 visitor per 25 residents), moratorium on building to accommodate visitors (if we limit the amount of visitors, there should already be enough accommodations), reduce the current number of visitor accommodations, **LIMIT** the number of vacation rentals so that there is more housing available for local residents.

There **MUST** be an honorable balance that we can strike so that local families are valued and protected as we share this island **CONSCIOUSLY** with visitors who want to enjoy this island.

Do **NOT** wait till it's too late to do anything about protecting this beautiful island. The vision must go beyond 'money in the pocket now' at the expense of marring and destroying Maui in the future....**PLEASE** look ahead....forward thinking will go a long way

### **Guest User**

Location:

Submitted At: 12:37pm 11-03-21

We bought this property and paid **EXTRA** to be in the vacation zone area. We could have paid \$200,000 less if we just wanted to have a condo in Maui without STR option. This is an insanity what you are proposing and in a way taking away ownership rights to properties. Shame on you for even proposing this. If you need more affordable housing, please consider building out into the mountain area - there's plenty of land. No need to take away and re-distribute my ownership rights!!!!

### **Guest User**

Location:

Submitted At: 12:23pm 11-03-21

Hello, I strongly oppose this bill!!! We purchased a property in October 2020 and since then I've been able to use it as a vacation rental, your proposed date of cut off of September 2020 is extremely concerning to us!!! Please re-evaluate, decline it!!

### **Guest User**

Location:

Submitted At: 11:30am 11-03-21

I oppose! This would cause extreme financial hardship for owners whom depend on rent to make their mortgage and expenses. Also agree with all of the points RAM has made. Finally I think all the council members should be require to disclose any relationships financial or otherwise with the hotel industry publicly.

### **Guest User**

Location:

Submitted At: 10:49am 11-03-21

My wife and I are Canadian "snowbirds." We have been coming to Maui for over 40 years, always in the same condo complex. We retired 13 years ago and since then our average stay is about two months. During our stay we rent a car from a local company, do our grocery shopping at local stores, and gon Scuba diving with local operators.

We read with alarm about the desire to eliminate temporary vacation rentals within the hotel zone. If this happens then we will no longer be able to afford to come to Maui. We can't afford the big luxury hotel chain room rates, compounded by their lack of in-room cooking facilities which would force us to eat many of our meals in their expensive restaurants.

If this passes then we will be forced to move our winter get-away to Mexico or the Caribbean, taking a few thousand dollars with us. I suspect that this will also be true for many of the seasonal friends that we have met here.

Yeds, it will be "Aloha" in the "goodbye" sense.

### **Guest User**

Location:

Submitted At: 10:33am 11-03-21

It is awful to allow visitors to stay in residential neighborhoods. I can only imagine the negative impact on working families. I feel that only Bed & Breakfasts, with host owner/operators living on the premises, should be allowed to operate on Maui. Visitors need supervision! One only has to imagine how it would feel to be a working parent who has to be up early to get the family going and a nearby unit has vacationers partying into the night.

The housing crisis is disgraceful. The greed of speculation on residences is destroying our community! Mahalo for your work to balance it!

Mahalo for your consideration of the impacts on our residents!

Shelly Stevens

Haiku

### **Kahala Johnson**

Location:

Submitted At: 10:11am 11-03-21

Aloha mai k\_kou my name is Kahala Johnson, I am a Kanaka Maoli and Filipino resident who is one paycheck away from being homeless in my own homeland. I stand in strong support of PSLU-34 relating to the phasing out of transient accommodations. Despite being recognized as the Indigenous peoples of Hawaii, Kanaka Maoli are the most overrepresented demographic in homeless statistics comprising 40% of the unsheltered population. This harrowing statistic is made even more abhorrent when non-Hawaiians and paid lobbyists testify on behalf of transient vacation rentals on Maui, conveniently ignoring my people on the streets by locking their cars whenever they see a Hawaiian homeless on their own land. In response to their tone-deaf classism, I am here to testify that housing is indeed an issue but not for folks with enough class privilege to buy and rent houses that stay empty until parasitized by tourists coming to colonize the islands while homeless Hawaiians struggle to survive day-to-day.

## Guest User

Location:

Submitted At: 9:52am 11-03-21

Aloha Councilmembers,

I oppose this piece of legislation. It will NOT cure the housing deficit we have. It will only create lawsuits from the owners and cost the county millions in legal fees PLUS reduced property tax revenues. Please vote NO on this bill. It will NOT reduce tourists, instead it WILL HARM current property owners.

Unfortunately, I cannot support you in the next election if you do not support property rights.

Please do the right thing and Oppose the TVR Phase Out Bill and focus on legislation that will actually help our community. The proposed TVR phase out legislation will not create affordable housing and it won't benefit anyone other than the hotel industry. RAM has identified several reasons why the County of Maui should not eliminate TVR use in these subject condominiums, and I agree with them. I hope you agree with this logic as well:

1. Economic Benefit: The County of Maui has identified approximately 7,302 condominium units that have the ability to conduct TVR use under the comprehensive zoning ordinance's permitted uses for the A-1 and A-2 districts. Based on recent changes to our real property tax laws, these properties are generally placed in the short-term rental tax classification by default. On 10/21/2021, the Director of the Department of Finance publicly stated that eliminating TVR use in these properties "would possibly lead to a negative revenue change at about \$23 million per year." According to data provided by the Selected Real Property Statistics for Budget Consideration: FY 2021-2022, the average amount of revenue expected to be provided by each property in the STR tax class in 2022 is \$10,241.00. Therefore, these 7,302 condominiums represent approximately \$74.7 million in annual RPT revenue overall. According to Moody's, "the county's reliance on generally stable and predictable property taxes that are paid primarily by out-of-state owners of timeshares, vacation rentals and second homes" is a significant factor related to our excellent bond rating. It makes no financial sense to eliminate such a reliable and substantial source of revenue for the county, especially at the risk of jeopardizing our bond rating.
2. Funding the Comprehensive Affordable Housing Plan: The Comprehensive Affordable Housing Plan calls for the County of Maui to "increase funding into the Affordable Housing Fund to \$58 million annually." Similarly, the plan calls for the County of Maui to use its excellent bond rating to borrow against the Affordable Housing Fund in order to fund other components of the plan. As discussed above, eliminating TVR use from these subject condominiums would result in a possible loss of \$23 million in revenue annually, and upwards of \$74 million in annual revenue lost overall. Such a loss in revenue and reduction in our tax base would make it impossible to fully fund the Comprehensive Affordable Housing Plan, and it would jeopardize our ability to borrow enough money to fund various components of the plan. Please, do not defund the Comprehensive Affordable Housing Plan before any housing is even made available. These impacted condominiums will not provide the housing our community needs, but they can fund the development of the housing our community needs. Hawaiian Community Assets agrees with this point, and so should you.
3. Eliminating TVR Use May Actually Jeopardize Long-Term Affordable Housing Opportunities for Residents: TVR use in the subject condominiums is an incentive for investment purchasers to seek out and purchase these aging condominiums instead of other residential properties on the island. If there is no difference between the permitted uses allowed in an aging 1 bedroom condominium in Kihei or a 3 bedroom home in Waihee or Makawao, but the prices are comparable, an investment purchaser might as well buy the 3 bedroom home that would have been more suitable for one of our residents. Also, even if these properties lose TVR use, they are generally not the type of housing our residents need, and they will likely not sell at rates many of our residents can afford. The subject properties are all 30+ years old, primarily built and designed as TVRs, largely located in the sea level rise exposure area, and have aged infrastructure that has been used hard for many years. That means they have minimal parking, minimal storage, high maintenance fees, high special assessments, high tax assessments, and are in the areas most susceptible to climate change. Given the current prices of comparable non-TV units and the average monthly maintenance fees of these units, few (if any) can be expected to sell at "affordable" or even "workforce" rates.
4. Empowering the Hotels and Maximizing Advertising Dollars: Eliminating TVR use in the subject condominiums

only benefits the hotel industry, as it will be eliminating their only real competition while negatively impacting county revenue and affordable housing development. With no competition, the hotels will maximize their capacity and realize huge gains in revenue. Naturally, much of this revenue will go back into advertising Maui as a destination, thereby increasing the numbers of tourists visiting the islands. Throughout the pandemic period, the County of Maui already demonstrated great preference for the hotels and resorts, and this further gift of eliminating their competition almost entirely is alarming and arguably inappropriate.

5. Legal Challenges: Many property owners have already contacted RAM and expressed their intent to take legal action against the County of Maui if their property rights are abridged. Though HRS Section 46-4 ostensibly provides the counties authority to phase out "nonconforming" use in the Apartment zoning districts, it is difficult to classify TVR use as "nonconforming" for these subject properties. TVR use is expressly permitted in the language of the comprehensive zoning ordinance, and has been stated as expressly permitted in several pieces of legislation over the past 7 years. TVR use has been conducted in the A-1 and A-2 districts by thousands of property owners, throughout hundreds of buildings, over the course of decades. I don't know if impacted property owners would win a legal challenge against the County of Maui, but I have a feeling it will cost our county a lot of money and time to find out.

Hopefully you can see that a TVR phase out is not a good idea and it won't help our community in the way this legislation claims it will. Please focus your attention on providing the housing we need, instead of looking for ways to punish property owners for doing what the County of Maui expressly allows them to do.

**Guest User**

Location:

Submitted At: 9:51am 11-03-21

Aloha Councilmembers,

Maui County SHOULD phase out TVR's in Apartment Zoning. ANY dwelling in Apartment Zoning IS intended for Long-Term renting NOT Short-Term renting. This has had so many repercussions that has had negative impact on the whole of Maui. Short-term renting is killing the Aloha of Maui not embracing it and the visitors that come to Maui. There is Hotel Zoning for tourists to come visit the beautiful island of Maui. Visitors should be staying at a resort which is intended to accommodate visitors. The Minatoya list is not relevant anymore, it is outdated and out of line for what is in the best intention for Maui residents and visitors. Also, when looking at Maui County Code, the TVR code is in need to be executed for the better quality of life for the residents of Maui and those who oppose it have a stakeholder in it with investments in TVR's that do NOT improve the visitors experience but hinders the economy, most are not sowing their gains back into Maui. Please show the research and the numbers of how many TVR's are owned by out of County and State people. People are just making money with no care to locals or Maui itself. People who do not believe this need to do their research and the Council to get a consultant to report on these issues so there is no reasoning as the public states "we believe", etc. Please make a change, what we have now is NOT working.

**Guest User**

Location:

Submitted At: 9:39am 11-03-21

Dan and Michelle Edgington. Owners at 760 Spinnaker.

**Guest User**

Location:

Submitted At: 9:25am 11-03-21

Dear Chair and Members of the Committee,

Aloha, my name is Adam Thongsavat and I serve on Airbnb's Public Policy team. We are disappointed to see Maui considering legislation to effectively ban short-term rental eligibility for properties in its apartment districts sold or transferred after the end of this year.

First, this proposal comes on heels of other short-term rental restrictions, including limiting the number of available short-term rental permits in certain neighborhoods. Together, these measures will only serve to reduce a valuable source of tax revenue for the County, further limit alternative visitor-serving accommodations across

the Island, and hamper Maui homeowners' ability to benefit from Island tourist activity.

Second, this proposal runs counter to our recent MOU with the County, which is designed to usher in a transparent and effective regulatory regime for short-term rentals and online platforms. In accordance with this MOU, platforms have already undertaken changes on their end to ensure the County, hosts, and guests are aware of relevant tax and registration related information for short-term rental advertisements on their sites. Maui's new proposal threatens to undermine this MOU by creating new and ever-evolving regulatory requirements that make it harder for hosts, platforms, and the County itself to understand STR regulations for the Island.

Third, Maui's proposal is likely preempted by Hawaii state law, specifically Section 46-4, which provides significant limitations on local zoning powers. In particular, we are concerned with how Maui's proposal squares with this state law provision, which prohibits the amortization or phasing out of nonconforming uses for existing buildings or premises used for residential uses. This is consistent with longstanding advice from Maui's Corporation Counsel that prior attempts to prohibit short-term rental use in the Apartment Districts did not apply to those "grandfathered" listings that have been operating on or before March 4, 1991 OR had a lawfully issued permit approval on April 20, 1989.

We urge the County to withhold acting on this legislation now. Rather than continue to go down the road of ad-hoc and patchwork regulatory amendments, we welcome the opportunity to engage with the County in the coming months to identify a comprehensive framework that serves the needs of the County and residents.

We firmly believe that together we can strike a balance that recognizes that our host and guest community can meaningfully contribute to Maui's vision of managed and responsible tourism.

Mahalo,

Adam Thongsavat  
Airbnb

**Guest User**

Location:  
Submitted At: 9:13am 11-03-21

For the council to even consider such a proposition is scary for the people of Maui. PLSU-34 would possible defund affordable housing for the county of Maui by losing 74M in real property taxes from property classified as transit accommodation and 69M in TAT revenue for the state not to mention the thousand of small and medium size business that rely on these STR for their living(cleaning services, property management services, food services, tourism services, transportation services, etc). This should have been analysis before this "ideal" was even brought up and the proposition thrown out.

**Guest User**

Location:  
Submitted At: 9:11am 11-03-21

Aloha Chair Rawlins-Fernandez and Members of the Committee,

My name is Jade Chihara and I am born and raised in Lahaina. I support Councilmember Paltin's bill PLSU-34. Vacation rentals in the areas of apartments, where locals should live is unacceptable and adds to the competing race to find an affordable place to live. Apartments should be for locals and long term residents who can have an opportunity to build a community with each other and their families together.

Mahalo,  
Jade

**Guest User**

Location:  
Submitted At: 9:02am 11-03-21

I oppose any further restrictions from the legally existing transit accommodation in the vacation rental zones and



what the zoning currently permits. No need for further changes just enforce the rules by making the various platform(Airbnb/VRBO) verify the accommodations on there sites are legal and paying taxes. In addition, the current legal transient accommodations provides various income for the people staying on Maui(cleaning services, property management services, restaurants, grocery store, diving shops, car rentals, tourism shops) for low to middle income resident on Maui. To deprive them of making a living is wrong. The council could better use the tax dollars the transit accommodations are generating to fund moderate to low income housing developments for the residents of Maui instead of approving these restrictions.

### **Guest User**

Location:

Submitted At: 9:01am 11-03-21

PLSU-34 could potentially defund affordable housing for Maui County at a time when we need it most. The intent of this proposed phase out bill is to create affordable housing; however, most of these properties would not be affordable to rent. Many of these properties do not have storage, parking or ample space for children to play that would be appropriate for affordable housing.

This bill could result in a potential loss of \$74M in Real Property Tax revenue for the county of Maui, and a loss of \$69M in TAT Revenue for the State. The result will be an increase in taxes for Maui residents.

We are in agreement with RAM's below proposed reasons for opposing these two bills:

1. **Economic Benefit:** The County of Maui has identified approximately 7,302 condominium units that have the ability to conduct TVR use under the comprehensive zoning ordinance's permitted uses for the A-1 and A-2 districts. Based on recent changes to our real property tax laws, these properties are generally placed in the short-term rental tax classification by default. These 7,302 condominiums represent approximately \$74.7 million in annual RPT revenue overall. It makes no financial sense to eliminate such a reliable and substantial source of revenue for the county, especially at the risk of jeopardizing our bond rating.
2. **Funding the Comprehensive Affordable Housing Plan:** The Comprehensive Affordable Housing Plan calls for the County of Maui to "increase funding into the Affordable Housing Fund to \$58 million annually." Similarly, the plan calls for the County of Maui to use its excellent bond rating to borrow against the Affordable Housing Fund in order to fund other components of the plan. Eliminating TVR use from these subject condominiums would result in a possible loss of \$74 million in annual revenue lost overall. Such a loss in revenue and reduction in our tax base would make it impossible to fully fund the Comprehensive Affordable Housing Plan.
3. **Eliminating TVR Use May Actually Jeopardize Long-Term Affordable Housing Opportunities for Residents:** TVR use in the subject condominiums is an incentive for investment purchasers to seek out and purchase these aging condominiums instead of other residential properties on the island.
4. **Empowering the Hotels and Maximizing Advertising Dollars:** Eliminating TVR use in the subject condominiums only benefits the hotel industry, as it will be eliminating their only real competition while negatively impacting county revenue and affordable housing development.
5. **Legal Challenges:** Many property owners have already contacted RAM and expressed their intent to take legal action against the County of Maui if their property rights are abridged.

On behalf of PRMA, our members, employees and vendors, we ask that you please focus your attention on providing the housing we need, instead of looking for ways to punish property owners for doing what the County of Maui expressly allows them to do.

### **Guest User**

Location:

Submitted At: 8:59am 11-03-21

Aloha Honorable Councilmembers,

My name is John Uhl. I am the president of the AOA for Ma'alaea Banyans, 190 Hauoli St, in Ma'alaea. We have owned a condominium there for over 30 years. We now live full time in Makani a Kai, 300 Hauoli St, Ma'alaea, and our ohana nui owns 4 condos there.

Hauoli St in Ma'alaea has 10 condominium complexes, built between 1972 and 1980. They range in size from 24 to 83 units, with 564 total units. Full time owner occupancy ranges from 5% to 67%, and is about 30% overall. But the majority of owners live here part time--weeks or months per year, and most rent out their units when they are not here. That has worked out extremely well for both owners and renters. Both have generally loved their Maui experience, and appreciate the option to avoid large expensive hotels. It is far more advantageous to the

Maui economy to have the units rented to vacationers who spend money throughout the economy than to have the units sit vacant when the owners are not there.

The complexes were never meant to be family homes. They are small, and storage is quite limited. They are mostly 1 bedroom, some 2 bedrooms, most with only one parking space. Very few children live there. These 40+ year old buildings also need and will need substantial, and expensive repairs, which preclude them ever being affordable housing.

Their design and repair needs make them useless to address the needs of local families looking for more affordable housing. Eliminating them from short term rentals benefits only hotels by eliminating their competition. But that takes away a very popular option for vacationers, who still have the option to travel to other destinations.

We also generate significant tax revenues. As you are no doubt aware, property tax rates are substantially higher for non-owner occupied and short term rental property than for owner occupied properties. Transient Occupancy taxes are 10.25%. Landlords need to pay Hawaiian income tax on rental income, even if they live outside of Hawaii. Loss of short term vacation rentals could also cost thousands of tradespeople their jobs. We pay our housekeeper more than \$50 an hour – double or triple what the hotels pay. We also support handypersons, electricians, plumbers, resident managers, gardeners, and many others. The trickle-down economic impact could be as significant as the direct impact.

The concept of eliminating short term rentals in apartment buildings is one that has been promoted by the hotel industry for years. Their interest is not in enhancing affordable family housing - it is purely their self interest in increasing their occupancy rates and generating more profits for their shareholders.

A moratorium on new short term rental units might be reasonable. But how cynical is it to try to eliminate Ma'alaea's 564 potential short term rentals, which have been vacation rentals for 40 years, while allowing the building of 388 new timeshares at Maui Bay Villas by Hilton Grand Vacations at the old Maui Lu site?

This measure would dramatically reduce the County's tax revenue, thereby stifling the ability to develop affordable housing. Property values for these buildings would plummet, buildings may deteriorate as necessary repairs become unaffordable, and units might become vacant except for well-heeled retirees from the Mainland and elsewhere. Eventually they too could be driven out as homeowner dues increase to cover costs for unoccupied units.

This specter is real. It can happen in a matter of a few short years. The consequences of a bill such as this would resonate for years to come and the visitors who want to stay in homes and not in hotels will take their business somewhere other than Maui.

Mahalo for the opportunity to testify,

John Uhl

President of Ma'alaea Banyans AOA

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Location:

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The complexes were never meant to be family homes. They are small, and storage is quite limited. They are mostly 1 bedroom, some 2 bedrooms, most with only one parking space. Very few children live there. These 40+ year old buildings also need and will need substantial, and expensive repairs, which preclude them ever being affordable housing.

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This specter is real. It can happen in a matter of a few short years. The consequences of a bill such as this would resonate for years to come and the visitors who want to stay in homes and not in hotels will take their business somewhere other than Maui.

Mahalo for the opportunity to testify,

John Uhl

President of Ma'alaea Banyans AOA

**Mariola Katryniok**

Location:

Submitted At: 8:55am 11-03-21

Aloha,

First of all I want to let you know that I love Maui and I respect Hawaiian culture and traditions !

But I strongly oppose to this proposal.

I am an owner of one bedroom short term vacation rental condo since 2018.

I personally think we should focus on cracking down and stopping illegal vacation rentals on the island and not punishing owners who happily obey all your laws.

I also would like you to know that I do not make any profit by renting my place, short term vacation rental does not even cover my costs.

And that's ok I did not buy my condo to make a profit, I simply love Maui and want to live with Aloha Spirit.

As a working class person with full time job, I come and stay in my place twice a year.

I proudly hire local contractors and businesses. Maui property management company represent me and rent my unit. Please think how this proposal will affect them since I will be forced not to use their services, if this proposal passes.

I pay all my taxes and bills on time.

As you know effective November 1st, 2021 County of Maui is implementing 3% County TAT, that's on top of 10.25% State TAT (House Bill 862, H.D. 2, S.D.2, C.D.1), which I understand.

County of Maui loss in revenue will be devastating if this proposal passes and it would not help affordable housing found.

My AOA fees and property taxes are really high, but I am not complaining. I am hard working person, working 70 hours a week to make sure all my bills are paid on time.

I really don't see how this proposal will create long term affordable housing.

Maui will lose millions of dollars in TAT Revenue.

This proposal not only affects me and other owners, but many local businesses and County of Maui.

Please reconsider this proposal.

Mahalo for taking your valuable time and reading my letter.

Sincerely Yours

Mariola Katryniok

mkatryniok@reyesholdings.com

**Guest User**

Location:

Submitted At: 8:53am 11-03-21

Mahalo for this legislation to phase out short term rentals in our apartment districts. We residents feel strongly that our apartment districts suffer from unfair competition between visitors running up the prices in these areas and making rents unaffordable for long-term residents. For the folks in apartment districts, having neighbors who are truly from the community is a benefit that can't be understated. Living next to a revolving door of visitors is a very poor replacement for having a resilient neighborhood of long-term locals. Please phase out STR, especially in our apartment districts. We need to take back our spaces because we already share more than enough resources with the visitor industry and the relationship has become parasitic.

Fay McFarlane

L\_hain\_, Hawai'i

**Guest User**

Location:

Submitted At: 8:51am 11-03-21

I oppose PSLU-34 CC 21-422 PHASING OUT TRANSIENT ACCOMMODATIONS IN THE APARTMENT DISTRICTS (PSLU-34)

**Charmaine Ross**

Location:

Submitted At: 8:48am 11-03-21

Attached are the testimony of Aqua Aston and Maui Condo and Home. Thank you.

## Guest User

Location:

Submitted At: 8:15am 11-03-21

Dear Maui County Council Members,

If I may respectfully suggest....build affordable housing if that is the issue, using employees who live on Maui, and pay a living wage. Other states have a lottery and billions of dollars have been given to whatever the state wants to fund. That may include: workforce housing, education, and infrastructure.

Thank you.

## Guest User

Location:

Submitted At: 8:14am 11-03-21

Aloha Councilmembers,

I oppose PSLU-34.

**Basic Economics:** The Director of the Department of Finance has already warned the County Council that this move “would possibly lead to a negative revenue change at about \$23 MILLION per year.” Overall, RAM has determined that these impacted properties represent upwards of \$74 Million in property tax revenue per year (that is about 8.7% of the entire budget!). Eliminating this much revenue would make it hard for the county to maintain current services, and it would jeopardize the county’s bond rating.

**It Will Defund the Comprehensive Affordable Housing Plan:** The 2021 Comprehensive Affordable Housing Plan calls for the county to: (1) “Increase funding into the Affordable Housing Fund to \$58 million annually;” and (2) For the County to use its bond rating to borrow against the increased Affordable Housing Fund as a means to fund infrastructure updates to support affordable housing development. The TVR Phase Out Bill would make both of these goals virtually impossible! Hawaiian Community Assets, the authors of the plan, agree with this assessment.

**The Bill Does Not Create Long-Term Affordable Housing Opportunities for Residents:** TVR use in the subject condominiums is an incentive for investment purchasers to seek out and purchase these aging condominiums instead of other residential properties on the island. If there is no difference between the permitted uses allowed in an aging 1 bedroom condominium in Kihei or a 3 bedroom home in Waihee or Makawao, but the prices are comparable, an investment purchaser might as well buy the 3 bedroom home that would have been more suitable for one of our residents. Also, even if these properties lose TVR use, they are generally not the type of housing our residents need, and they will likely not sell at rates many of our residents can afford. The subject properties are all 30+ years old, primarily built and designed as TVRs, largely located in the sea level rise exposure area, and have aged infrastructure that has been used hard for many years. That means they have minimal parking, minimal storage, high maintenance fees, high special assessments, high tax assessments, and are in the areas most susceptible to climate change. Given the current prices of comparable non-TVR units and the average monthly maintenance fees of these units, few (if any) can be expected to sell at “affordable” or even “workforce” rates.

**This Bill is a Huge Gift to the Hotel Industry:** Eliminating TVR use in the subject condominiums only benefits the hotel industry, as it will be eliminating their only real competition while negatively impacting county revenue and affordable housing development. With no competition, the hotels will maximize their capacity and realize huge gains in revenue. Naturally, much of this revenue will go back into advertising Maui as a destination, thereby increasing the numbers of tourists visiting the islands. Throughout the pandemic period, the County of Maui already demonstrated great preference for the hotels and resorts, and this further gift of eliminating their competition almost entirely is alarming and arguably inappropriate.

**Legal Challenges:** Many property owners have already contacted RAM and expressed their intent to take legal action against the County of Maui if their property rights are abridged. Though HRS Section 46-4 ostensibly provides the counties authority to phase out “nonconforming” uses in the Apartment zoning districts, it is difficult to classify TVR use as “nonconforming” for these subject properties. TVR use is expressly permitted in the language of the comprehensive zoning ordinance, and has been stated as expressly permitted in several pieces of legislation over the past 7 years. TVR use has been conducted in the A-1 and A-2 districts by thousands of property owners, throughout hundreds of buildings, over the course of decades. It is unclear if impacted property owners would win a legal challenge against the County of Maui, but it may cost our county a lot of money and time to find out.

### **Guest User**

Location:

Submitted At: 7:54am 11-03-21

Living in a mixed rental and owner occupied dwelling for years, I feel we should not phase out TA. The revenue generated by this base would adversely affect our tax base that would have to be made up elsewhere, likely from residents

### **Guest User**

Location:

Submitted At: 7:54am 11-03-21

We should oppose changes that help rich mainlanders who own the hotels. This would harm locals like me who own the condos.

### **Guest User**

Location:

Submitted At: 7:46am 11-03-21

Aloha :

What I cannot understand about this proposal is why the County would want to house local people in tiny units where the buildings are more than 30 years old, where the infrastructure is failing and the AOAO fees are rising steadily to fix that infrastructure. These fees will not be going down but only rising in years to come. Do local people want to be responsible for these high fees and pay high prices for their housing. In addition, these units were not built for full time family living with no storage space and minimal parking.

Also, I fail to understand how the county can afford to lose millions of dollars in Property tax revenue as these TAVR's are such a huge source of income for the County and the TAT is income for both the state and the County.

How will the state make up this income? Will it have to increase property taxes to full time residents exponentially?

Building affordable APPROPRIATE housing for local residents is the issue that should be considered not how to get rid of tourists who support the economy.

Of course the tourists will just keep coming in increasing numbers to stay in the hotels that are taxed so low.

Thank you for reading this.

### **Guest User**

Location:

Submitted At: 7:43am 11-03-21

Aloha Planning and Sustainable Land Use Commission,

If there's one thing the tsunami of visitors that has arrived in 2021 has shown us is that there is such a thing as too much: too many people, too many cars, not enough residents to care for all of the visitors and fill all of the job openings necessary to keep the tourist machine running.

Median prices on homes has skyrocketed due to mainland real estate speculators being able to work remotely pricing local families and residents out of ever being able to own a home. Rents have skyrocketed in step with the cost of home purchase. Properties that were always workforce housing are being purchased and converted to vacation rentals. On West Maui to name a few, Napili Ridge and Kahana Manor always were workforce housing, a starter place for young people that fill so many jobs in tourism. My first place out of my parents house when I was 22 was the Kahana Manor. Recently a real estate speculator purchased 30+ apartments at Kahana Manor, so many friends losing their long time homes, and turned into vacation rentals. A home in Mahinahina that had 5 separate unit recently was given a STR permit taking away housing for 15 more people. Our housing is not a commodity to be sold to greedy real estate speculators that don't live here and don't give back to our community. Enough is enough! Vacation rentals should not be allowed in workforce housing. Our community needs places for young people and working families to live and live in dignity, not 5 people in a studio because that's all they can afford. Our elected officials need to represent the people of Maui not mainland investors that only seek to exploit a system that doesn't work for our residents. Please NO MORE VACATION RENTALS IN APARTMENT

DISTRICTS. Please Council members, do what's right for our community and protect what housing we still have left for our community.

Please support a moratorium on new hotels. There are plenty of vacation rentals lining the west and south shores of this island, some in desperate need of repair and coastal retreat. As stated above we cannot even house enough workers to fully staff the hotels we already have.

Please do the right thing. Protect workforce housing by denying and revoking STR permits in apartment districts and please no more hotels!

Mahalo for your time,

Amy Stephens

Napili

### **Guest User**

Location:

Submitted At: 7:37am 11-03-21

Dear Maui County Councilmembers,

On behalf of Maui PRMA, the Vacation Rental Trade Council under the Maui Chamber of Commerce, we would like to express our opposition to PSLU-28 and PSLU-34. PRMA, the Professional Rental Management Association, is a coalition of professional property management companies representing over 1600 legally zoned condominium vacation rental units throughout Maui. Our members are licensed in the State of Hawaii, engaged in the management of legal vacation rental properties, primarily condominiums, and comply with real estate license law and code of ethics. Our companies represent 216 years in business, employing nearly 200 employees and over 300 independent contractors and vendors and nearly all of our members have properties listed on the Minatoya list, some with a majority of their inventory on the list.

Since 2018, Maui's vacation rentals have contributed \$18.9 million towards affordable housing, more than all the hotels, all the homeowners and all other businesses combined. This year the legal short-term rentals generated \$8.5M for the affordable housing fund.

PLSU-34 could potentially defund affordable housing for Maui County at a time when we need it most. The intent of this proposed phase out bill is to create affordable housing; however, most of these properties would not be affordable to rent. Many of these properties do not have storage, parking or ample space for children to play that would be appropriate for affordable housing.

This bill could result in a potential loss of \$74M in Real Property Tax revenue for the county of Maui, and a loss of \$69M in TAT Revenue for the State. The result will be an increase in taxes for Maui residents.

We are in agreement with RAM's below proposed reasons for opposing these two bills:

1. **Economic Benefit:** The County of Maui has identified approximately 7,302 condominium units that have the ability to conduct TVR use under the comprehensive zoning ordinance's permitted uses for the A-1 and A-2 districts. Based on recent changes to our real property tax laws, these properties are generally placed in the short-term rental tax classification by default. These 7,302 condominiums represent approximately \$74.7 million in annual RPT revenue overall. It makes no financial sense to eliminate such a reliable and substantial source of revenue for the county, especially at the risk of jeopardizing our bond rating.
2. **Funding the Comprehensive Affordable Housing Plan:** The Comprehensive Affordable Housing Plan calls for the County of Maui to "increase funding into the Affordable Housing Fund to \$58 million annually." Similarly, the plan calls for the County of Maui to use its excellent bond rating to borrow against the Affordable Housing Fund in order to fund other components of the plan. Eliminating TVR use from these subject condominiums would result in a possible loss of \$74 million in annual revenue lost overall. Such a loss in revenue and reduction in our tax base would make it impossible to fully fund the Comprehensive Affordable Housing Plan.
3. **Eliminating TVR Use May Actually Jeopardize Long-Term Affordable Housing Opportunities for Residents:** TVR use in the subject condominiums is an incentive for investment purchasers to seek out and purchase these aging condominiums instead of other residential properties on the island.

4. Empowering the Hotels and Maximizing Advertising Dollars: Eliminating TVR use in the subject condominiums only benefits the hotel industry, as it will be eliminating their only real competition while negatively impacting county revenue and affordable housing development.

5. Legal Challenges: Many property owners have already contacted RAM and expressed their intent to take legal action against the County of Maui if their property rights are abridged.

On behalf of PRMA, our members, employees and vendors, we ask that you please focus your attention on providing the housing we need, instead of looking for ways to punish property owners for doing what the County of Maui expressly allows them to do.

We welcome any discussion with you or a member of your administration and can be contacted at Mauiprma@gmail.com.

Mahalo,

John Kevan  
Angela Leone  
Co-Founders of Maui Professional Rental Management Association (Maui PRMA)

**Guest User**

Location:  
Submitted At: 7:35am 11-03-21

Please vote no on PHASING OUT TRANSIENT ACCOMMODATIONS IN THE APARTMENT DISTRICTS (PSLU-34).

This will not create sufficient numbers of long term housing supply on the island. The few that may result do not equate to the cost; lost commerce.

The revenue (taxes, local business commerce, and employment) relied upon today will dramatically decrease as vacation rentals are sold. Do not underestimate the impact to County appropriations if enacted.

If you've heard employers are hard pressed to find local employees due to inadequate housing - just wait to hear what these employers share when they experience no customers. The experience the island felt with the 2020 lockdown is a good indicator of how it will be when tourists quit coming due to unaffordable vacation lodging.

The Bill suggests there are 6000 STVR units in the proposed areas. It isn't hard to calculate, even with a reasoned phase out of a decade, the lost commerce impacts enacting this Bill would have.

Please vote no on PHASING OUT TRANSIENT ACCOMMODATIONS IN THE APARTMENT DISTRICTS (PSLU-34).

Mahalo, for taking my input.

**Guest User**

Location:  
Submitted At: 7:03am 11-03-21

As a property owner I think it's extremely unfair to change the allowed useage of property that was previously approved and developed for it's current occupancy use. We are providing a service to the island by providing temporary housing which reduces the demand for new hotels and resorts. Very unfair for taxpaying owners!

**Guest User**

Location:  
Submitted At: 6:53am 11-03-21

Don't bite the hand that feeds you. There are many ways to approach the issues of the community. This isn't one of them.

**Guest User**



Location:  
Submitted At: 6:42am 11-03-21

## I oppose PSLU-34 CC 21-422 PHASING OUT TRANSIENT ACCOMMODATIONS IN THE APARTMENT DISTRICTS (PSLU-34)

I understand the housing issue, but reducing vacation rentals will ultimately harm locals. Short-term vacation rentals are a massive support to the Maui County, not only through TAT, but through jobs. Our short-term rental supports not only cleaners, but property managers and staff, maintenance people and other services.

Please do not take a short-cut that will ultimately harm our beautiful community.

Mahalo,  
Della Halvorson

### **Guest User**

Location:  
Submitted At: 6:41am 11-03-21

This bill will hurt the economy of Maui. Maui can not exist alone by what you are trying to get passed. The bill will result in potential losses of nearly \$74 million in Real property Tax revenue for the County of Maui. Also, a loss of \$69 million in TAT revenue for the State, which will result in an increase of taxes for the Maui residents. It will be tearing down an economy that is working, so many huge losses. With that in mind, also with Covid, so much of Maui has been effected. Maui is just now getting back on its feet with tourism. Without revenue, it would make it a disaster, plus no investment in Affordable Housing, with increases of property tax which is already enormous. In a nut shell, It would lead to a negative revenue change, and hurting many many lives. We are talking about people here with families!! It is jeopardizing the county's bond rating which represent upwards of \$74 million, leading to a negative change of about \$23 million. Don't forget what Maui stands for, if this happens, it will dissipate its spirit, which I know many visit this beautiful land for this reason.

### **Guest User**

Location:  
Submitted At: 6:36am 11-03-21

PSLU 34

### **Guest User**

Location:  
Submitted At: 6:35am 11-03-21

I am in support of this bill.

### **Guest User**

Location:  
Submitted At: 5:18am 11-03-21

Aloha Councilmembers,

I oppose this piece of legislation. It will NOT cure the housing deficit that Maui county has. It will only create lawsuits from the owners and cost the county millions in legal fees PLUS reduced property tax revenues. Please vote NO on this bill. It will NOT reduce tourists, instead it WILL HARM current property owners.

Please do the right thing and Oppose the TVR Phase Out Bill and focus on legislation that will actually help improve Maui county tax base. The proposed TVR phase out legislation will not create affordable housing and it won't benefit anyone other than the hotel industry. RAM has identified several reasons why the County of Maui should not eliminate TVR use in these subject condominiums, and I agree with them. I hope you agree with this logic as well:

1. Economic Benefit: The County of Maui has identified approximately 7,302 condominium units that have the ability to conduct TVR use under the comprehensive zoning ordinance's permitted uses for the A-1 and A-2 districts. Based on recent changes to our real property tax laws, these properties are generally placed in the short-term rental tax classification by default. On 10/21/2021, the Director of the Department of Finance publicly

stated that eliminating TVR use in these properties "would possibly lead to a negative revenue change at about \$23 million per year." According to data provided by the Selected Real Property Statistics for Budget Consideration: FY 2021-2022, the average amount of revenue expected to be provided by each property in the STR tax class in 2022 is \$10,241.00. Therefore, these 7,302 condominiums represent approximately \$74.7 million in annual RPT revenue overall. According to Moody's, "the county's reliance on generally stable and predictable property taxes that are paid primarily by out-of-state owners of timeshares, vacation rentals and second homes" is a significant factor related to our excellent bond rating. It makes no financial sense to eliminate such a reliable and substantial source of revenue for the county, especially at the risk of jeopardizing our bond rating.

2. Funding the Comprehensive Affordable Housing Plan: The Comprehensive Affordable Housing Plan calls for the County of Maui to "increase funding into the Affordable Housing Fund to \$58 million annually." Similarly, the plan calls for the County of Maui to use its excellent bond rating to borrow against the Affordable Housing Fund in order to fund other components of the plan. As discussed above, eliminating TVR use from these subject condominiums would result in a possible loss of \$23 million in revenue annually, and upwards of \$74 million in annual revenue lost overall. Such a loss in revenue and reduction in our tax base would make it impossible to fully fund the Comprehensive Affordable Housing Plan, and it would jeopardize our ability to borrow enough money to fund various components of the plan. Please, do not defund the Comprehensive Affordable Housing Plan before any housing is even made available. These impacted condominiums will not provide the housing our community needs, but they can fund the development of the housing our community needs. Hawaiian Community Assets agrees with this point, and so should you.

3. Eliminating TVR Use May Actually Jeopardize Long-Term Affordable Housing Opportunities for Residents: TVR use in the subject condominiums is an incentive for investment purchasers to seek out and purchase these aging condominiums instead of other residential properties on the island. If there is no difference between the permitted uses allowed in an aging 1 bedroom condominium in Kihei or a 3 bedroom home in Waihee or Makawao, but the prices are comparable, an investment purchaser might as well buy the 3 bedroom home that would have been more suitable for one of our residents. Also, even if these properties lose TVR use, they are generally not the type of housing our residents need, and they will likely not sell at rates many of our residents can afford. The subject properties are all 30+ years old, primarily built and designed as TVRs, largely located in the sea level rise exposure area, and have aged infrastructure that has been used hard for many years. That means they have minimal parking, minimal storage, high maintenance fees, high special assessments, high tax assessments, and are in the areas most susceptible to climate change. Given the current prices of comparable non-TVIR units and the average monthly maintenance fees of these units, few (if any) can be expected to sell at "affordable" or even "workforce" rates.

4. Empowering the Hotels and Maximizing Advertising Dollars: Eliminating TVR use in the subject condominiums only benefits the hotel industry, as it will be eliminating their only real competition while negatively impacting county revenue and affordable housing development. With no competition, the hotels will maximize their capacity and realize huge gains in revenue. Naturally, much of this revenue will go back into advertising Maui as a destination, thereby increasing the numbers of tourists visiting the islands. Throughout the pandemic period, the County of Maui already demonstrated great preference for the hotels and resorts, and this further gift of eliminating their competition almost entirely is alarming and arguably inappropriate.

5. Legal Challenges: Many property owners have already contacted RAM and expressed their intent to take legal action against the County of Maui if their property rights are abridged. Though HRS Section 46-4 ostensibly provides the counties authority to phase out "nonconforming" use in the Apartment zoning districts, it is difficult to classify TVR use as "nonconforming" for these subject properties. TVR use is expressly permitted in the language of the comprehensive zoning ordinance, and has been stated as expressly permitted in several pieces of legislation over the past 7 years. TVR use has been conducted in the A-1 and A-2 districts by thousands of property owners, throughout hundreds of buildings, over the course of decades. I don't know if impacted property owners would win a legal challenge against the County of Maui, but I have a feeling it will cost our county a lot of money and time to find out.

6. The trickle affect to the many local business' that support TVR units and their guests would be detrimentally impacted which in turn impacts the livelihoods of many Maui county residents.

Hopefully you can see that a TVR phase out is not a good idea and it won't help our community in the way this legislation claims it will. Please focus your attention on providing the housing we need, instead of looking for ways to punish property owners for doing what the County of Maui expressly allows them to do.

Mahalo Nui Loa

**Guest User**

Location:

Submitted At: 5:14am 11-03-21

Maui council members,

I absolutely oppose this PSLU-34 CC 21-422 PHASING OUT TRANSIENT ACCOMMODATIONS IN THE APARTMENT DISTRICTS (PSLU-34)

This just is not the right way to address the low income housing shortage on Maui. When buying my condo a dozen years ago, I specifically looked for a property that was set up as a vacation rental property. I invested my retirement account in the purchase because we fell in love with Maui and all it offers. I couldn't afford the resort bill and did not like the tourist scene. The condo has been the way we get to enjoy Maui for extended periods of time and consider Maui our home away from home, as well as investing for retirement and expecting a return on that investment. During my ownership years I have paid all taxes even though I think we have been treated unfairly by categorizing vacation rental property with same designation as a resort. It was very interesting that property taxes went up 40% in a year that we were unable to even book visitors at all (covid) Through all of this I did not complain as I considered it a way I could help fund Maui to find some answers to affordable housing for residence. My condo is a studio condo in a complex in North Kihei, in essence a motel room with a kitchen. It was designed for vacation rental use, not as family housing. Booking my condo is a way for people to come visit maui and experience Aloha, as well as spend money in Maui businesses, without the huge bill a resort doles out. I do not agree with being lumped in with all the other condos affected by this bill. It is not an answer for the problem you say you are trying to solve. And I don't know how you can even consider this bill as a possible solution when there is a huge 300 + unit time share project going on a block away from my complex. I guess zoning residential stopped at my street corner, and gives the appearance that the big money resorts are being catered to, even though they use a lot more of Maui's valuable resources than a studio condo does, IE...lush green golf courses need water, electricity, ect.

Put your heads together and come up with a more viable plan for the problem instead of throwing honest hard working people like me and others under the bus, and changing the rules in the middle of the game! I love Maui just as much as you do, and want to see the problem addressed in a constructive way, but reducing tax revenues and owners property values and retirement accounts is not the way to deal with this problem.

Sincerely, Patrick Reichert

**Guest User**

Location:

Submitted At: 4:16am 11-03-21

We are owners at Maui Sands Seaside and have leased our unit since 2005 with the plan to participate in a lease buyout if given the opportunity. We consider ourselves part-time residents of Maui; i.e. kama'ainas. While we recognize the need for affordable housing, we feel the proposal is not realistic in its expectations that waterfront condo units will actually be "affordable." Rather a more likely scenario is that wealthy off island buyers, who can afford to leave units to sit empty, will prevail. The loss of revenue to the island would thus be disastrous.

**Guest User**

Location:

Submitted At: 4:15am 11-03-21

We need to do more to create affordable housing and we need money to do so. The County is already behind in allocating needed funds towards affordable housing projects.

This bill will effectively defund the County budget of more than \$25M in property tax revenue per year, when these apartments are taxed under resident use versus short term rental use. There are no plans to generate the \$25M in lost revenue in a different way.

The County has contributed less than \$8M per year to the affordable housing plan, which has proved insufficient (the goal is \$50M per year).

With this bill, we will find ourselves in a situation where we have thousands of condos that are not occupied because of the high maintenance costs to owners/long term renters (30+ years old buildings that need improvements, in areas exposed to shoreline erosion and high humidity) or because they are not suitable for long term use ( no storage, no parking, size limitations). And there will be even less money for affordable housing.

Let's not stop trying to find real solutions for affordable housing.

With the new project coming up in West Maui, is it legally possible that the market priced units are offered for sale to Hawaii State residents first, for a limited time (1 to 2 years).

Mihaela Stoops

### **Guest User**

Location:

Submitted At: 4:13am 11-03-21

Oppose - this is a gift to the hotel industry. Room rates would double for hotels while the thousands of individual homeowners of vacation rentals will be financially damaged. If you want more housing for locals - let builders fast track construction and development of new housing.

### **Guest User**

Location:

Submitted At: 4:00am 11-03-21

STVR is been a reality in this world and a great way for travelers to have as an option instead staying in hotels and time shares. I do agree the tourism sometimes looks like out of control but I strongly believe that phasing out STVR is NOT going to help the problem at all and probably just make it worse with hotels and resorts being built on top of our beautiful land destroying our native environment.

### **Guest User**

Location:

Submitted At: 2:36am 11-03-21

Aloha Councilmembers,

I oppose this piece of legislation. It will NOT cure the housing deficit we have. It will only create lawsuits from the owners and cost the county millions in legal fees PLUS reduced property tax revenues. Please vote NO on this bill. It will NOT reduce tourists, instead it WILL HARM current property owners.

Unfortunately, I cannot support you in the next election if you do not support property rights.

Please do the right thing and Oppose the TVR Phase Out Bill and focus on legislation that will actually help our community. The proposed TVR phase out legislation will not create affordable housing and it won't benefit anyone other than the hotel industry. RAM has identified several reasons why the County of Maui should not eliminate TVR use in these subject condominiums, and I agree with them. I hope you agree with this logic as well:

1. Economic Benefit: The County of Maui has identified approximately 7,302 condominium units that have the ability to conduct TVR use under the comprehensive zoning ordinance's permitted uses for the A-1 and A-2 districts. Based on recent changes to our real property tax laws, these properties are generally placed in the short-term rental tax classification by default. On 10/21/2021, the Director of the Department of Finance publicly stated that eliminating TVR use in these properties "would possibly lead to a negative revenue change at about \$23 million per year." According to data provided by the Selected Real Property Statistics for Budget Consideration: FY 2021-2022, the average amount of revenue expected to be provided by each property in the STR tax class in 2022 is \$10,241.00. Therefore, these 7,302 condominiums represent approximately \$74.7 million in annual RPT revenue overall. According to Moody's, "the county's reliance on generally stable and predictable property taxes that are paid primarily by out-of-state owners of timeshares, vacation rentals and second homes" is a significant factor related to our excellent bond rating. It makes no financial sense to eliminate such a reliable and substantial source of revenue for the county, especially at the risk of jeopardizing our bond rating.

2. Funding the Comprehensive Affordable Housing Plan: The Comprehensive Affordable Housing Plan calls for the County of Maui to "increase funding into the Affordable Housing Fund to \$58 million annually." Similarly, the plan calls for the County of Maui to use its excellent bond rating to borrow against the Affordable Housing Fund in order to fund other components of the plan. As discussed above, eliminating TVR use from these subject condominiums would result in a possible loss of \$23 million in revenue annually, and upwards of \$74 million in annual revenue lost overall. Such a loss in revenue and reduction in our tax base would make it impossible to fully fund the Comprehensive Affordable Housing Plan, and it would jeopardize our ability to borrow enough money to fund various components of the plan. Please, do not defund the Comprehensive Affordable Housing Plan before

any housing is even made available. These impacted condominiums will not provide the housing our community needs, but they can fund the development of the housing our community needs. Hawaiian Community Assets agrees with this point, and so should you.

3. Eliminating TVR Use May Actually Jeopardize Long-Term Affordable Housing Opportunities for Residents: TVR use in the subject condominiums is an incentive for investment purchasers to seek out and purchase these aging condominiums instead of other residential properties on the island. If there is no difference between the permitted uses allowed in an aging 1 bedroom condominium in Kihei or a 3 bedroom home in Waihee or Makawao, but the prices are comparable, an investment purchaser might as well buy the 3 bedroom home that would have been more suitable for one of our residents. Also, even if these properties lose TVR use, they are generally not the type of housing our residents need, and they will likely not sell at rates many of our residents can afford. The subject properties are all 30+ years old, primarily built and designed as TVRs, largely located in the sea level rise exposure area, and have aged infrastructure that has been used hard for many years. That means they have minimal parking, minimal storage, high maintenance fees, high special assessments, high tax assessments, and are in the areas most susceptible to climate change. Given the current prices of comparable non-TVIR units and the average monthly maintenance fees of these units, few (if any) can be expected to sell at "affordable" or even "workforce" rates.

4. Empowering the Hotels and Maximizing Advertising Dollars: Eliminating TVR use in the subject condominiums only benefits the hotel industry, as it will be eliminating their only real competition while negatively impacting county revenue and affordable housing development. With no competition, the hotels will maximize their capacity and realize huge gains in revenue. Naturally, much of this revenue will go back into advertising Maui as a destination, thereby increasing the numbers of tourists visiting the islands. Throughout the pandemic period, the County of Maui already demonstrated great preference for the hotels and resorts, and this further gift of eliminating their competition almost entirely is alarming and arguably inappropriate.

5. Legal Challenges: Many property owners have already contacted RAM and expressed their intent to take legal action against the County of Maui if their property rights are abridged. Though HRS Section 46-4 ostensibly provides the counties authority to phase out "nonconforming" use in the Apartment zoning districts, it is difficult to classify TVR use as "nonconforming" for these subject properties. TVR use is expressly permitted in the language of the comprehensive zoning ordinance, and has been stated as expressly permitted in several pieces of legislation over the past 7 years. TVR use has been conducted in the A-1 and A-2 districts by thousands of property owners, throughout hundreds of buildings, over the course of decades. I don't know if impacted property owners would win a legal challenge against the County of Maui, but I have a feeling it will cost our county a lot of money and time to find out.

Hopefully you can see that a TVR phase out is not a good idea and it won't help our community in the way this legislation claims it will. Please focus your attention on providing the housing we need, instead of looking for ways to punish property owners for doing what the County of Maui expressly allows them to do.

Thank you!  
Kim Thorsell

**Amy Fonarow**

Location:  
Submitted At: 1:28am 11-03-21

Aloha,

I support PSLU-34 CC 21-422 PHASING OUT TRANSIENT ACCOMMODATIONS IN THE APARTMENT DISTRICTS. Limiting the number of apartments that can be turned into short term rentals will give not only a little breathing room for people who work on Maui to find housing on island, but also a bit of a cap on the tourists who come to visit. This would make things more comfortable for everybody - not only for those who live, but also those who visit Maui. The more comfortable things are, the more money will be made, even if it doesn't sound like that when viewing things with a short term perspective.

Please consider life on Maui long term when voting on this bill, and support it.

Mahalo for your time and care!

Sincerely,

Amy Fonarow (former six-year Maui resident and tourism-industry worker)

**Guest User**

Location:

Submitted At: 11:33pm 11-02-21

I wish to voice opposition to the proposed resolution PSLU-34. When I first visited Maui I could not afford to stay in a luxury hotel; condominium rental was not only affordable but offered my wife and myself an opportunity to experience Maui from a different perspective than if staying at a hotel. We shopped for groceries at the local markets and asked residents for suggestions of restaurants where the "locals" ate. We loved the aloha spirit that was prevalent throughout the islands.

Eventually we purchased a condominium in Kihei and made it available for short term vacation rentals thus giving renters the opportunity to experience Maui as we had done years earlier. To maintain our condo we hire local tradesmen such as plumbers, electricians and handymen (and women). We have a local person do cleaning. When on island we purchase products locally; we contribute to the economy in many ways.

The experience of staying in a privately owned condominium for a week or two provides a wonderful cultural and learning experience for those who cannot afford the hotels. I realize that Maui has a housing problem, but limiting and eventually eliminating short term vacation rentals in condominiums is essentially isolating Maui from the rest of the world except for wealthy individuals who can afford the very high hotel rates.

**Guest User**

Location:

Submitted At: 11:19pm 11-02-21

Aloha, please bring our neighborhoods and housing back to our full time residents. The apartments and condos that were built 30-40 yrs ago were for families. What happened? and who opened the floodgates that forced so many to move away? It's time to bring back our quality of life by eliminating STVR's in our neighborhoods and condos and revisit the huge task of making them affordable for the workforce who are struggling to find a place to live. 2020 was devastating to our economy, and we also learned how beautiful our island was with less people. Tourism is our economy, let's figure out a way to embrace it by focusing back on the well being of our residents that make this island a beautiful place to visit. We are the priority, and I thank the council for bringing this matter to the forefront. Please please make the change, this is the first step towards a better future for the residents and our Maui. Money, investments, taxes, etc need to take the back seat in this matter. Mahalo nui for your consideration.

**Guest User**

Location:

Submitted At: 10:47pm 11-02-21

Oppose - This does not solve the problem of long term housing for Maui Residents.

**Guest User**

Location:

Submitted At: 10:32pm 11-02-21

I think we need more "hoops" for short term rentals and some area should not have them. I clean vacation rentals for a living and have for 12yrs on Maui. I cannot stand that my friends and family cannot find a home with their kids, but people from the mainland can come buy any home or condo and illegally rent them all of the time. It's not ok. And like I said, this is how I pay my bills. Yet I am seriously angry and frustrated at the lack of support for us locals who have kids or a dog and we can't rent anything affordable. Our humane society is over full because we don't have many landlords with any aloha. It's just \$ to them. Pay my mortgage in HI and my mainland mortgage but it's a screw you to OUR community. We need more aloha! Ever since maui reopened it's been horrible, the worst owners and guests I have ever had! It makes me so sad. And even worse, so many of my friends/family have had to move (many born and raised here) because of the short term rentals. I honestly think owners who aren't residents should get taxed even more if they do short term rentals, and they should get tax

breaks for renting to real locals with families actually working in our community. Maui no ka oi

### **Guest User**

Location:

Submitted At: 10:15pm 11-02-21

As a 40 year resident of Maui, I have personally been displaced by long-term rental units being turned into vacation rentals. I once was able to live on the west side and walk to work. Now I live in haiku and drive three hours total each day to get to the Westside to work. I personally know people who are not full Time residence that on three vacation rentals on the west side and one on Molokai. Enough is enough. As a former vacation rental manager, I was asked and rewarded for more more more reservations.

Before you know it there will not be any more residents on Maui to fill any of the positions needed to accommodate the visitor. We have to drive too far and pay way too much for rent just to survive.

### **Johann Lall**

Location:

Submitted At: 9:11pm 11-02-21

I support this bill. It is a positive step but it doesn't go far enough. There are over 7,000 units zoned as apartments and meant to be homes, that are kept out of the rental market because of some misguided policy decision decades ago by people who somehow didn't view apartments as housing. Maybe they envisioned a future where apartments didn't matter because houses would be plentiful and accessible like some kind of suburban sprawl picket fence utopia (distopia), but that future didn't come to pass. We have a present where housing is not just expensive, but unavailable, forcing many residents, locals, and Hawaiians to leave the islands. I am not a lawyer but surely there must be some legal means to undo the catastrophic Minatoya Opinion and de-hotelize housing.

I have read several of the existing opposing testimonies and I do not believe any of the popular arguments make sense. Many seem to assume that this would ban existing legal STRH. I personally think they should be banned, but they won't be with this bill, only future owners will be disallowed from using apartments as hotels. Yes, a small amount of revenue would be lost as people sell and new owners lose STRH rights, but it would be inconsequential. Even if the amounts were large, they could easily be made up by increasing taxes on the rest of the visitor industry which is massively profitable. A hotel room is \$600-\$1000 a night, they can pay more taxes.

Yes there are cleaning jobs at vacation rentals, but it would be better if they were unionized stable jobs at resorts. I don't see how trades would be affected negatively as residents need services just like absentee hoteliers. Furthermore, these cleaning workers and tradespeople need homes too. We all have friends and acquaintances and neighbors who have been forced to leave Maui County to find affordable housing. I live at Kihei Shores, one of only two complexes in the Kama'ole area without STRH, and several of my neighbors have left over the past year due to rising rents and lack of available housing. Meanwhile there are 1,116 STRH units in adjacent complexes, all zoned apartment and meant to be housing.

Several comments say that these condos aren't appropriate for affordable housing. I disagree, because the exact types of buildings are affordable housing on O'ahu and everywhere else on the planet. There is no "Minatoya" in the City and County of Honolulu, and as a result you can actually rent a condo there for a reasonable amount of money. STRH condo fees are exhorbitant on Maui because the sky is the limit when the owners are running massively profitable businesses as amateur hoteliers. A \$1,000 fee is just a way for someone to earn a nice income, and those fees would normalize if condo units were restored to residential usage. That's how pretty much every city is, apartments exist and condos exist, and people live in them. We may be unique in this strange belief that condos should be something other than homes.

The worst comments are the ones using the phrase "bite the hand that feeds you". The County is not a dog being fed by benevolent amateur hoteliers, it's a government with an obligation to serve the people. It doesn't exist to beg for scraps from private business interests, especially not those with a negative impact on the community. This line of argument is insulting and disrespectful.

There is some merit to the argument that revenue should be used to build affordable housing. There will be plenty of revenue because the phase out will take several generations to make a difference in housing supply, so yes we should use the revenue to build affordable housing. I hope the same testifiers will support government housing

and especially higher density housing that we need in order to avoid paving over too much agricultural land.

**Guest User**

Location:

Submitted At: 8:26pm 11-02-21

I strongly strongly STRONGLY OPPOSE!!!!

PSLU-34 CC 21-422 PHASING OUT TRANSIENT ACCOMMODATIONS IN THE APARTMENT DISTRICTS (PSLU-34)

**Guest User**

Location:

Submitted At: 8:03pm 11-02-21

Aloha Planning and Sustainable Land Use Commission,

If there's one thing the tsunami of visitors that has arrived in 2021 has shown us is that there is such a thing as too much: too many people, too many cars, not enough residents to care for all of the visitors and fill all of the job openings necessary to keep the tourist machine running.

Median prices on homes has skyrocketed due to mainland real estate speculators being able to work remotely pricing local families and residents out of ever being able to own a home. Rents have skyrocketed in step with the cost of home purchase. Properties that were always workforce housing are being purchased and converted to vacation rentals. On West Maui to name a few, Napili Ridge and Kahana Manor always were workforce housing, a starter place for young people that fill so many jobs in tourism. My first place out of my parents house when I was 22 was the Kahana Manor. Recently a real estate speculator purchased 30+ apartments at Kahana Manor, so many friends losing their long time homes, and turned into vacation rentals. A home in Mahinahina that had 5 separate unit recently was given a STR permit taking away housing for 15 more people. Our housing is not a commodity to be sold to greedy real estate speculators that don't live here and don't give back to our community. Enough is enough! Vacation rentals should not be allowed in workforce housing. Our community needs places for young people and working families to live and live in dignity, not 5 people in a studio because that's all they can afford. Our elected officials need to represent the people of Maui not mainland investors that only seek to exploit a system that doesn't work for our residents. Please NO MORE VACATION RENTALS IN APARTMENT DISTRICTS. Please Council members, do what's right for our community and protect what housing we still have left for our community.

Please support a moratorium on new hotels. There are plenty of vacation rentals lining the west and south shores of this island, some in desperate need of repair and coastal retreat. As stated above we cannot even house enough workers to fully staff the hotels we already have.

Please do the right thing. Protect workforce housing by denying and revoking STR permits in apartment districts and please no more hotels!

Mahalo for your time,

Amy Stephens

Napili

**Guest User**

Location:

Submitted At: 7:44pm 11-02-21

To Whom it May concern,,

As West Maui's largest independent vacation rental employer, we are writing this correspondence to express opposition to PSLU-34. To be clear, the livelihood of Maui Resort Rentals and its 50+ employees is not at stake, as this bill directly affects fewer than 1% of our managed properties. However, our opposition comes from a much broader perspective.

The goal as stated in "Exhibit 1" of the proposed bill is "...to create long-term affordable housing opportunities for residents..." However, the passage of this bill would effectively eviscerate the financial infrastructure needed to build this type of housing. Beyond the significant economic impact on the working demographic that serves this market, another unintended consequence would be to bite the hand that financially feeds it—the population of absentee owners.

Vacation rental income is unquestionably an integral part of the value proposition inherent in this Maui real estate



market. To remove this financial benefit would shatter a significant portion of Maui's tax influx by depressing both transient accommodation and property tax. Furthermore, this is a confrontational message that could serve to alienate some of Maui's largest fans and financial contributors—investors/absentee real estate owners. This would no doubt be a step in the opposite direction than that of the aloha spirit. The cost of alienating this demographic is beyond calculation. In addition, one has to consider the strong possibility of significant legal exposure for the county, requiring considerable resources of both time and money to contend with.

### Structures

It is unequivocal that there is a need for more affordable housing options in the local community. But this simply does not seem to fit the bill from the standpoint of the product either. As residents, we require parking, storage and space. The aging buildings affected by this proposed bill are not ideal for affordable or workforce housing. Many are 30+ years old and next to the water with aging infrastructure, making them susceptible to special assessments and SMA permitting. This will inevitably and unintentionally further burden our working community with compromised situations.

### Financials

The decision here will either create a sizable deficit, or if allocated correctly, a great opportunity. By allowing these 7000+ units to operate, we will continue to create recurring sustainable revenue for Maui County. Over the course of a few years, it would appear these units will generate revenue for the county in excess of \$100 Million Dollars. That funding could be allocated to help construct purpose-built affordable housing projects. If creating long-term affordable housing opportunities for residents is truly the goal here; funding will need to come from somewhere. That "somewhere" is either from our tourists or our residents.

For all the reasons above, we strongly oppose phasing out transient accommodations in the apartment districts of Maui County.

Sincerely,

Maui Resort Rentals

### Guest User

Location:

Submitted At: 7:20pm 11-02-21

I strongly oppose.

These condos are a large source of tax, and are owned by hard working people who often hope to retire here and invest their good money into our local economy. They more than contribute for their share of infrastructure and is all existing.

It's the big new projects like the one in north Kihei I would question

### Guest User

Location:

Submitted At: 6:54pm 11-02-21

Aloha County Council, I am in support of phasing out transient short term rentals in our neighbor hoods. We already lost our nicest beaches to the hotels, and now they are invading our neighbor hoods! It's time to stop and review what has happened to our paradise. So many homeless people in Maui today, and many more are only a paycheck away from being homeless. It's time to re-focus on reality, and realize that taking care of our residents is our priority and obligation. We have to exhibit to the rest of the nation and world what the true meaning of Aloha is, "Sharing, caring, loving, and giving". Most of these short term rental owners are not even Hawaii people, the profits generated from these units doesn't even stay in Hawaii. I'm, not against tourism, but i say keep them in the Hotels, as that is what the Hotels were built for, and the Hotels provide better and more jobs than the short term rentals will ever provide. We also need all these units to provide housing for our residents. Let's also focus more on self sustainability, we have so much land that could be growing our own food. Let's also bring Hawaii back to being Hawaii by focusing more on Hawaiianess. Yes, we need tourism, but we also need a good quality of life. "Happy Hawaiians means Happy Tourists" Mahalo.

### Guest User

Location:

Submitted At: 6:42pm 11-02-21

To the members of the Maui County Council,  
I strongly oppose. This is not the answer to affordable housing.

**Guest User**

Location:

Submitted At: 6:40pm 11-02-21

Aloha kakou

As a owner/ manager of 02 transit accommodations condos on Molokai and a Molokai native I strongly support in phasing out condo, residential and condo/ resort zoned transit accommodations properties, I have witnessed the corruption, rape and unethical ways of American society/ capitalism in Hawaii, we need to wipe the slate clean reassess the potential of allowing transit accommodations in the future to set a better living structure for the land and kanaka that legally have ownership in Hawaii and legal say, not just having of a fee simple ( commodity) and adverse ownership title ( squatters rights ) that is not a land deed. Do your research. Mahalo

**Guest User**

Location:

Submitted At: 6:40pm 11-02-21

Absolutely oppose, it is bad enough you nearly double our property tax this year (which was discriminatory) and now add another 3% TA tax which is in effect double indemnity on us, now you want to reverse and take away a law that has been in place for more than 40 years! This would constitute the taking of property by eliminating the rightful use of a property owner and will forever reduce their value. It is just another example of how discriminatory Maui is to absentee owners and how you rip them off. It will most certainly cause a huge class action lawsuit and possible criminal actions against those trying to do such an unethical and dishonest act.

**Guest User**

Location:

Submitted At: 6:34pm 11-02-21

I highly support phasing out visitor accommodations. We already have more room nights than our roads and infrastructure can handle. Thank you Council Members for bringing this to a vote. I have noticed that every opposing comment is from someone who is either making money from vacation rentals, or who clearly does not understand the bill, or both. I hope the council is able to take that fact into consideration. The people who live here and work in the community, are supportive of this bill. Having lived here for 27 years, mostly on the west side, it has become a desperate situation. 72% of all residences on this side are owned by non-residents. Myself and many of my friends and family are one notice away from being homeless-even though we work hard, make good money, and pay our rent. My own mother has now been living in her van for over a year. Thank you for all of your hard work and dedication to the needs of the community.

**Guest User**

Location:

Submitted At: 6:12pm 11-02-21

I think this is a very bad idea, the county depends on all the taxes collected on STR and this is not a solution for affordable housing. The county needs to do better for all locals and those that depend on the tourism dollars. I urge you to do better with the resources and knowledgeable staff that you have.

**Evan Oue**

Location:

Submitted At: 5:54pm 11-02-21

Aloha,

Please find attached Hawaii Hotel Alliance testimony on PSLU 34. Please let me know if any councilmembers need additional information.

Mahalo

**Guest User**

Location:

Submitted At: 5:43pm 11-02-21

The condominiums in question here were not built with the young families in mind for the long term. Affordable housing needs to be built that is suitable for young families.

**Timothy Moore**

Location:

Submitted At: 5:35pm 11-02-21

Aloha - I urge you to support this legislation. I live in a condo community in Napili. The discussion of STRs is currently before our board. Many of us want to eliminate STRs in our community and for our condo community to be removed from the Minatoya list. Many have expressed concern about the erosion of the communities quality of life since STRs. Those that want to stay as STRs main concern is that eliminating STRs will lower their property values and the value of their investment, some are concerned about their ability to afford the property without STR income. They express no concern for our west side community. They consider their investment a business and not a home. This is a concerning trend throughout the country. I own businesses on the west side that employs over 300 employees. Our staff's biggest challenge is finding housing on the west side. If we could get all of the STR property back into the full time rental pool, it would help greatly with our housing shortage. Thank you all for the work you do and your consideration. Mahalo.

**Guest User**

Location:

Submitted At: 5:22pm 11-02-21

The horse is out of the barn. This is a bad idea.

**Guest User**

Location:

Submitted At: 5:18pm 11-02-21

To the members of the Maui County Council,

My name is Heather Loughridge-Buono, and I assist 8 owners with 11 properties here on Maui as a short term rental island agent.

I know that many of the people testifying today will cover the numbers, and how it just doesn't make sense for Maui County fiscally to push out STR. So I would like to tell you a little different story of who my clients are, and who we rent to.

I know most of my clients through living with them as neighbors, and have the advantage of a point of view of being a past long term renter on one of these properties. I loved living at Maui Sands Seaside for 15 years, but it was a challenge for my family as it really was not built for long term occupancy and the costs of renting could not keep up with the costs of expenses for the owner. Maui Sands, Maui Sands Seaside and Paki Maui where the units are that I oversee, are all properties that were built for vacation rental. They are on the water and perfectly suited for vacation units.

All of my clients purchased their units to use them for their own vacations, or to live in themselves. They all visit them as frequently as they are able, and they love their homes. When they purchased these homes they did so knowing that they always had the option of vacation rentals, some started out that way, others gradually found the need to turn them into STR to keep up with the increasing demands of Oceanside property that is aging. All of my client's homes are 50+ years old. All of them have had assessments and increases in costs due to location.

The shoreline where all these properties sit is in the throes of global climate change issues. All have had major issues with shoreline erosion and that will sadly not change. It has become a fact of life that these lovely vintage Maui properties will always need special care. That care is expensive. The seawall repair for Maui Sands completed last year came with a price tag of \$1.6mill, resulting in significant assessments for the owners. The aging of the buildings brings a constant need for maintenance and upkeep.

Being able to STR these units has kept them from crumbling into the ocean and they will never be affordable housing. My clients need to spend \$3-3.5k a month for maintenance, leasehold and property taxes. They are the stewards of these properties and we are all acutely aware that the visitors we bring to Maui are people who want to be exposed to and benefit from the exposure to a unique island with a rich and unique culture in the middle of the Pacific. There is unique history on all of these properties.

There are visitors coming to Maui to stay at one of the big corporate resorts. These resorts do everything they

can to keep those visitors on property, and to keep their spending there as well. They spend much less money at locally owned businesses. These big corporate resorts do employ a great deal of people, but I make sure our cleaners and maintenance people are paid a living wage. The profits big corporate resorts make leave the state! The money that the guests at my client's homes spend on Maui goes to locally owned businesses almost exclusively. They are here to sun and sand for sure, but just as important to these guests is to be able to become a part of the community they are staying in, if only for a few short days. These visitors have the opportunity to learn about Hawaii outside of a commercial luau. These are the people who come to Maui and volunteer at local beach cleanups and give back to the community that has welcomed them!

It would be a sad shame to lose these guests to big corporate resorts. It would be a shame to lose their contributions to our communities. I have witnessed 1st hand how generous and special these guests are.

**Guest User**

Location:

Submitted At: 5:01pm 11-02-21

Aloha County Counsel,

I am scratching my head trying to figure out how some of the condos would be affordable housing. Would the folks that currently live on Maui be able to afford a mortgage with a purchase price (conservatively) between \$400k and \$600k AND the HOA dues ranging from \$500 to \$1300 a month? What makes this affordable?

What happens when all of the transient tax is not collected? What about the higher property taxes the current owners are paying? What will the county budget look like with those funds being eliminated?

How is this affordable?

What about the jobs that these TVR's have supported? Housekeepers, shopping local for furniture, handy men, contractors, plumbers, electricians...and all of the GE tax they pay to the county?

I completely understand the housing shortage. I get it. But eliminating the TVR's will not make any sense.

**Guest User**

Location:

Submitted At: 4:58pm 11-02-21

We need more housing for residents, not visitors.

Mahalo

Bobbie Best

280 Hauoli, Wailuku

**Guest User**

Location:

Submitted At: 4:49pm 11-02-21

Strongly oppose. As a small business owner on Maui, tourism supports my family and most of Maui's economy. This is a short-term bad idea to a long-term problem. This is a horrible idea

**Guest User**

Location:

Submitted At: 4:30pm 11-02-21

Hello,

I purchased a property at Maui Kamaole in 2019. I was certainly under the understanding that this property was designated as vacation rental. We were hit really hard with Covid and was not able to rent the property. We greatly assist Maui city and Hawaii state by paying property tax, GET and TAT. My wife and I love Maui and plan to reside there during portions of our retirement.

Tourists need this accommodation. There isn't enough hotels to satisfy tourist requirements and will greatly increase their already high prices.

The answer to the shortage of affordable accommodations for residents is to loosen up zoning restrictions,

reduce development fees and reduce building permit fees.

Residents need housing but eliminating tourist accommodations is not the answer!

Paul and Sue Smeltzer  
G108 - Maui Kamaole  
2777 S Kihei rd.

Sent from my iPhone

**Guest User**

Location:

Submitted At: 4:24pm 11-02-21

This bill will drop property value and make reselling more difficult. In addition, many properties, such as our family condo, have huge association fees (\$8,000 annual) that are offset by rental revenue. With out this additional source of income, many owners will not be able to afford association fees driving down the value of these currently amazing homes. The county will also lose a vast amount in renal tax and in general the hospitality industry will suffer with less rooms/homes available for tourists. In addition, our family condo pays near \$12,000 in annual property tax. All these funds become questionable if you take away the opportunity to rent our family condo for a portion of the year. I urge you to please oppose this bill.

**Guest User**

Location:

Submitted At: 4:22pm 11-02-21

Aloha Councilmembers,

I oppose this piece of legislation. It will NOT cure the housing deficit we have. Please vote NO on this bill. It will NOT reduce tourists, instead it WILL HARM current property owners.

Please do the right thing and Oppose the TVR Phase Out Bill and focus on legislation that will actually help our community. The proposed TVR phase out legislation will not create affordable housing and it won't benefit anyone other than the hotel industry. RAM has identified several reasons why the County of Maui should not eliminate TVR use in these subject condominiums, and I agree with them. I hope you agree with this logic as well:

1. Economic Benefit: The County of Maui has identified approximately 7,302 condominium units that have the ability to conduct TVR use under the comprehensive zoning ordinance's permitted uses for the A-1 and A-2 districts. Based on recent changes to our real property tax laws, these properties are generally placed in the short-term rental tax classification by default. On 10/21/2021, the Director of the Department of Finance publicly stated that eliminating TVR use in these properties "would possibly lead to a negative revenue change at about \$23 million per year." According to data provided by the Selected Real Property Statistics for Budget Consideration: FY 2021-2022, the average amount of revenue expected to be provided by each property in the STR tax class in 2022 is \$10,241.00. Therefore, these 7,302 condominiums represent approximately \$74.7 million in annual RPT revenue overall. According to Moody's, "the county's reliance on generally stable and predictable property taxes that are paid primarily by out-of-state owners of timeshares, vacation rentals and second homes" is a significant factor related to our excellent bond rating. It makes no financial sense to eliminate such a reliable and substantial source of revenue for the county, especially at the risk of jeopardizing our bond rating.

2. Funding the Comprehensive Affordable Housing Plan: The Comprehensive Affordable Housing Plan calls for the County of Maui to "increase funding into the Affordable Housing Fund to \$58 million annually." Similarly, the plan calls for the County of Maui to use its excellent bond rating to borrow against the Affordable Housing Fund in order to fund other components of the plan. As discussed above, eliminating TVR use from these subject condominiums would result in a possible loss of \$23 million in revenue annually, and upwards of \$74 million in annual revenue lost overall. Such a loss in revenue and reduction in our tax base would make it impossible to fully fund the Comprehensive Affordable Housing Plan, and it would jeopardize our ability to borrow enough money to fund various components of the plan. Please, do not defund the Comprehensive Affordable Housing Plan before any housing is even made available. These impacted condominiums will not provide the housing our community

needs, but they can fund the development of the housing our community needs. Hawaiian Community Assets agrees with this point, and so should you.

3. Eliminating TVR Use May Actually Jeopardize Long-Term Affordable Housing Opportunities for Residents: TVR use in the subject condominiums is an incentive for investment purchasers to seek out and purchase these aging condominiums instead of other residential properties on the island. If there is no difference between the permitted uses allowed in an aging 1 bedroom condominium in Kihei or a 3 bedroom home in Waihee or Makawao, but the prices are comparable, an investment purchaser might as well buy the 3 bedroom home that would have been more suitable for one of our residents. Also, even if these properties lose TVR use, they are generally not the type of housing our residents need, and they will likely not sell at rates many of our residents can afford. The subject properties are all 30+ years old, primarily built and designed as TVRs, largely located in the sea level rise exposure area, and have aged infrastructure that has been used hard for many years. That means they have minimal parking, minimal storage, high maintenance fees, high special assessments, high tax assessments, and are in the areas most susceptible to climate change. Given the current prices of comparable non-TVIR units and the average monthly maintenance fees of these units, few (if any) can be expected to sell at "affordable" or even "workforce" rates.

4. Empowering the Hotels and Maximizing Advertising Dollars: Eliminating TVR use in the subject condominiums only benefits the hotel industry, as it will be eliminating their only real competition while negatively impacting county revenue and affordable housing development. With no competition, the hotels will maximize their capacity and realize huge gains in revenue. Naturally, much of this revenue will go back into advertising Maui as a destination, thereby increasing the numbers of tourists visiting the islands. Throughout the pandemic period, the County of Maui already demonstrated great preference for the hotels and resorts, and this further gift of eliminating their competition almost entirely is alarming and arguably inappropriate.

5. Legal Challenges: Many property owners have already contacted RAM and expressed their intent to take legal action against the County of Maui if their property rights are abridged. Though HRS Section 46-4 ostensibly provides the counties authority to phase out "nonconforming" uses in the Apartment zoning districts, it is difficult to classify TVR use as "nonconforming" for these subject properties. TVR use is expressly permitted in the language of the comprehensive zoning ordinance, and has been stated as expressly permitted in several pieces of legislation over the past 7 years. TVR use has been conducted in the A-1 and A-2 districts by thousands of property owners, throughout hundreds of buildings, over the course of decades. I don't know if impacted property owners would win a legal challenge against the County of Maui, but I have a feeling it will cost our county a lot of money and time to find out.

Hopefully you can see that a TVR phase out is not a good idea and it won't help our community in the way this legislation claims it will. Please focus your attention on providing the housing we need, instead of looking for ways to punish property owners for doing what the County of Maui expressly allows them to do.

## **Guest User**

Location:

Submitted At: 4:20pm 11-02-21

Dear Maui County Councilmembers,

We are writing this letter on behalf of Maui PRMA, the Vacation Rental Trade Council under the Maui Chamber of Commerce, in strong opposition to the proposed ordinance phasing out transient accommodations in the Apartment Districts, amending Chapter 19.12, Maui County Code.

Passing the proposed ordinance will not create real opportunities for Maui residents to access housing that is truly affordable and suitable, but it will be catastrophic for the County Budget and for Maui taxpayers.

Maui PRMA strongly opposes HB 862 for the following reasons:

- It will further deplete the county budget. According to the County's Finance Director, this proposed ordinance move would possibly lead to a negative revenue change at about \$23 million per year." The Realtor Association of Maui (RAM) has determined that these impacted properties represent upwards of \$74 Million in property tax revenue annually, representing 8.7% of the County Budget.

- Such significant revenue loss would likely compromise the County's ability to fund the 2021 Comprehensive Affordable Housing Plan, maintain the County's current services, and sustain the County's bond rating.
- According to RAM, the properties affected by the proposal are generally not the type of housing needed by residents, and few (if any) are expected to sell at "workforce" or affordable" rates. With minimal parking and storage, high maintenance fees, special assessments, tax assessments, and aged infrastructure located in sea level rise exposure areas, most of these units would not be suitable for affordable housing.
- Although the proposed ordinance does not create affordable housing opportunities for residents, the legal challenges that may follow could cost the County time and money, resources which would be better used elsewhere.
- Since 2018, Maui's vacation rentals have contributed \$18.9 million towards affordable housing, exceeding the amount that all hotels, homeowners, and businesses have collectively contributed toward affordable housing in Maui.

Maui's vacation rentals have generated a significant portion of affordable housing funding, and we are eager to work with the County so that we can continue finding solutions and best practices for our community. However, the proposed ordinance limits our ability to contribute to affordable housing funding and fails to create real, tangible affordable housing opportunities for Maui residents. To avoid the devastating financial impacts presented by this futile attempt to address affordable housing, we urge you oppose this proposed ordinance.

We welcome any discussion with you or a member of your administration and can be contacted at Mauiprma@gmail.com.

Mahalo,

John Kevan  
 Angela Leone  
 Co-Founders of Maui Professional Rental Management Association (Maui PRMA)

**Guest User**

Location:  
 Submitted At: 4:18pm 11-02-21

I support both bills pslu 28 and pslu 34

**Guest User**

Location:  
 Submitted At: 4:17pm 11-02-21

Aloha Councilmembers,

I oppose this piece of legislation. It will NOT cure the housing deficit we have. It will only create lawsuits from the owners and cost the county millions in legal fees PLUS reduced property tax revenues. Please vote NO on this bill. It will NOT reduce tourists, instead it WILL HARM current property owners.

Unfortunately, I cannot support you in the next election if you do not support property rights.

Please do the right thing and Oppose the TVR Phase Out Bill and focus on legislation that will actually help our community. The proposed TVR phase out legislation will not create affordable housing and it won't benefit anyone other than the hotel industry. RAM has identified several reasons why the County of Maui should not eliminate TVR use in these subject condominiums, and I agree with them. I hope you agree with this logic as well:

1. Economic Benefit: The County of Maui has identified approximately 7,302 condominium units that have the ability to conduct TVR use under the comprehensive zoning ordinance's permitted uses for the A-1 and A-2 districts. Based on recent changes to our real property tax laws, these properties are generally placed in the short-term rental tax classification by default. On 10/21/2021, the Director of the Department of Finance publicly stated that eliminating TVR use in these properties "would possibly lead to a negative revenue change at about \$23 million per year." According to data provided by the Selected Real Property Statistics for Budget Consideration: FY 2021-2022, the average amount of revenue expected to be provided by each property in the STR tax class in 2022 is \$10,241.00. Therefore, these 7,302 condominiums represent approximately \$74.7

million in annual RPT revenue overall. According to Moody's, "the county's reliance on generally stable and predictable property taxes that are paid primarily by out-of-state owners of timeshares, vacation rentals and second homes" is a significant factor related to our excellent bond rating. It makes no financial sense to eliminate such a reliable and substantial source of revenue for the county, especially at the risk of jeopardizing our bond rating.

2. Funding the Comprehensive Affordable Housing Plan: The Comprehensive Affordable Housing Plan calls for the County of Maui to "increase funding into the Affordable Housing Fund to \$58 million annually." Similarly, the plan calls for the County of Maui to use its excellent bond rating to borrow against the Affordable Housing Fund in order to fund other components of the plan. As discussed above, eliminating TVR use from these subject condominiums would result in a possible loss of \$23 million in revenue annually, and upwards of \$74 million in annual revenue lost overall. Such a loss in revenue and reduction in our tax base would make it impossible to fully fund the Comprehensive Affordable Housing Plan, and it would jeopardize our ability to borrow enough money to fund various components of the plan. Please, do not defund the Comprehensive Affordable Housing Plan before any housing is even made available. These impacted condominiums will not provide the housing our community needs, but they can fund the development of the housing our community needs. Hawaiian Community Assets agrees with this point, and so should you.

3. Eliminating TVR Use May Actually Jeopardize Long-Term Affordable Housing Opportunities for Residents: TVR use in the subject condominiums is an incentive for investment purchasers to seek out and purchase these aging condominiums instead of other residential properties on the island. If there is no difference between the permitted uses allowed in an aging 1 bedroom condominium in Kihei or a 3 bedroom home in Waihee or Makawao, but the prices are comparable, an investment purchaser might as well buy the 3 bedroom home that would have been more suitable for one of our residents. Also, even if these properties lose TVR use, they are generally not the type of housing our residents need, and they will likely not sell at rates many of our residents can afford. The subject properties are all 30+ years old, primarily built and designed as TVRs, largely located in the sea level rise exposure area, and have aged infrastructure that has been used hard for many years. That means they have minimal parking, minimal storage, high maintenance fees, high special assessments, high tax assessments, and are in the areas most susceptible to climate change. Given the current prices of comparable non-TVIR units and the average monthly maintenance fees of these units, few (if any) can be expected to sell at "affordable" or even "workforce" rates.

4. Empowering the Hotels and Maximizing Advertising Dollars: Eliminating TVR use in the subject condominiums only benefits the hotel industry, as it will be eliminating their only real competition while negatively impacting county revenue and affordable housing development. With no competition, the hotels will maximize their capacity and realize huge gains in revenue. Naturally, much of this revenue will go back into advertising Maui as a destination, thereby increasing the numbers of tourists visiting the islands. Throughout the pandemic period, the County of Maui already demonstrated great preference for the hotels and resorts, and this further gift of eliminating their competition almost entirely is alarming and arguably inappropriate.

5. Legal Challenges: Many property owners have already contacted RAM and expressed their intent to take legal action against the County of Maui if their property rights are abridged. Though HRS Section 46-4 ostensibly provides the counties authority to phase out "nonconforming" use in the Apartment zoning districts, it is difficult to classify TVR use as "nonconforming" for these subject properties. TVR use is expressly permitted in the language of the comprehensive zoning ordinance, and has been stated as expressly permitted in several pieces of legislation over the past 7 years. TVR use has been conducted in the A-1 and A-2 districts by thousands of property owners, throughout hundreds of buildings, over the course of decades. I don't know if impacted property owners would win a legal challenge against the County of Maui, but I have a feeling it will cost our county a lot of money and time to find out.

Hopefully you can see that a TVR phase out is not a good idea and it won't help our community in the way this legislation claims it will. Please focus your attention on providing the housing we need, instead of looking for ways to punish property owners for doing what the County of Maui expressly allows them to do.

**Guest User**

Location:

Submitted At: 4:14pm 11-02-21



Pacific Shores is zoned for "highest & best use"...keeping STR LEGAL.

Thank you,  
Pam Jensen

### **Guest User**

Location:

Submitted At: 4:11pm 11-02-21

Before more short term and vacation rentals are built or thought of, lets do something for our residents and not turn this into another Disneyworld or other tourist attraction. The islands are a very special place. We do not need more of the type of visitors that have shown up here in the last 18 months. Not to mention we do not have the infrastructure to handle what we have already. Do not let the greed cloud your judgement of what the islands should be.

### **Guest User**

Location:

Submitted At: 4:07pm 11-02-21

Aloha Councilmembers,

I oppose this piece of legislation. It will NOT cure the housing deficit we have. It will only create lawsuits from the owners and cost the county millions in legal fees PLUS reduced property tax revenues. Please vote NO on this bill. It will NOT reduce tourists, instead it WILL HARM current property owners.

Unfortunately, I cannot support you in the next election if you do not support property rights.

Please do the right thing and Oppose the TVR Phase Out Bill and focus on legislation that will actually help our community. The proposed TVR phase out legislation will not create affordable housing and it won't benefit anyone other than the hotel industry. RAM has identified several reasons why the County of Maui should not eliminate TVR use in these subject condominiums, and I agree with them. I hope you agree with this logic as well:

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Hopefully you can see that a TVR phase out is not a good idea and it won't help our community in the way this legislation claims it will. Please focus your attention on providing the housing we need, instead of looking for ways to punish property owners for doing what the County of Maui expressly allows them to do.

Mahalo,  
Tracy O'Reilly

### **Guest User**

Location:

Submitted At: 3:54pm 11-02-21

Dear Council,

While I am in support of limiting the number of new units being built, I oppose this bill. I am not a resident but I do own a unit in the Kihei area. Many of the complexes in the area, were built as vacation style units that have given many people access to what makes Maui beautiful as the hotels have formed an ultra luxury market that has priced most people out of vacations here. While the past year has shown us some of the darker sides of tourists, generally, the type of tourist that visit Maui are couples and small/young families. I look at the economic loss that this bill would have, although not immediate, but within 5 years the county would be losing over \$25 Million dollars in tax revenue alone per year and it the losses would be going up each year. As we are also aware of the TAT tax has also gone up by 3%, but again, in a few years, the amount collected would decline drastically each year. Would this not make a huge impact on Maui's annual budget and impact its ability to supply affordable housing. If it is funding for affordable housing, that is required, would it not be better have a dedicated tax for this purpose. That would show the world that you are putting a foot forward to help the residents. Most of South Kihei road is small business, Like Covid has shown communities worldwide, having no tourists to spend money in these shops will ultimately shut them down, and that shuts down an economy. The hotel district is not going to be sending people out to visit these areas, when they can provide all the tourist type goods and services themselves. I would firmly believe that you should be earmarking more of this revenue to put towards the housing situation and building schools. If this is to happen, how would all of these aging complexes be maintained and be kept up, and

would there be the type of resident that would want the expense to keep it up and pay special assessments. Monthly rents would have to be very high to keep up with AOA fees. In closing, I firmly believe that there are many alternative methods to fund an affordable housing program.

**Guest User**

Location:

Submitted At: 3:35pm 11-02-21

As an advocate for residential housing here in Hawaii, I strongly support this bill. The State of Hawaii is experiencing an extreme shortage of housing on all Islands for our long term residents. Every housing unit that is used as a hotel room is one less unit available to our local community. Please put residents as a priority and pass this bill. Thank you.

**Guest User**

Location:

Submitted At: 3:18pm 11-02-21

Our family has owned a condo on Maui for 40 years and has lived there part time and rented out part time (before the term "transient vacation rental" was in use). Renting our property has allowed us to give back to the community through paying taxes, employing local workers, and purchasing local furnishings. We contribute our volunteer time and money through our Lahaina church ohana. We love Maui and feel we contribute to its community and economy through the fair use of our property. Please do not pass either of these proposals.

**Guest User**

Location:

Submitted At: 2:50pm 11-02-21

I oppose this bill.

This law is not the right solution to affordable housing on Maui. It is just an unfair tactic to take away rights of one group to benefit another. The 7,300 units that will be impacted were never intended to house families based on the Minatoya Act. Our vested property rights were codified.

My husband and I purchased our vacation home 18 years ago with the knowledge that it was zoned as a "condotel" in 1980. We purchased it knowing it was never built with the intention of housing families on a long term basis. The units in our property are small, getting old, have very little storage and even more limited parking. The infrastructure of the properties cannot support needs of families on a long-term basis.

Owners like us will suffer loss of revenue and property values if this bill passes. The County will experience a loss of TAT taxes. This bill could result in a potential loss of \$74M in Real Property Tax revenue for the county of Maui, and a loss of \$69M in TAT Revenue for the State.

Families needing affordable housing will not be able to afford the rent, utilities and amenity fees that we would need to pass on to cover costs.

And not only will the value of our property go down, but the small businesses that we support will also suffer such as housekeepers, property managers, the nearby restaurants who enjoy the business of our guests, the tour operators and so many more.

The solution to affordable housing needs to focus on "adding" and not "taking away". Let's focus on building the infrastructure to construct appropriate REAL affordable housing, but not on the backs of those who are already helping you raise the revenue to support this cause.

**Ninh Nguyen**

Location:

Submitted At: 2:45pm 11-02-21

Dear County of Maui Officials, Congresspersons, and Citizens of Maui:

My name is Dr. Ninh Nguyen. I am on the economics faculty at San Jose State University where I teach finance, economics, and investments. I hold both graduate and doctoral degrees in economics and business, emphasizing

specifically in finance. I examined this piece of legislation through the lens of an economist, with an understanding of the potential impact of PSLU-34 on Maui.

I agree in the spirit of PSLU-34, whereby affordable housing should be available for Maui residents, however, PSLU-34 will not have the actual impact its drafters intended it to have. Instead, PSLU-34 will create a cascading economic effect adversely impacting current Maui residents, Maui business owners, Maui real estate investors, and Maui tourism.

By approving PSLU-34, you will be creating a substantial economic windfall for hotels and general real estate zones, zoned as H1, H2, and HM. The pricing effects on H1, H2, and HM accommodations will increase the price for visitors going to Maui, and notably, lessen the number of visitors as a whole traveling to Maui - Maui business owners will thereby suffer considerably by the reduction of visitors. The result, more likely, for Maui business owners, is the brutal necessity of increasing the price for their goods and services, at the impact and expense of Maui residents and visitors. In other words, Maui business owners would suffer if they do not create noticeable price increases against locals and tourists in order to make up the difference from reduced economic activity. Such a headwind will not be good for Maui.

Maui residents would simply not see any great benefit with PSLU-34's approval. Moreover, if PSLU-34 is approved, Maui property owners will most likely hold their properties longer because of the wealth-punitive and wealth-confiscatory nature to current Maui property owners' wealth under PSLU-34's approval. Usually these apartment zoned A1 and A2 properties, that are currently being used as short-term rentals, have higher HOA costs and higher valued property taxes. By approving PSLU-34, you are confiscating the Maui property owners' wealth, forcing windfall profits for hotels and large resorts zoned as H1, H2, and HM, and lowering property tax revenues to the County of Maui, as these A1, A2 properties turnover at sale.

More broadly, if PSLU-34 passes, the cascading economic effects will force Maui property owners hold on to property longer. Hotels will charge more, and Maui residents and business owners simply will not benefit from the lower levels of economic activity. Although I do agree with the spirit of PSLU-34, which is to help Maui obtain affordable housing, I simply cannot support this piece of legislation and I am opposing its approval. PSLU-34 will not work as intended. I urge you to contact me and other experts experienced in economics to find viable solutions that actually help, rather than hurt, Maui residents. While the spirit of PSLU-34 is correct, the economic practice and application is not.

Mahalo,  
Ninh Nguyen, Ph.D.

**mary drayer**

Location:  
Submitted At: 2:44pm 11-02-21

again - PLEASE provide housing for our residents - especially kanaka maoli....i have a transplant neighbor - house bought remotely/sight unseen 2 years ago - he lives here 6 months a year - and is upset he can't rent it out as a TVR the other 6 months! - i try to explain the kanaka situation - his reply is \_too bad for them\_ - \_i want the income\_ - western thinking that money is the priority for everything... please save us! the culture and the \_\_ina needs HELP!. mahalo...

**Guest User**

Location:  
Submitted At: 2:44pm 11-02-21

OPPOSED

This proposal to phase out TVRs is a shortsighted political narrative designed to curry favor with those disenfranchised home owners/renters and which does nothing to address, much less solve, the current difficulties we face concerning affordable housing on our island.

Whether we like it or not, tourism is integral to our island economy – Maui's competitive advantage. Many other areas of diversification – tech, manufacturing etc. - have been bandied about over the years with no meaningful

progress and these activities will be beneficial to our economy only at the margin in a best-case scenario.

We need to build more affordable housing through a consortium of government and private business augmented through the meaning tax dollars provided by TVRs. Rules and regulations need to be streamlined and made more efficient. The NIMBYism which so pervades this county must addressed.

TRV owners contribute meaningful to the economy through tax dollars, providing employment for island residents and the purchase of supplies and equipment from local merchants. Many owners of TVRs have had their property for many years and live or spend a great deal of time on the island therefore having "skin in the game" unlike the owners (shareholders) of the faceless corporations who own the hotels and who will surely be the real beneficiaries if this proposal is made law.

### **Guest User**

Location:

Submitted At: 2:26pm 11-02-21

I support this action. The 2014 decision to allow 10,000 units to be rented short term has contributed to the lack of housing for residents. Bill Greenleaf

### **Guest User**

Location:

Submitted At: 2:22pm 11-02-21

What everyone needs to understand is that these islands are 100% dependent on tourism. It's the outrageous 17.25% taxes (MCTAT, TAT and GE taxes) that keep county employees working, property taxes low and people here employed. Like it or not, that is our commodity and that will not change. Phasing out STR condos is a short sighted approach that hurts locals more than helps them. How many contractors, handymen and cleaners rely on these rentals? And believe it or not, a lot of STR condos are owned by locals trying to make ends meet legally. If this were to pass, the value of these units would be drastically reduced creating a chaotic landscape for local investors. And if the value does decrease what is to make anyone think they are going to sell or rent to locals?

This is a sad push by the overreaching hotels to capitalize even more. Why not phase out hotels instead? More taxes are paid by STR owners than the hotels anyway.

### **Katherine Weeks**

Location:

Submitted At: 2:18pm 11-02-21

Maui will lose badly needed funds from the over 7,000 short-term rental properties if the TVR Phase Out Bill is passed, not only from the increased property tax, but also from the GET and TAT taxes, and the significant amount of revenue brought in by the vacationers who use our rental property. We will pay Maui \$11,000 this year alone in GET, TAT, and Property taxes, and we are a mid-scale property! Multiply this by the 7,000 properties and that's \$77 MILLION Maui will lose. This bill is not going to do anyone any good. Affordable homes can be built much better than our 30-year old apartment, using the funds we pay in the various taxes. In addition, many residents will make better salaries because we rent to vacationers who enjoy Maui's local restaurants rather than eating at a hotel complex and buying locally made and sold gifts, not to mention going on whale watching and other paid excursions Maui offers. Submitted by K. Weeks

### **Tony Youga**

Location:

Submitted At: 2:13pm 11-02-21

I am in agreement to limit new rentals and to strictly enforce illegal rentals, but to eliminate existing rentals that have positively impacted the Maui economy for many years is totally unfair and unreasonable. We love Maui and are part of the community.

### **Guest User**

Location:

Submitted At: 2:06pm 11-02-21

No short term rentals anywhere on the island.

Let the visitor stay in a hotel in the hotel district  
Unbelievable the amount of visitors/strangers in our residential areas  
Make it stop now

**Guest User**

Location:  
Submitted At: 2:01pm 11-02-21

Aloha,  
I oppose this bill for several reasons, one being that most of these condos are not what Maui residents are looking for to raise their families, we need more affordable houses and I see mostly affordable condos in the \$350,000 range being approved and then they have an HOA dues that could equate to an additional \$100,000 +/- in house price which gets the house price up in the \$450,000++ range which I think could be more cost effective for developers. Secondly, these TVR condos have very high HOA dues, again not what a family needs when it is a studio, one or two bedroom condo which most of the TVR's are. Third, the TAT and GET taxes we lose would be exorbitant. Fourth, can you imagine the amount of blue collar jobs that would end, again, exorbitant. Fifth, the impact for existing owners/heirs from a lending and value point, I can only imagine how the banks will re-evaluate making loans in the future as the value of the property would possibly change, an owner now is getting short term rents but if dies or if they want to refinance, that structure changes and what happens to existing loans? What about the existing owner when they go to sell, what happens to the value or god forbid will lenders start to call the loans thinking their collateral now is in jeopardy?

I don't think this has been really thought through with the snowball effect that reaches even beyond my 5 points. If your purpose is affordable housing, go back to my bullet point #1.

Mahalo  
Fran Mitsumura

**Guest User**

Location:  
Submitted At: 1:55pm 11-02-21

I strongly oppose this bill - this is clearly helping the big guys like hotels and resorts, they continue to expand while small owners like us suffer higher cost, higher tax, and now even not allowed to legally operate. We've been doing everything we can to follow ever-changing rules, struggling to survive through the pandemic. And instead of helping the small owners like us, the county tries to help the big guys by suppressing owners to reduce competitions to big hotels.

This is absolutely unfair! This rental unit is an important income that helps our family survive this inflation, and instead of supporting us, the county is looking to help hotels gain more profit.

**Guest User**

Location:  
Submitted At: 1:52pm 11-02-21

How do you plan to replace the money lost from declining tourism and loss of both TAT and GET? And, if you think that these units, suddenly available, will be inexpensive, do the math!

**Guest User**

Location:  
Submitted At: 1:47pm 11-02-21

I oppose this bill. We bought our two condos as rental investment properties. This entire bill makes no sense as far as the revenue Maui would lose. I can assure you that the amount of rent required to cover my costs wouldn't come close to an affordable rental rate. I can foresee multiple families moving into condos causing parking shortages, noise complaints and a huge devaluation of our property. I have no intention of selling my property but can foresee all the problems this bill will cause Maui as well as the property owners. Stop biting the hand that feeds you, place some common sense into this process and get a total picture of what this destructive bill could cause.

Sherrill Williams

Mahalo for the opportunity to submit testimony.

**Guest User**

Location:

Submitted At: 1:33pm 11-02-21

I oppose this proposition!!!

**DC Minogue**

Location:

Submitted At: 1:28pm 11-02-21

I support

**Guest User**

Location:

Submitted At: 1:01pm 11-02-21

We all agree that Maui residents need more affordable housing and housing units. The units of housing being used for TVR are NOT the types of housing that Maui families need and the loss of tax revenue that TVR generate would debestate our local economy. Please do not support this legislation and vote NO on phasing out TVR.

Warmest Aloha,  
Jillian Hochstetler  
3200 Wailea Alanui Drive

**Guest User**

Location:

Submitted At: 12:17pm 11-02-21

Aloha, and mahalo for considering my feeling on this bill. I oppose this measure as it would not only punish condo owners, but also eliminate the jobs of so many of us who clean and manage those vacation rentals. These accommodations allow people who find it difficult to afford pricy hotels afford to enjoy the beauty of Maui that we get to enjoy every day. Maui will lose all of the tax income from these rentals. I believe others have covered that point better than I could in previous comments.

I believe a better solution would be for the county to build more affordable homes if the goal is to house all of the people arriving on Maui who want to live here. With the price of most Maui property, it's hard for property owners to offer affordable rentals considering the costs they are paying. Real estate prices are exploding everywhere and we still live with a ridiculous minimum wage. Maybe that should be the issue here.

**Guest User**

Location:

Submitted At: 12:17pm 11-02-21

Housekeeping business will be done, I will go out of business and lose everything and will my employees. Oppose is the only way.

**Guest User**

Location:

Submitted At: 12:01pm 11-02-21

Aloha Committee Members/County Council Members,

I strongly oppose the proposed legislation to phase out transient accommodations in apartment districts. I am a senior who lives in Wailuku and who owns a TVR in Kihei and I rely heavily on the income from my TVR. Without this income, I would not be able to cover the mortgage, taxes, insurance, utilities, monthly association dues, periodic special assessments levied by the association (to deal with significant repairs in the aging complex), and other upkeep expenses associated with my Kihei condo. The rental amount I would need to charge a long-term renter (even just to break even) would not be at all affordable. The proposed legislation would also have a serious negative impact on the resale value of my unit (resulting in another significant financial impact

for me, and ultimately the County). I already incurred a major financial impact due to lost rents during the pandemic shut down, but I managed to hang on to my condo. The proposed legislation, if approved, would be devastating. My unit is perfect for short-term visitors who want to spend time in a place with a home-like feel (vs hotel accommodations); however, it would not even be suitable for affordable housing, since it would not be "affordable" and it does not have features that would likely be needed by a permanent resident (e.g., I have only one compact parking stall, there is no on-site visitor parking, my condo is small and there is no on-site storage for large items like bikes, boards, and other sports equipment, etc.).

In addition to the negative financial impacts on owners, it is my understanding that the proposed elimination of TVRs would result in a serious loss of revenue for the County, due to the loss of property taxes, GET, and TAT, including the new 3% TAT specifically for Maui. The County would also lose revenue generated from local business owners who receive substantial business from visitors who occupy the TVRs (nearby restaurants, markets, gift shops, surf/dive shops, etc.). If this proposed legislation will result in negative financial impacts on condo owners, local small businesses, and the County of Maui, and it will NOT provide appropriate and truly affordable residential housing, who is it really helping (other than potentially the large hotel/resort industry)?

I appreciate the opportunity to provide this input and respectfully request that you do not approve the proposed legislation.

Mahalo,  
Neda West

### **Guest User**

Location:

Submitted At: 11:41am 11-02-21

Aloha, I fully support BOTH PSLU-28 AND PSLU-34. I have owned a condominium in Kahana since 1984 and still live there. They are unique duplexes that were either owner occupied or long term rentals up until 8-9 yrs. ago. Our neighborhood was an ohana community, young and old, and we all knew each other. I raised my daughter here with other kids her age in a safe huge green belt, with pools and everyone looked out for each other. Sadly, many of our friends have moved away due to the influx of short term rentals that also raised rent prices for long term units. Now that most of the units are short term rentals, we no longer have neighbors but are surrounded by foreigners coming and going every few days using, some abusing our facilities that we pay \$1k plus in dues for, monthly. Majority of the people who own rentals here are also visitors who do not live on Maui full time, therefore, do not realize the issues we see ongoing with the overload of tourism. Visitors should stay in the hotels, that's what they were built for. Government allowed these hotels and timeshares to take away access to all of our most prime beaches, and soon all of our neighborhoods will be gone. Stop the hustle for the money hungry, preserve our island and quality of life. Our government should fully support the full time residents over tourism. Enough already....!!

### **Guest User**

Location:

Submitted At: 11:20am 11-02-21

I strongly oppose this bill. Owning a small condo in Maui has been our dream for many, many years and we finally took the plunge earlier this year. We hope to spend more and more time on island and feel home sick when we aren't there. Renting it out when not on island is the only way we can afford to keep it. I understand that this bill intends to grandfather us in and allow the rental use until we were to sell it. However, limiting it's use will definitely affect the desirability and market value, narrowing the buyer pool. My husband and I have worked hard our entire lives and are nearing retirement. We aren't rich and buying a condo in Maui was very scary financially for us, but very exciting because the island feels like home and we are home sick when we aren't there. Limiting the use and the overall market value at the time of resale will be a huge financial blow to us that we did not anticipate when we purchased our unit just 6 months ago. If we'd known this was on the books to be looked at, we may have had to rethink our purchase. We felt like this was safe, because if we ever needed to get our money out of it, we could sell it. Never dreaming that government would impose something like this that would directly harm our ability to sell and for what price. I would also think that this would directly harm the local government, as the taxes on our short term rental are insanely high. Seems like that would eventually be a ton of lost revenue. I urge you not to pass this bill....it will financially harm the property owners as well as local government.

### **Colin Ford**

Location:

Submitted At: 11:01am 11-02-21



I Strongly Oppose! Short term rentals brings a lot of jobs and income to Maui not to mention the income from TA and TE taxes imposed on the rentals. I purchased the property many years ago knowing that I could rent it out. It is not fair to now impose restrictions on the use of the property. This is a typical example of Government over reach. If you wish to ban new short term rentals, although may be not a wise decision, at least people purchase property knowing what the rules are, and don't have them change arbitrarily. It seems like the council indeed should be trying to deal with real issues like homelessness, beach erosion, water supply etc. Of course these need creativity and hard work rather than invalidating property owner's rights with the stroke of a pen!

**Guest User**

Location:

Submitted At: 10:50am 11-02-21

I STRONGLY oppose this bill!!

If passed, this bill will not only harm Short Term Vacation Rental (STVR) property owners it will hurt everyone who lives in Maui, works in Maui, owns property in Maui, or visits Maui.

If passed, this bill will hurt the tourist industry in Maui. As STVR properties become less and less available to tourists, there will be fewer visitors to Maui. Surely, you can see that, as there are fewer and fewer places for tourists to stay, there will be fewer and fewer visitors to Maui. As the cost of visiting Maui rises (as it is sure to do when competition is eliminated) there will be fewer and fewer visitors to Maui.

As there are fewer people visiting Maui, there will be fewer people renting cars, eating food in restaurants, buying drinks in bars, renting snorkel gear, taking boat rides, buying groceries, taking cab rides, etc. This can only lead to more businesses failing in Maui. As businesses fail, people will lose their jobs. As people lose their jobs, they will either end up leaving Maui, or they will have to go on government assistance to live. This creates a "double whammy" for Hawaii: Not only do they have to deal with a loss in tax revenue, but they must also deal with an increase in government spending. Also, the people who work in the travel/tourist businesses in Maui, who will lose their jobs, are the very people you are intending to help with this bill. What good is it to provide "affordable" housing to people who can no longer afford it because they don't have a job?

As there are fewer people visiting Maui this will mean decreased TAT and GET tax revenues collected. I don't think I need to explain why this would happen. It is obvious.

Finally, if passed, this bill will cause the value of STVR property to fall as it will no longer generate the income that it does now. As those property values fall, this will cause the value of ALL property in Maui to fall as other property owners will have to lower their prices in order to compete with the falling prices of STVR properties. As the value of properties fall, this will lead to a decrease in property tax revenue for the county.

In conclusion: This bill will harm property owners, the state of Hawaii, the County of Maui, government employees, businesses, tourists, bars, restaurants, bar and restaurant workers, cab drivers, Uber/Lyft drivers, as well as hurting anyone who makes their living through the travel/tourist business in Maui. It is clear that any benefit gained from passing this bill will be far, far outweighed by the costs.

I urge you, implore you, BEG you not to do this to our beloved Maui.

**Guest User**

Location:

Submitted At: 10:42am 11-02-21

Please see my extended testimony in support of BOTH PSLU-28 AND PSLU-34 submitted via email. - Sarah Hofstadter, Kihei resident

**Guest User**

Location:

Submitted At: 10:33am 11-02-21

Enough already! House the homeless before a foreigner is allowed to buy here.

**Guest User**

Location:

Submitted At: 10:25am 11-02-21

Yes! Fully support this. All local residents suffer so a few wealthy non-residents can get even more wealthy. They take housing away from residents & contribute to terrible traffic congestion, all while not putting much tourist dollars in our economy. I work in this industry, the people who rent these things are cheap and low quality tourists. And the people who own these things are cheap, low quality owners. They do not participate in the community and treat their units as a business rather than a home, which changes the whole dynamic of entire communities. They do not care what happens to this island or its people as long as the cash register keeps going cha-ching. TVR's are a blight on our community and only you have the power to change that. I wholeheartedly support phasing out existing TVR's and stopping any new ones.

**Guest User**

Location:

Submitted At: 10:16am 11-02-21

Strongly oppose. This is ridiculously short sided, and only serves to pass the lost revenue on to residents. The majority of the jobs on the island are only there and supported by the strong desire for people to visit. Rental units have to pay GET, TAT, and a higher property tax rate so where do you expect to get that lost revenue?! This is a horrible proposal and will only hurt Maui residents in the process.

**Guest User**

Location:

Submitted At: 10:12am 11-02-21

Aloha Council Members,

Mahalo for the opportunity to submit testimony.

I strongly oppose the proposed PSLU-34 legislation.

This bill fly's in the face of fiscal responsibility. Didn't you just pass an increased 3% TAT tax's that goes directly to the county? This bill seeks to destroy that very revenue stream.

Doesn't the TVR industry create more tax revenue for affordable housing than all other property classifications in the county.

PSLU-34 is a death sentence to affordable housing on Maui.

Only the hotel industry stands to win from this proposal. I wonder if that's were the real pressure is coming from?

Andrew Grier

**PSLU Committee**

Location:

Submitted At: 9:47am 11-02-21

Testimonies received by the PSLU Committee.

**Guest User**

Location:

Submitted At: 9:38am 11-02-21

I strongly OPPOSE this. I'm not going to regurgitate all of the same reasons that are being expressed here by others opposing.

This is VERY short sighted. You are not solving the real issues by these actions. You are actually creating new and potentially bigger issues.

**Guest User**

Location:

Submitted At: 9:36am 11-02-21

I support a moratorium on new transient accommodations on Maui. I am an ER doctor and can testify that the LACK of housing has contributed to the difficulty in getting and keeping healthcare workers in our community. In the last few years, we have lost countless staff from doctors, nurses, techs, radiology staff, case workers, to cleaning staff because they LOST their housing to new owners (who own multiple dwellings) who decided it was more profitable to short term rent their houses. These are neighborhoods and apartments where families lived

upcountry, Wailuku, Paia, Kihei and Lahaina. Now these folks live in Vegas, Oregon, Washington State and we have LOST their contributions to our community. Everyday I see extraordinary amounts of tourists and owners who claim to "pay their taxes" and "supply jobs" when in reality, those "jobs" will be utilized REGARDLESS of short term rental or not. I have landscapers, I use cleaners, I do NOT short term rent multiple properties at the expense of my community. I feel we have become of society of haves and have nots. Many of these comments I am reading are WEALTHY OWNERS with multiple properties or REAL ESTATE AGENTS whose vested interest is NOT FOR THE COMMUNITY BUT FOR THEIR OWN WALLETS. Please keep tourism in tourist areas such as hotels. KEEP OUR COMMUNITY for those who CONTRIBUTE TO OUR COMMUNITY in more ways than "employing workers" and "paying their taxes".

**Guest User**

Location:

Submitted At: 9:34am 11-02-21

Mahalo for the opportunity to submit testimony.

Aloha,

I have rented our condo on Maui for over 20 years. I am a senior and this attempt to stop me from renting my condo would take away my income. Please do not pass this devastating idea. I am very opposed.

Sincerely,

JaNell McCullough

**Robin Knox**

Location:

Submitted At: 9:29am 11-02-21

I support

**Guest User**

Location:

Submitted At: 9:24am 11-02-21

To the Honorable Alice Lee, Chair, Maui County Council, and Council Members, As condo owners who pay property, GET, and TAT taxes, we ask you to oppose the TVR Phase Out legislation in PSLU-34.

Our family has been coming to Maui from Alaska for the past 30 years. We bought a condo to extend our love and appreciation for this place to our many nieces and nephews who live all over the US. We are delighted to share this place with short term renters who truly love their time here as well.

Maui County clearly benefits from the revenue we, and all short term vacation rentals, provide. Please oppose this problematic idea to create affordable housing in Maui.

Thank you for your attention to this concern.

Sherry and Larry Olson  
50 Haouli Street #301  
Wailuku, HI 96793

**Guest User**

Location:

Submitted At: 9:22am 11-02-21

October 31, 2021

Aloha Honorable Alice Lee, Chair, Maui County Council and Members,

My family has been on Maui for 6 generations on my Chinese side and 5 generations on my Japanese side,

starting in Keokea and Camp 2 Spreckelsville, respectively. I'm proud of my heritage and that I am a "local". I currently live on the mainland, but our family still maintains the family's condo in Ma'alaea, and I enjoy the privilege of being able to come home to Maui for 3-4 months out of the year.

All Mauians have such a deep pride in our island. We are excited when we talk about Maui to other people, and it is with pride that we say, "I'm from Maui!" It's because Maui is such a special place, defined by a unique culture in a physically stunning location. It was the absolute best place to grow up as a kid in the 60's, and my siblings and I have nothing but the most wonderful memories and experiences. It's true! --- Lucky you live Hawaii and Maui no ka oi!

My father acquired a few properties on Maui starting in the late 60's. He was a very astute businessman and recognized that when you have real property, a finite asset, on Maui, then you've got something valuable that can be left for generations to come, to ensure that the family can enjoy Maui long after he's passed. He had donated a Ma'alaea condo to Maui College, which I remember the potential rental income was attractive to the college; eventually they sold it to another party as an investment rental property. The overall return to the College helped enable them to provide programs for local students.

The overhead required with owning a condo in beach communities on Maui is sizable --- there are very significant monthly maintenance fees, special assessments, higher insurance premiums, and higher real property taxes. In the face of these expenses, the way we are able to maintain our slice of paradise is by renting out our unit in Ma'alaea as a vacation rental for part of the year. It is unclear if this resolution applies to all title (ownership) changes after December 31, 2021, including if you're a current owner. If so, the ability to cover overhead expenses through TVR income will not be an option if ownership shares sold after December 31, 2021 result in a title change or once the condo passes down to our children.

Our condo was left to us to enjoy and keep a concrete connection to Maui. My siblings and I plan to do the same thing by passing this down to our children, with the hope that they will do the same with their children. Should this resolution pass, our bequest will become a burden to our children. And the sad part is that the Maui connection will very likely be lost.

I recognize the need for and applaud your efforts to try to find ways to provide affordable housing on Maui, however, eliminating transient vacation rentals in apartment zones for future buyers is not the right solution in my opinion. By passing this bill, you will have also eliminated an extremely strong revenue source for Maui, in terms of local domestic, retail, and hospitality services and products. My friends who currently rent out their units in Ma'alaea also stay in their units for months, as I do, contributing significantly towards the community.

I am a retired hospitality professional in sales and marketing for 30 years. What we know is that the potential for revenue drives most owners of TVR units to demand that properties are well-maintained. The better-maintained the property, the better the revenue stream. You will see this in Ma'alaea where the properties are very well-maintained and attractive. These beautiful properties offer the travelers a different, oftentimes more comfortable and certainly more reasonably-priced experience to enjoy Maui than staying in a hotel resort in Wailea or Lahaina/Kaanapali. From a tourism and travel perspective, widening the customer base is good for county revenues through GET and TAT we file.

Our unit accommodates travelers who typically are repeat visitors to the island, who are not looking to rent a room in a random house in a local neighborhood. These are visitors who consider themselves part kama'aina because they've been to Maui so often, they respect the 'aina and ke kai. But we would be eliminating this customer niche from our marketing strategy. In essence, eliminating these TVRs is helping the hotels create an economic monopoly which will have undesirable repercussions in the long run for the industry.

I cannot speak to how we would solve the affordable housing needs for our residents. However, to change what is successfully contributing to our island's revenues in an effort to address the housing challenge is robbing from Peter to pay Paul. And please remember, it is not just out-of-state people who own and operate TVRs. There are many residents and people like me and my family who are from here and still consider Maui home who have TVRs and need this to keep our units and help provide an income to our families.

Mahalo for allowing me this opportunity to share my thoughts with you, and I hope you will consider alternatives

besides eliminating TVRs in Ma'alaea.

Sincerely,

Wendy Wong Thayer

**RALPH OVERTON**

Location:

Submitted At: 9:22am 11-02-21

**WRITTEN TESTIMONY: PHASING OUT TRANSIENT ACCOMMODATIONS IN THE APARTMENT DISTRICTS (PSLU-34)**

Let me take a minute to share who we are & why we OPPOSE PHASING OUT TRANSIENT ACCOMMODATIONS IN THE APARTMENT DISTRICTS (PSLU-34)!

I've been a Maui County resident since 1997; my spouse, for over 50 years. We have been very fortunate to call Maui home, benefitting from the great quality of life our island affords. Over the years, our Ohana has generously supported our community through charity donations and volunteerism.

I'm a REALTOR® specializing in Short Term Rentals which we own, manage, and truly love providing guests, with 1st class Maui experiences, and we have hundreds of 5 STAR reviews as evidence!

Short Term Rentals contribute to our livelihood, our retirement, our children, our grandchildren, and our great grandchildren's futures! This phase out will directly affect all of us by prohibiting future opportunities in our own backyard! And not just our Ohana, this phase out impacts all residents who strive to earn income in the tourism industry, while it does appear, that the major beneficiary will be the Hotel and Resort industry!

We realize that there are many obstacles facing our futures, and we do have empathy regarding affordable housing issues; however, we don't see how this phase out will best address affordable housing!

Let me provide a real time current example! Over a year ago, the Department of Planning initiated action steps due to a complainant from the Maalaea Yacht Marina resort. A single complaint that led to the discovery of a zoning issue. Sadly, just last week, we along with many owners, were ordered to cease all Short-Term Rentals, in a condo we purchased there 10 years ago. This surprise enforcement action, in a complex with a 30-year history of short-term rentals.

As a result, this associated retirement income stream, will be significantly reduced, and, for this 2 bedroom/2 bath condo, we will charge, nearly \$5000/month as a long-term rental. Most likely, very appealing to work-from-home, nonresidents. Very unlikely, appealing as affordable housing for a local family of four.

If this current situation will not produce affordable housing, how will similar phase out actions be successful? Perhaps phasing out transient accommodations, will serve to reduce tourism or will drive tourist to the hotels and resorts?

This phasing out notion, may not only be ineffective, but will also deny our children a future opportunity to help defray Maui's increasing cost of living. This type of action also prevents residents from future opportunities to really participate in the tourism industry and improve quality of lives without having to work two or more jobs!

In our humble opinion, we offer a couple of suggestions:

1)Uncover all Short-Term Rental Operators that are TAT & GET cheaters and consider governmental police powers as an enforcement vehicle.

2)Consider a moratorium on the conversion of existing long-term rentals with no recorded or never having any previous short term rental history. We all may know of residents that have been displaced because what was once a long-term rental being converted to short term.

We hope that you will Consider our Concerns and oppose PSLU-34!

Mahalo!

**Vijak Ayasanonda**

Location:

Submitted At: 9:16am 11-02-21

I am a Maui resident and healthcare worker. I moved to Maui in 2006 and initially lived at Pacific Shores in Kihei.

At the time those that resided at the complex were nearly all Maui residents, there were other nurses, doctors, construction workers, restaurant workers, etc. I knew many co-workers that lived in buildings nearby. A few years ago I saw a posting online about a vacation rental at Pacific Shores and thought it must be illegal, however I was informed that the complex was now vacation rentals. In the past few years, countless friends and family have had to move away because the place they were living was turned into a vacation rental. It is a story I have heard over and over again. The hospital hires staff that never makes it to Maui because they could not find adequate housing. My husband and I have housed numerous healthcare friends until they could find housing of their own. Maui is short nurses, doctors, police, teachers, bus drivers, hotel workers, restaurant workers and the problem is only getting worse. I fully support phasing out vacation rentals in any residential or apartment zoned area. Second home owners and visitors should not be given higher priority than Maui's own residents. Mahalo.

**Guest User**

Location:

Submitted At: 9:12am 11-02-21

Mahalo for the opportunity to submit testimony. I oppose this legislation, while I am not effected as my properties are in the resort zone, this bill will face many legal challenges, cost the taxpayers. Most of the units that will be made available for long term renters will fall in disarray. These old buildings need constant work and large amounts of AOA maintenance and reserve fees. These units are small, have one parking space, no garage, not appropriate for families. There must be a better way to help those who need affordable housing, but this is not one of them.

Respectfully submitted,  
Alicia Humiston

**Guest User**

Location:

Submitted At: 9:11am 11-02-21

I understand that Maui County is in need of the new Transient Tax of 3% which brings revenue to the county from short term rentals. I understand that the 10.25% tax is not not fully received by Maui County. If there is no need for this tax, why are you charging it. If there is a need for this tax why are you all thinking of eliminating this tax revenue? As we are also paying higher property taxes for our units as they are hotel/condo classification, what happens when you lose all the revenue? Why punish the owners that are now paying the brunt of the county service revenue and helping the budget for the county and state? The passing of this bill would likely result in a loss of \$74M in Real Property Tax revenue for the county of Maui, and a loss of \$69M in TAT Revenue for the State. How will this revenue be replaced? Most likely in an increase in taxes for Maui residents, property and GET tax. I have a grandfathered vacation rental property, and have a short term vacation rental license and I pay quite a high property tax. I don't get why I need to provide affordable housing to people. I feel that is what the government is suppose to do. You all plenty of vacant land. Maui continues to build and add hotels in throughout the island. Permits are given, and permits are paid for the building and there is no plan to house the people that will work in these hotels. It is not my job or duty to provide affordable housing to corporate America just because you are giving permits and do not have an infrastructure plan. We all paid more than real market value for our vacation homes, and we pay for the privilege to have these vacation rentals with in higher property taxes. I feel what you are doing is not democratic. It seems like a government take over of private property. When and if I ever need to sell my property I should not be punished for helping the state and county with my higher rate of property tax and generating taxable income for the county and State. We should be celebrate for our contributions to help our state promote tourism.

Sincerely,  
Denise Adams

**Guest User**

Location:

Submitted At: 9:06am 11-02-21

Mahalo for the opportunity to submit testimony.

This bill is incredibly short sighted and unless the Hotel industry is committing to step up and pay significantly more in property taxes, the standard of living for Maui residents will decline.

Not only will property tax revenues fall, so will Transient Accommodations Tax revenue ( that 3% of revenues you are now collecting ) , but so will your business tax revenue as there are many Maui businesses, small businesses to be precise, who earn their income supporting the transient vacation rentals. These include cleaners, handymen, contractors, tradespeople, artists, vendors of items large to small. They will lose business and in turn, you will lose business property taxes and perhaps residents.

If you don't care about the economics of the county, then consider whether these properties that you are taking are suitable for Maui families. Do you think Maui families with one or two or more kids want to live in a one bedroom apartment with only common area pools and green space to grow up in? Do you think they want to pay \$700+ a month in condo fees for the privilege of living in a one bedroom condo? Is that the quality of life you want to provide to your citizens?

If your goal is to reduce tourism, consider the impact tourism has on the quality of life of Maui residents. No doubt there are downsides, but there are jobs and there are economic benefits to everyone even if they are not involved in the tourist industry. Do you think Costco would bring in the same quantity and diversity of products if tourists weren't shopping there? Do you think Costco would pass along the price increases resulting from having higher per unit shipping costs from the mainland? Of course they would. So would Safeway and Foodland, Home Depot and Lowes, Walmart and Target. Some items would become uneconomic to ship here and would disappear from store shelves entirely – or be special order only. And you already know how many on-line retailers already do not ship to Hawaii, Guam and Alaska. That will increase.

I hope you seriously consider the implications of the decisions you are about to make

Kindest regards

Neal Halstead

Neal Halstead  
Director | Wood's Homes  
Direct:403-270-1758 | Mobile:403-801-7311

### **Guest User**

Location:  
Submitted At: 9:04am 11-02-21

Mahalo for the opportunity to submit testimony.

I would like to petition Maui County to abandon the proposed ordinance prohibiting Short Term Rentals (STR) in apartment districts. Many of the apartment districts in question, including the one I own in, were built in SMA zones near the ocean and prohibiting STR will not help or correct the current shortage of low-cost, long-term rental properties.

In addition, eliminating the STR status of properties within a mile of the ocean has the appearance of favoritism to large corporate hotels and will reduce the options Maui visitors currently enjoy as many prefer to not stay in high cost, high rise hotels.

An unintended consequence of empty STR units will be the reduction in tax revenue to Maui County as well as an increase in property damage, theft and other illegal activities not to mention the reduction in tourism dollars, etc. I do understand not wanting STR in high-density, long-term rental or owned neighborhoods but most of the STR addressed in this broad-brush ordinance are not those kinds of properties and they should be exempt.

Maui County partnering with developers in non-resort areas while streamlining the permitting process for construction will prove to be the successful model for improved low-cost housing on Maui.

Thank you for your time and consideration.

Respectfully,  
Richard Smith

**Guest User**

Location:

Submitted At: 9:02am 11-02-21

To Whom it May Concern,

Continuing to phase out Vacation rentals in the apartment zone will not have the impact this committee intends to accomplish for the following reasons:

1. Tax contributions to the affordable housing fund would decrease dramatically while the cost of ownership and rental cost will continue to be at the same levels as it is now. At Papakea, just to break even the monthly rent for a small single bedroom condo would be in excess of \$2400 a month. Meanwhile, the loss of revenue from that same condo to the affordable housing fund would be about \$1000 a month.

2. The real estate taxes that are collected from Papakea are substantial for the county of Maui. All total the property tax from non-residence payers at Papakea is in excess of 1.5 million dollars. Since most of us cannot afford rent, the condos would covert to Hawaiian residences at a substantial loss to the county. I know personally, my property taxes are \$9,991 while the live-in resident next door with the same size property paid about \$1600 in property taxes. That loss amounts to an 84% drop in money directly to the county of Maui. If you look at Papakea as a whole, the county of Maui will lose approximately 1.2 MILLION dollars in property taxes A YEAR.

In taxes alone, that bill comes to a conservative estimate of \$5.5 MILLION dollars a year in lost revenue. Even if you round it down, where will the county of Maui and the State of Hawaii make up the difference of 5 Million dollars from only condo property???

3. Why does the county continue to give ENORMOUS gifts to the hotel industry? First you hiked the property tax rates up on all the STRs when you reclassified us at a higher rate, and now you want to put us out of business to benefit the hotel industry again? How does this help the economy of Maui? How does this help keep a productive work force?

4. How will Papakea become affordable housing? Our buildings are nearly 50 years old and require a lot more maintenance than most homes. Each year we have a special assessment to cover repairs to the seawall, the canal and many other projects for an aging property. The homeowners do it to maintain the value of their property. Low income families will not be able to keep this property.

5. Finally, the majority of these condos do not have enough parking, enough storage or enough space for low income families. The overwhelming majority of condos at Papakea are 1 bedroom or studios with little closet space designed for travelers. There is not enough room to make these spaces a home as our 10 live-in owners have discovered. Most of them have to rent space either on site or at another location for all there extra items like kayaks, cars, fishing gear or simply decorations. Condos were never intended to become low cost apartments.

I think we all understand the impact that tourism is having on Maui. We see the traffic, we see people that are not respecting the land. However, getting rid of STR's or VRs that are contributing to the financial success of the islands is not the solution. Maui needs to curtail building permits of new hotel developments that continue to bring in far more people than places like Papakea. We need to educate people on the impacts they make on the land and the beauty that is Hawaii. We need to plant the hills that were once covered in Sugar Cane to retain rain water and prevent soil erosion.

Targeting VR's or STR's is not the solution you are looking for. Papakea has been in place since the late 70s and was completed in the early 80s, we have not contributed to the bad behavior that other properties are seeing. We work very hard to show respect to the land, the culture and those around us. It is not time to punish those who contribute to the ongoing success of Maui



Mahalo for the opportunity to submit testimony.

Susan Franzen  
Craig Franzen  
Papakea

**Guest User**

Location:

Submitted At: 9:01am 11-02-21

Mahalo for the opportunity to submit testimony.

The top 5 reasons why we oppose this legislation:

1. **Basic Economics:** The Director of the Department of Finance has already warned the County Council that this move “would possibly lead to a negative revenue change at about \$23 MILLION per year.” Overall, RAM has determined that these impacted properties represent upwards of \$74 Million in property tax revenue per year (that is about 8.7% of the entire budget!). Eliminating this much revenue would make it hard for the county to maintain current services, and it would jeopardize the county’s bond rating.
2. **It Will Defund the Comprehensive Affordable Housing Plan:** The 2021 Comprehensive Affordable Housing Plan calls for the county to: (1) “Increase funding into the Affordable Housing Fund to \$58 million annually;” and (2) For the County to use its bond rating to borrow against the increased Affordable Housing Fund as a means to fund infrastructure updates to support affordable housing development. The TVR Phase Out Bill would make both of these goals virtually impossible! Hawaiian Community Assets, the authors of the plan, agree with this assessment.
3. **The Bill Does Not Create Long-Term Affordable Housing Opportunities for Residents:** TVR use in the subject condominiums is an incentive for investment purchasers to seek out and purchase these aging condominiums instead of other residential properties on the island. If there is no difference between the permitted uses allowed in an aging 1 bedroom condominium in Kihei or a 3 bedroom home in Waihee or Makawao, but the prices are comparable, an investment purchaser might as well buy the 3 bedroom home that would have been more suitable for one of our residents. Also, even if these properties lose TVR use, they are generally not the type of housing our residents need, and they will likely not sell at rates many of our residents can afford. The subject properties are all 30+ years old, primarily built and designed as TVRs, largely located in the sea level rise exposure area, and have aged infrastructure that has been used hard for many years. That means they have minimal parking, minimal storage, high maintenance fees, high special assessments, high tax assessments, and are in the areas most susceptible to climate change. Given the current prices of comparable non- TVR units and the average monthly maintenance fees of these units, few (if any) can be expected to sell at “affordable” or even “workforce” rates.
4. **This Bill is a Huge Gift to the Hotel Industry:** Eliminating TVR use in the subject condominiums only benefits the hotel industry, as it will be eliminating their only real competition while negatively impacting county revenue and affordable housing development. With no competition, the hotels will maximize their capacity and realize huge gains in revenue. Naturally, much of this revenue will go back into advertising Maui as a destination, thereby increasing the numbers of tourists visiting the islands. Throughout the pandemic period, the County of Maui already demonstrated great preference for the hotels and resorts, and this further gift of eliminating their competition almost entirely is alarming and arguably inappropriate.
5. **Legal Challenges:** Many property owners have already contacted RAM and expressed their intent to take legal action against the County of Maui if their property rights are abridged. Though HRS Section 46-4 ostensibly provides the counties authority to phase out “nonconforming” uses in the Apartment zoning districts, it is difficult to classify TVR use as “nonconforming” for these subject properties. TVR use is expressly permitted in the language of the comprehensive zoning ordinance, and has been stated as expressly permitted in several pieces of legislation over the past 7 years. TVR use has been conducted in the A-1 and A-2 districts by thousands of property owners, throughout hundreds of buildings, over the course of decades. It is unclear if impacted property owners would win a legal challenge against the County of Maui, but it may cost our county a lot of money and time to find out.

Thank you,

Jennifer Spencer & Ryan Rawlyk  
2777 S Kihei Rd I110

Kihei, Hawaii 96753  
808-333-3069

**Jason Economou**

Location:

Submitted At: 9:00am 11-02-21

Aloha Committee Chair Paltin and Committee Members,

I am submitting this testimony in opposition to PSLU-34 on behalf of the REALTORS Association of Maui and our roughly 1,900 members in my capacity as their Government Affairs Director.

As a practical matter, these properties are allowed to conduct TVR use by virtue of the comprehensive zoning ordinance and the express language of Chapter 19.12.020, Maui County Code, which outlines the permitted uses in the A-1 and A-2 districts. TVR use is not an accessory use, or a nonconforming use, but an expressly permitted use that has been conducted in the A-1 and A-2 districts for decades by thousands of property owners. State law grants the county some authority to eliminate “nonconforming uses,” but based on history and the plain language of the law, TVR use for these subject properties is a vested property right that is far from a “nonconforming” use.

Aside from whether or not the County of Maui can eliminate TVR use in these subject condominiums, RAM would also like to address whether the county should eliminate the use. RAM has identified several reasons why the County of Maui should not eliminate TVR use for these subject condominiums:

1) Economic Benefit: The County of Maui has identified approximately 7,302 condominium units that have the ability to conduct TVR use under the comprehensive zoning ordinance's permitted uses for the A-1 and A-2 districts. Based on recent changes to our real property tax laws, these properties are generally placed in the short-term rental tax classification by default. On 10/21/2021, the Director of the Department of Finance publicly stated that eliminating TVR use in these properties “would possibly lead to a negative revenue change at about \$23 million per year.” According to data provided by the Selected Real Property Statistics for Budget Consideration: FY 2021-2022, the average amount of revenue expected to be provided by each property in the STR tax class in 2022 is \$10,241.00. Therefore, these 7,302 condominiums represent approximately \$74.7 million in annual RPT revenue overall. According to Moody's, “the county's reliance on generally stable and predictable property taxes that are paid primarily by out-of-state owners of timeshares, vacation rentals and second homes” is a significant factor related to our excellent bond rating. It makes no financial sense to eliminate such a reliable and substantial source of revenue for the county, especially at the risk of jeopardizing our bond rating.

2) Funding the Comprehensive Affordable Housing Plan: The Comprehensive Affordable Housing Plan calls for the County of Maui to “increase funding into the Affordable Housing Fund to \$58 million annually.” Similarly, the plan calls for the County of Maui to use its excellent bond rating to borrow against the Affordable Housing Fund in order to fund other components of the plan. As discussed above, eliminating TVR use from these subject condominiums would result in a possible loss of \$23 million in revenue annually, and upwards of \$74 million in annual revenue lost overall. Such a loss in revenue and reduction in our tax base would make it impossible to fully fund the Comprehensive Affordable Housing Plan, and it would jeopardize our ability to borrow enough money to fund various components of the plan. Please, do not defund the Comprehensive Affordable Housing Plan before any housing is even made available. These impacted condominiums will not provide the housing our community needs, but they can fund the development of the housing our community needs.

3) Eliminating TVR Use May Actually Jeopardize Long-Term Affordable Housing Opportunities for Residents: TVR use in the subject condominiums is an incentive for investment purchasers to seek out and purchase these aging condominiums instead of other residential properties on the island. If there is no difference between the permitted uses allowed in an aging 1 bedroom condominium in Kihei or a 3 bedroom home in Waihee or Makawao, but the prices are comparable, an investment purchaser might as well buy the 3 bedroom home that would have been more suitable for one of our residents. Also, even if these properties lose TVR use, they are generally not the type of housing our residents need, and they will likely not sell at rates many of our residents can afford. The subject properties are all 30+ years old, primarily built and designed as TVRs, largely located in

the sea level rise exposure area, and have aged infrastructure that has been used hard for many years. That means they have minimal parking, minimal storage, high maintenance fees, high special assessments, high tax assessments, and are in the areas most susceptible to climate change. Given the current prices of comparable non-TVR units and the average monthly maintenance fees of these units, few (if any) can be expected to sell at “affordable” or even “workforce” rates.

4) Empowering the Hotels and Maximizing Advertising Dollars: Eliminating TVR use in the subject condominiums only benefits the hotel industry, as it will be eliminating their only real competition while negatively impacting county revenue and affordable housing development. With no competition, the hotels will maximize their capacity and realize huge gains in revenue. Naturally, much of this revenue will go back into advertising Maui as a destination, thereby increasing the numbers of tourists visiting the islands. Throughout the pandemic period, the County of Maui already demonstrated great preference for the hotels and resorts, and this further gift of eliminating their competition almost entirely is alarming and arguably inappropriate.

5) Legal Challenges: Many property owners have already contacted RAM and expressed their intent to take legal action against the County of Maui if their property rights are abridged. Though HRS Section 46-4 ostensibly provides the counties authority to phase out “nonconforming” uses in the Apartment zoning districts, it is difficult to classify TVR use as “nonconforming” for these subject properties. TVR use is expressly permitted in the language of the comprehensive zoning ordinance, and has been stated as expressly permitted in several pieces of legislation over the past 7 years. TVR use has been conducted in the A-1 and A-2 districts by thousands of property owners, throughout hundreds of buildings, over the course of decades. I don’t know if impacted property owners would win a legal challenge against the County of Maui, but I have a feeling it will cost our county a lot of money and time to find out.

RAM understands that this legislative proposal is based on good intentions, but good intentions are not enough. The only beneficiary of this legislation will be the hotel industry, while the county gets less revenue and has to play an even lesser role in housing development for our residents. I cannot say what this bill will do from a tourism management perspective, but I can assure you that it will not be good for housing. Please, just file away PSLU-34 and focus on something better.

Mahalo,  
Jason Economou  
Government Affairs Director, Realtors Association of Maui

### **Guest User**

Location:  
Submitted At: 8:59am 11-02-21

Aloha Honorable Councilmembers,

My name is Meera Kohler. I am the president of the AOA for Ma’alaea Yacht Marina where I have owned a condominium since 2009. Our building, like the other condominium buildings on Hauoli Street, is more than 40 years old. My apartment is a little under 900 square feet and is assessed at almost \$470,000 - about \$525 a square foot. Since I rent it out short term for about nine months a year, I pay more than \$5,200 a year in property taxes. I pay another \$7,000 a year in GET and TAT taxes.

Our building has 45 apartments. 12 units are owner-occupied and about 20 are in the STR market. Owners that live here full time are retirees who can afford the extremely high cost of living in an aging building. Our monthly dues and lease fees are about \$1,800 a month. Add mortgage interest, insurance, property tax and routine upkeep and our monthly outlay approaches \$3,000.

These apartments are not, and cannot be, affordable family housing. They are built for occupancy by one or two people. There is virtually no storage and only one parking space per unit. There are no children living in our building. I have never seen a school bus in Ma’alaea so I think it’s unlikely that any families live here now.

The concept of eliminating STRs in apartment buildings is one that has been promoted by the hotel industry for years. Their interest is not in enhancing affordable family housing - it is purely their self interest in increasing their occupancy rates and generating more profits for their shareholders. Do they remit property taxes of \$5,200 per

unit? The Fairmont Kea Lani paid \$1,146 in property taxes per occupancy unit in 2021 and their room rates are more than triple ours.

Thousands of tradespeople that support these STRs will lose their jobs. We pay our housekeeper more than \$40 an hour – double or triple what the hotels pay. Likewise our handyperson, electrician, plumber and many others. The trickle-down economic impact will be as significant as the direct impact.

This measure will dramatically reduce the County's tax revenue, thereby stifling the ability to develop affordable housing. Property values for these buildings will plummet and units will become vacant because they will be unaffordable except for well-heeled retirees from the Mainland and elsewhere. Eventually they too will be driven out as homeowner dues increase to cover costs for unoccupied units.

This specter is real. It can happen in a matter of a few short years. The consequences of a bill such as this will resonate for years to come and the visitors who want to stay in homes and not in hotels will take their business somewhere other than Hawaii.

Mahalo for the opportunity to testify,

Meera Kohler  
30 Hauoli St., #107  
Wailuku, HI 96793  
907.952.6161

### **Frederica Champagne**

Location:

Submitted At: 8:21am 11-02-21

My husband and I are the owners of a condominium unit at Maui Kamaole, at 2777 S. Kihei Road. We purchased the property approximately 3 years ago. We have been spending time in Hawaii since 1986 and consider it our second home. When we purchased our condo, it was with the express intent of continuing to use it as a TVR when not on island ourselves. We have always maintained a legal vacation rental and have duly filed tax returns with the state. Previously to our Maui purchase, we owned a single family home on Kauai for 18 years which we also rented out. We have always been very conscientious of our environment and our neighbors in Maui. We do all that we can to support local businesses and to support the environment here. We strongly object to the proposed legislation PSLU-34, CC 21-422 for the following reasons.

When we purchased our condo, its price was in part determined by its ability to be operated as a vacation rental. It was situated in an area where all surrounding properties were used as vacation rentals. The properties in south Kihei were built and designed to be used as vacation rentals pursuant to Maui statute. They are not suitable for full time affordable housing.

To enact legislation that would prohibit the continued use of the property as a TVR upon sale or transfer to a third party, would absolutely constitute an unlawful taking without compensation as the property would be severely devalued due to it no longer being an income generating property. I submit that this taking would be unconstitutional and a violation of due process and equal protection under both Federal and State laws. Moreover, the county has just imposed an additional 3% tax on TVR properties the funds for which will benefit the goals of affordable housing for Maui residents. We spend most of our rental income on supporting local businesses and taxes and expenses related to the property maintenance. All of this benefits local businesses. This ordinance will not result in more affordable housing. It will increase the number of second home owners who can afford to not rent their vacation properties. If the properties in the apartment district become subject to this ordinance, a major source of revenue from property taxes and TAT revenue to the State will be lost. How will that create more affordable housing? Maui residents will have to make up the shortfall in the long run. I strongly oppose the passage of this ordinance.

### **Lewis Murray**

Location:

Submitted At: 8:20am 11-02-21

Thank you for the opportunity to comment on the phasing out of transient accommodations in apartment districts. As a life-long advocate for homelessness and low income housing, I believe this proposal will do more harm than

good and misses the whole point. You need tax dollars to build your way out of this issue. To say you can't is just short-sighted. No you can't do it overnight and it will take years of commitment and funding to accomplish, but it can be accomplished. Other communities around the country are doing just that - taxing citizens and building affordable housing. By eliminating sources of revenue, you are biting the hand that feeds you.

Please reconsider this proposal. It may look good in the short run, but it doesn't solve the bigger issue.

Sincerely,  
Lewis Murray

**Guest User**

Location:

Submitted At: 8:05am 11-02-21

We are owners from Canada, whom own a unit in the Maui Banyan. The proposed change could be devastating to our property values, and also tourism industry for Maui. We rent and provide our home to many Canadians we know at home, and we all go there and support local businesses, restaurants, shopping etc. Without our own home there, we would not be able to afford 3-4 trips a year to Maui. We are just an ownership group of 4, but the number of tourists we know and have from Canada, coming to your island to our home is exponential. This proposed change and rezoning is BAD NEWS.

Further, we have our home financed, based on its value. Changes such as this, will deplete the value, and home owners, including ourselves, will be upside down on our equity in the homes.

Doing this will only devalue Maui real estate across the board. Reduce tax base. Kill local businesses. and reduce tourism revenues as a whole.

We cannot afford a home in Maui unless we cash flow it when we are not using it, with short term rentals. The HOA dues and property taxes are very high, and cannot be covered, along with interest costs, unless the home is rented. The lack of rentals could cost us closer to \$40K USD a year in maintaining our unit and covering all costs. We would be forced to sell the unit at a huge loss, which I anticipate could be over a 40% - 50% drop in value, simply due to this proposed change.

We also upkeep our home, and support local contractors, since the home is needing to always be in top shape to rent it. I have looked at condos there when visiting which are not short-term rentals, with the hope of purchasing another one, and they are not upkept, they are dirty and they do not attract tourism or any motivation to purchase them.

If they are not allowed to be short term rentals, the upkeep will not be there, hence, hurting your local construction industry as well.

This is BAD NEWS and will not be good for any home owners, tourism, local shopping, restaurants, or your overall tax base.

**Guest User**

Location:

Submitted At: 8:03am 11-02-21

The tourism industry is extremely out of balance and is hurting the quality of life for everyone on our small island as well as our marine environment, coral reefs and sea life.

There are so many hotels on the west side that should never have been allowed...ENOUGH ALREADY . I support a moratorium on the building of HOTELS. I understand that some people with EXISTING STVR need the income but NO MORE permits should be granted for those.

However, the vast number of tourists stay in hotels.

Let's be smart and find better ways of attaining income for our economy....growing hemp, utilizing bamboo for building, and others means that don't pollute our beautiful, small island. We need to put a healthy LIMIT on the number of tourists that come here...and the airlines won't do that.

Mahalo, a concerned full time resident.

**Guest User**

Location:

Submitted At: 7:59am 11-02-21

To ban short term rentals in many condos to increase the availability of low cost housing is ludicrous. I have owned our Kamaole Sands 2 bedroom condo since 2004 and have lost money every year, some years substantially, even with good occupancy of short term rentals. I am able to do this as the income defrays a significant portion of the expenses. The costs of maintenance, Property/TA/GE taxes, interest on loans, association fees, etc. are well over \$35,000 per year. To have a long term tenant pay over \$2,900 per month just to cover our expenses will do nothing to help low income residents. The only winners here will be the giant luxury hotels that will be losing competition so will have no reason not to keep raising their already exorbitant rates. The income generated to the County of Maui from the over 14% GE/TA taxes will be lost which will place an extreme strain on state and county services, already reeling from the pandemic. I can not think of a worse idea that will do absolutely nothing for affordable housing while putting extreme pressure on older persons that have put much of their life savings into purchasing something which will be made essentially worthless and become an ever increasingly burden and endless money pit. Another important factor to keep in mind is what happened in Florida with the collapse to the large apartment building due to neglect last year. Most of the apartments that would be rezoned were build at least 30 or more years ago and with climate change and sea rise, protective measures to ensure that they don't become another disaster in the future requires that increasing financial support be available to proactively address the issues of building deterioration and protection against future challenges. If this bill passes, incentives to cut costs will inevitably result in neglect and future devastation on a scale which is difficult to imagine. I implore those who will be voting on this matter realize that this is not the solution to the very real issues of affordable housing and focus on real solutions which address the actual needs of those surviving on limited income.

**Guest User**

Location:

Submitted At: 7:59am 11-02-21

I am a full time resident and teacher on the island of Molokai. We don't have any large hotels here. All we have are a couple of condos that our Ohana can rent when they visit or that we ourselves can rent for special occasions I oppose this agenda item.

**Guest User**

Location:

Submitted At: 6:48am 11-02-21

I have owned a legal TVR in Maui for seven years - I spend two months a year in our condo and rent it out the rest of the time. We use the rental income to cover the high costs of maintenance dues and property taxes. We almost never have a profit on the rental, we pay the vast majority of the income in taxes and fees to local vendors who manage our property. If it were phased out as a vacation rental, it would be bought by a wealthier family that could afford to have it sit empty most of the year (about half of the units in our complex already do this). This has been the fate of a lot of high end resort communities (like Aspen, CO), where housing units sit empty most of the year and bring no income to local restaurants or vendors. This ordinance will not result in more affordable housing, it will result in empty second homes and closed local businesses.

**Guest User**

Location:

Submitted At: 6:37am 11-02-21

As a property owner in Maui County (Moloka'i) I OPPOSE THE TVR PHASE-OUT BILL! I also hope you oppose and focus on legislation that will actually help our community. The proposed TVR phase-out legislation will not create affordable housing and it won't benefit anyone other than the hotel industry. Several reasons have been identified as to why the County of Maui should not eliminate TVR use in these subject condominiums:

1. Tax revenue from these rentals far exceeds the tax revenue being collected from hotels and resorts
2. Tax revenue for TRV is allocated to funding the Comprehensive Affordable Housing Plan
3. Eliminating TVR may actually jeopardize the affordable housing opportunities
4. The county of Maui will face many legal challenges costing the county millions of dollars

**Guest User**

Location:

Submitted At: 6:28am 11-02-21

The Visitor Industry on Maui and throughout all of Hawaii, is a major part of the economic resources for the community and Government requirements needed to sustain all operations. I respectfully ask the Council to look for ways to groom the visitor industry and not destroy it. No other major industry is present to provide employment or economic resources for state and local governments. The shift away from welcoming visitors will destroy the ability of many residents to survive. Hawaii always has been known as a destination of Aloha. Please keep vacation rentals available to all who wish to come. We need visitors to keep from becoming a place with no jobs or economic potential

### **Guest User**

Location:

Submitted At: 6:05am 11-02-21

I oppose PSLU-34. It would result in a significant loss in tax revenue and would not create any low income housing.

### **Guest User**

Location:

Submitted At: 5:18am 11-02-21

My reason for opposing PSLU-34, I visit Kihei 3 to 4 times a year and the ability to rent out my unit helps me to afford the high taxes and fees on the property. I for one cannot afford long term renters that would take away from my use of the property

Thank You

Bill Hunter

### **Guest User**

Location:

Submitted At: 5:03am 11-02-21

While keeping in mind that money isn't everything, prior to making a decision of this type, the immediate financial impact in tax revenues should be presented along with the proposed new economy projections to offset those revenues. If they aren't offset, there will be harmful impacts to services and infrastructure. I'm assuming that there is a plan for the new industry(s) that will take this tax base over. Can we see that plan? For a measure of this magnitude, those plans and impacts should be included.

Let's see a real plan that makes sense before proceeding down a bad path.

### **Guest User**

Location:

Submitted At: 4:48am 11-02-21

Dear reader,

Thank you for your time. I am Keamalu Akini a concerned father with a growing family.

As a native Hawaiian I see my heritage slipping away from lack of leadership by our elected officials not upholding the duty they swore to uphold, the voices of the people. Everything that makes Hawaii the aloha state is slipping away because of outside influence and profit. We live in a place with limited resource and years of mismanagement of our land in the best interest of not the citizens that have lived here for a long time. We have witnessed for a long time increase of cost to live in our own land. Without the same increase for all of us to afford to live here with low wages that don't coincide with the rapid increase in rates for sustaining even middle class lifestyle with a family.

Where are the politicians for the people?

People from different countries and from different states and even from this state have and are using Hawai'i for a payoff and literally draining the water dry. This isn't what Hawai'i means. This isn't what Hawai'i is.

We who ancestors have been here 4 or more generations have a right to have a prosperous life here. Not have to worry about living homeless or in a cardboard box. We deserve our voices being heard and listened to.

I support PSLU-28 and PSLU-34. Everyone can see this is the best step forward in the repairable damage our officials failed to foresee. The focus on the interest of our state motto and the voices of the citizens from this state have fallen on deaf ears far to long. Look into your hearts. Have an open mind. Listen with open ears.

All 49 other states have officials that uphold their promises they made to citizens there elected them for. They do there job for the needs for the citizens of their state and economy of their state, in that order. My elected officials in Hawai'i only focus on the tourism economy, citizens from other states and people of different countries . Why aren't you officials representing we citizens? People that voted for you, put you in power in trusting you'd do the right thing for all of us of this land.

Ua mau ke ea o ka aina i ka pono

The land will be perpetuated in righteousness.

### **Jackie van Kessel**

Location:

Submitted At: 3:55am 11-02-21

I strongly disagree with the proposal to phase out short term rentals in apartment districts on Maui for several reasons.

I am the owner of a condominium in Maui Vista that serves as a vacation rental for part of the year (high season) and used by family for the remainder of the year. This arrangement is necessary to help pay for the costs to maintain the unit. My family and I have visited Maui on a regular basis for over 20 years have gladly supported the local economy during our time there, as have my clients who rent the unit.

Maui depends on tourism as a revenue source. Limiting the use of condominiums as short-term rentals will make staying in Maui even more expensive and ultimately cost prohibitive, thus reducing a much-needed revenue source. What industries would then replace the lost tourism dollars?

Hotels are really not an option for most families who already face significant travel costs to get to Maui. Families like the ability to eat in or dine out in order to keep the vacation affordable, which allows them to direct funds toward other activities on the island. Hotel prices are exceedingly high and without competition from short-term rentals price increases are the likely end result.

Phasing out the rentals would negatively impact the local economy. Without tourism, more local businesses would surely close. The COVID-19 pandemic is a good indicator of this point. How many businesses were forced to close when there were no tourists allowed on the island? How did these residents supplement their income? Or think of people like my housecleaner who is also my property manager and has a young family to support. She would lose the job, and likely other property managers would as well, not to mention maintenance staff, grounds keepers, etc. the list goes on. What happens to them?

The condominium fees in Maui Vista are high and will not decrease based on the classification of the complex. The fees are used for maintenance etc. and that makes the units more expensive to maintain and operate. These routine cost increases are passed along to renters, making the units unattractive for long-term rentals due to high rents and the potential for regular increases to offset escalating costs. Although my unit is wonderful for the purpose of short-term rentals it has a small kitchen, limited storage space and no reserved parking. Reserved parking is an additional fee that would increase the rent.

Decreasing the condominium fees will result in buildings not being properly maintained and becoming run down. Special assessments would then be imposed on owners which make the units unattractive to sell. If repairs are required and the condominium association does not have a reserve fund, then a special assessment would be necessary by the association to pay for the repairs. If purchasers are aware of this, then the units decrease in value. The value of the condos will be decreased dramatically anyway if the classification changes from the short-term rentals to residential which will decrease the property tax revenue.

Thank you,

### **Guest User**

Location:

Submitted At: 3:23am 11-02-21

I am an owner of a condo at Maui Vista. I have used it as a legal vacation rental since I bought it 5 years ago years ago and pay all my taxes monthly. I don't see how you can possibly expect to have my home , which the HOA fees ALONE are \$760 a month become affordable housing,



I use my place at least 3 months a year for my own use, and my contribution to the island in revenue via transient accommodation and general excise tax is a large sum which supports the economy and helps improve the lives of residents. This proposed legislation is very short sighted and is bad for Maui.

**Guest User**

Location:

Submitted At: 2:32am 11-02-21

If this ill conceived proposition is allowed to go through it will destroy the economy on the Island. You think COVID was bad think again!

**Guest User**

Location:

Submitted At: 10:44pm 11-01-21

Thank you for allowing our community to have a voice here. We need to learn from our experiences through Covid and create an alternative economy without all our resources and reliance upon tourism.

Please stop building more visitor accommodations.

Please reduce the existing number of visitor accommodations.

Mahalo,  
Zane

**Karen Comcowich**

Location:

Submitted At: 10:37pm 11-01-21

Aloha Planning and Sustainable Land Use Committee,

I support PHASING OUT TRANSIENT ACCOMMODATIONS IN THE APARTMENT DISTRICTS. It is a fair and intelligent way to wean Maui County off our overreliance on tourism while increasing the housing stock. This resolution allows people who bought intending to own a vacation rental to continue making a profit. When apartments are sold or transferred, the new owners will be well aware that in Maui County, the purpose of the Apartment district is to "be occupied on a long term residential basis" (MCC 19.12.010).

When developers propose building new luxury developments, a common argument is that any new housing will make housing more affordable because of the increase in supply. Funny enough, when we talk about phasing out vacation rentals to increase housing supply, the argument is that it would be too expensive for the people who live here. Truthfully some of them may be too expensive for residents and will be sold to the luxury second home market; still a win because Maui won't have to build new luxury homes to meet that demand. However, some of them are expensive because they are vacation rentals. The more money a property is likely to make, the higher the mortgage that can be justified.

Unintended consequences: yes, choices may have unintended consequences, like codifying the Minatoya opinion in 2014. The intention was to allow TVR that had previously been active in the apartment district to continue to operate. The unintended consequence was the number of apartments used as transient vacation rentals started to creep up. As older, small, and somewhat affordable apartments were sold to investors, the price for the remaining long-term housing rose to match demand.

The resolution before you has a lot of foresight. Phasing out vacation rentals will ensure that there is not a sudden drop in tax revenue, because current owners will continue to operate and pay taxes. This will allow housekeepers and property managers who serve the TVR owners to stay in business and transition slowly as business needs change.

Please vote in support of Maui County Residents and this resolution to phase out transient accommodations in apartment districts.

Thank you for your time,

Karen J. Comcowich  
Lahaina, HI

**Guest User**

Location:  
Submitted At: 9:47pm 11-01-21

i am completely in support of this bill - i find it sad that majority (if not ALL) of the 'opposed' testimony talks ONLY OF MONEY!.....when did that become the thing that drives all the decisions??? culture, kanaka maoli, neighborhood quality etc are way down - or not even on -the list ...PLEASE stop the western way of 'money is god' be the determiner for decisions...mahalo...

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**Guest User**

Location:  
Submitted At: 9:03pm 11-01-21

Apartments are one of the last semi affordable places to live on Maui. When they are rented out as short term rentals it takes away from the available housing for the working class on the island and takes away from the sense of community in the apartments.

**George Fulton**

Location:  
Submitted At: 9:01pm 11-01-21

I don't know the exact figures but to eliminate transient accommodations will wreck financial havoc on the Maui community.

It will not be successful in promoting local rentals because I doubt that locals will not be able to afford annual increases in the HOA FEES. My wife, Linda and I bought our condo in 2003. The HOA fees have increased from just over \$300 to about \$700 per month. Furthermore there are the occasional special assessments as these properties get older. Currently we can pass these onto our guests but what would a local resident be able to do? Simply stated, this a bad idea for the Maui Community.

**Guest User**

Location:  
Submitted At: 8:28pm 11-01-21

We need more housing for people who live and work here and are a part of the community, not for temporary people or tourists.

**Guest User**

Location:  
Submitted At: 8:19pm 11-01-21

Most of the people who oppose this bill do not live on the island as permanent residents and use these units as a generator for income or to pay their mortgage. They do not experience the issues that Maui resident have to deal with on a daily basis - overcrowding with tourists, ever raising rents, lack of affordable housing and low wages. I strongly support both the moratorium and the conversion of short term rentals

**Guest User**

Location:  
Submitted At: 7:59pm 11-01-21

I am an owner of a condo at Maui Vista, which I purchased in June, 2021. I am retired. While I had hoped that I would immediately use the condo as my permanent residence, my commitment to my children and grandchildren

in Seattle made me decide to postpone that decision. If I want to keep the possibility of using the condo as my permanent residence in the future, I need to open it in the near term to short term rentals in order to cover the mortgage. I purchased the condo with the understanding that this was a viable option.

I understand the burden that tourists put on the local infrastructure and services of Maui county. I appreciate that the county needs more affordable housing. However the GET and TAT provide essential income to the county. Please do not adopt this short-sighted ordinance. I believe that it will be detrimental to the tax base for the island. I do not believe that enactment of this legislation will stop short term rentals. Owners of rental property will figure out other ways to generate personal income but without revenue to the county.

### **Guest User**

Location:

Submitted At: 7:06pm 11-01-21

My wife and I are hard working entrepreneurs. Over a span of a decade we acquired 3 condominiums, invested with our after tax money close to 2 million US dollars in the Maui economy, and generate countless tax for the county year after year.

And we paid just as much property tax in 2020 as we hardly were allowed to rent our places.

We strive to have affordable rates, and pay competitive rates for maintenance, housekeeping, inspection. We also maintain our places professionally. Keep in mind that we have guests from Hawaii, including Maui just as frequently as people from the mainland and overseas.

Here is what a sample of our guests say:

"Thanks for having us. Staying at your place was the best decision as the trip was short and we got to explore both west and east side of Maui..."

"xxx's place is in a great location. The entire place is very beautiful. xxx was a great host and answered any questions we had"

"What a fabulous find! xxx's place is so close to everything without putting you in the middle of it all. The space was very clean, had wonderful amenities, and a picturesque view of the mountain and the bay amongst the surrounding flora. As economic travelers, we were so happy to find such a great place as a backdrop to our visit! We couldn't recommend xxx's place enough!"

We have 72 more of these that I am happy to share.

Upon seeking professional advice, Ms Tamara Paltin's proposal, if effective, would instantly halve our investment and a net loss of likely 1 million dollars.

It is unconscionable to propose this. Ms Paltin must be a very bad person.

People like us are the ones creating jobs, and livelihood for a lot of people and making Maui what it is.

We're sorry to say this, but people like Tamara Paltin should really take a good look at themselves and ponder whether they are indeed good people?

Here is our solution to the housing situation: bring up to 10\$ a square foot the property tax for the very people who are proposing this measure, starting with Tamara Paltin, this should apply to every square foot of housing and land that they own, effective immediately,

Here is our second solution: Require Ms Tamara Paltin to disclose \*all\* her conflicts of interests and relationship with the hotel industry.

Should this go through, it is equal to rewarding bad behavior and there will be negative consequences for

everyone, not just us: be warned

**Guest User**

Location:

Submitted At: 6:46pm 11-01-21

I am an owner of a Short Term Rental Unit in Maui and I oppose this ordinance and ask you for reconsideration. As a Mom & Pop owner who has invested in your state as a future retirement home and a permanent resident. My expected returns as a short term rental is computed to reimburse my investment. My current tax rate at an estimated 50% occupancy and income of \$27,000 and taxed; GET @4%, TAT @ 10.75%, State Property Tax, and now with the 3% proposed tax for the County of Maui will total over \$4650. In addition we have HOA fees of \$6000, Property Insurance and Repairs. This projected income would net less than \$10000 per year. It should be noted that Short Term Rental properties are taxed at higher rate than Hotels and local property owners, (doubled) If this ordinance is passed, Short Term Rental Units should get immediate relief from the current increased property tax.

The loss of this income, loss of jobs, local business closures supported by tourists when converted to long term rental or affordable housing should be a serious concern of elected members. A portion of this tax should be designated as Affordable Housing Funds and used as such. Don't lose this source of income. Maholo

**Guest User**

Location:

Submitted At: 6:41pm 11-01-21

Aloha Planning Commission and Maui County Council Members:

This bill will not create affordable housing.

These properties support our tax base and provide jobs for our families. These apartments were built to be vacation rentals with vacation appealing pools, grounds and ocean frontage. They have high maintenance fees and expensive caring costs. They are small with out enough storage or parking for full time families. They are also 40-50 years old thus even if a local family somehow secured a loan with the current high maintenance fees added on to their mortgage they will be burdened with every increasing fees and assessments.

I ran a report showing the maintenance fees and interior square footage for 2 bedrooms in 17 of these 40 year old vacation rental West Maui apartments: I wasn't able to copy it or attached to this letter. However the average interior was 949 SF and the average montly maintenance fee was \$1,253/apartment. Add on a mortgage payment + electric + cable + parking fees + assessments. This isn't affordable housing. Best have the accounting team check this out.

If this bill is passed and prices come down "work from anywhere in the world" second home buyers will be the buyers not local families who can't afford them.

What affordable housing was created when North Beach Kaanapali was built or the Timeshare conversions of the Hyatt, Marriott and Westin's was completed? Can you name one Lahaina long term or affordable housing apartment project that was built by these Fortune Five Hundred Companies? The real problem with traffic on Maui and over-crowding of West Maui began in the past 10 years as the thousands of Timeshares and vacation rentals in North Kaanapali Beach were completed. These projects are the ones to be levied and taxed to create their share of affordable housing.

Help find affordable housing that doesn't hurt the Kamaaina who have supported us with tax payments and jobs for over 40 years.

Thank you,

Mark Marchello, R  
Lahaina Resident

**Guest User**

Location:

Submitted At: 6:12pm 11-01-21

I am in full support of this ordinance. Maui needs affordable workforce housing, and the apartment district areas are the some of the best places for Maui residents to own their first homes, or find a long-term rental. Allowing transient accommodations in these areas has taken away some of the only affordable housing we have existing on Maui. We must give it back to the community members who needs it, those same people who work hard to help our economy thrive, before they all move away and we have no one to support the industry here on the island.

**Michael O'Neill**

Location:

Submitted At: 6:12pm 11-01-21

My wife and I own a vacation rental condo in Kihei and we are very strongly opposed to this PSLU-34 Measure. We have been coming to Maui for more than 30 years and have dreams of retiring here someday. We have always operated our property legally and paid very high taxes to the state and county. Without short term rentals to support our 2-bedroom unit the expenses would amount to \$3200/ mo to rent it on a long-term basis. Most of our guests are repeat visitors that do not want to stay in a resort bubble hotel where they will spend all their time and money. They want to support the local community in Maui. They love the people of Maui and shop at the small and local businesses. They go out to the local restaurants. The big hotel guests don't do that. We as owners employ local electricians, cleaners, locksmiths, painters, AC technicians, property managers etc. which support the local economy. If we need to buy a large appliance like a refrigerator, washer or dryer (which we have) we buy it locally because it's too expensive to ship it on island.

If this measure were to go through, it would have a huge negative impact on local businesses and workers. It would not translate into local housing because of the high rent that would have to be charged and also because it's not really suitable for long term renters.

Somehow, I think the responsible STVR owners were lumped in with other owners that were renting bedrooms and other "under the table" situations to avoid taxes and compliance with the rules. The apartment condo owners are not part of that group.

If this goes through, we would definitely not be retiring in Hawaii, we would be the victim of government overreach that would devastate our property value. It would not result in anything near affordable housing in Maui.

**Colleen Medeiros**

Location:

Submitted At: 6:00pm 11-01-21

Aloha Council Members,

While I very much support having more housing available to local families, I don't support this bill because I do not believe it will have the intended consequences; 1. I do not think local families want this type of housing and 2. I believe more local families should invest in this type of apartment housing and with the vacation rental use. Additionally, I believe this use should be incentivized for Maui residents as it is a great source of passive income which many local residents need.

Apartment style housing is not the appropriate housing for local families. Simply put, they are too small for most local families. Many of the units this would affect are studios and one-bedroom apartments with one dedicated parking stall and very little to no, storage space. Resident/local families will not fit in these. Even 2 person households here generally have 2 vehicles. I am a 22 yr resident of Maui (born and raised on Oahu, my father's family is from Maui) and I am a real estate agent here. I can't tell you the number of local folks I've tried to encourage to purchase apartments as starter homes. Many local families refuse to live in apartments, or they are just too small and don't fit their families, cars, and pets. Today, these apartments are still some of the least expensive housing options on the market and I'm just not seeing many resident/local families buying them.

Secondly, these properties make great investment properties that produce passive income as long-term and vacation rentals. I own one in Kuau Plaza. The income from this unit has helped tremendously in supplementing my family's income. There are many, approximately 20%, of short-term rental owners in apartment zoned buildings are Maui and Hawaii State residents. I believe this use should be supported and even incentivized for Maui residents, not taken away. We need more resident owners. But overall, any family-owned unit, is better to me than the hotel corporations having a monopoly on our visitor industry, which I believe will be another consequence if this bill is passed.

Legal avenues for residents to generate income for themselves and their families (small businesses) should be encouraged and not taken away or otherwise diminish. Off the top of my head, I can think of 20 local Maui families who own these types of condos. We are the voting population here, we are the folks spending all of our money here, we are the folks raising our kids here and we live in this community. We have numerous sub-contractors we hire and pay on a regular basis; we support many different businesses, and we give back in the form of donations to a variety of charity and nonprofit organizations because these streams of income allow us to.

As a resident, and on behalf of other residents who might like to purchase a condo to use in this way someday, this is one of the few avenues and opportunities for our families to directly benefit from the tourism industry. This bill would effectively hand over these benefits to offshore hotel corporations, which in turn would take AWAY income from our families and away from our islands. We are the "host culture" indigenous Hawaiians and all other residents living here, based on Sustainable Tourism principles, we ought to be "DIRECTLY BENEFITING TO THE GREATEST DEGREE POSSIBLE" from our visitor industry, we should not be handing all the benefits of visitor industry, monetary or otherwise, to offshore corporate entities, we need to keep the benefits here and we have a right as the host culture to have ownership in our visitor industry.

Thank you very much for your time,  
Colleen P. Medeiros

### **Guest User**

Location:

Submitted At: 5:00pm 11-01-21

I strongly support this because it's a small island and I remember being here when it wasn't taken over by air bnb and rent was once affordable. Now, being a family of 5 and our rent being triple what income is for most, we can't afford to live in a 1 bedroom for 3G a month and with housing being super limited. Specifically west side, we are desperate for a place since we don't want to pay almost 3 grand for our 1 bedroom, we have been looking day and night and most apartments have become air bnb and finding a place to live, where my kids are from is nearly impossible. There are 2 year waitlist for families in "affordable housing" yet finding a place to rent is out of the question since places like kahana manor aren't an option for local families. Why is our home being more accommodating to tourism then our own local community. One way to help with homelessness & actual native Hawaiians would be to accommodate locals first especially for housing. We already have more tourism population the residents and that is so disturbing. Taking care of our families should be first priority over anything else. Kids who come from homes, accommodating homes are far more successful then those who don't. Our kids should be the future, not some tourist 1 week of fun just to make some cash. Most air bnb aren't even owned by local families.

### **Peter Trunk**

Location:

Submitted At: 4:41pm 11-01-21

Aloha Ladies and Gentlemen:

While the issue in question does not affect me personally, I am still scratching my head about the logical thinking behind this proposal.

Let me give you an example: Many years ago the politicians of the Southern California City of Santa Monica came up with the idea of rental control, in order to give people with lesser income a chance to fetch an apartment for rent in that city. The result was disastrous. While many people in Southern California refer to Santa Monica as the "Peoples Republic of Santa Monica", landlords quickly found a way to circumvent the new law. Yes, they did not increase the rent to the next renter, but the next renter could not get the place, unless he or she paid an enormous amount of money under the table. Who lost? Not the landlord, but the renters and even more the City of Santa Monica, getting not the taxes they would have gotten with higher rent.

Please don't make the same mistake. Even though this is not about rent control, but in fact it is. The county wants to control landlords and tell them what to do in their own homes. That is if I would come to your house and demand, that you rent your second bedroom to a homeless man.

Changing the law the way it is proposed has several consequences:

Most landlords will not rent their places long term because most landlords want to use their homes for themselves on occasion. Result: No additional long-term apartments and a huge loss of taxes to the county and state. While the state already cut the county's share of the TAT, the county now imposes its own TAT to balance the budget. That money will be gone too?

Can anyone explain me why the people who work for the county (THE PEOPLE) are trying to cut the branch they are sitting on?

I rest my case.  
Sincerely yours  
Peter Trunk

**Guest User**

Location:  
Submitted At: 4:34pm 11-01-21

Aloha Ladies and Gentlemen:

While the issue in question does not affect me personally, I am still scratching my head about the logical thinking behind this proposal.

Let me give you an example: Many years ago the politicians of the Southern California City of Santa Monica came up with the idea of rental control, in order to give people with lesser income a chance to fetch an apartment for rent in that city. The result was disastrous. While many people in Southern California refer to Santa Monica as the "Peoples Republic of Santa Monica", landlords quickly found a way to circumvent the new law. Yes, they did not increase the rent to the next renter, but the next renter could not get the place, unless he or she paid an enormous amount of money under the table. Who lost? Not the landlord, but the renters and even more the City of Santa Monica, getting not the taxes they would have gotten with higher rent.

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I rest my case.  
Sincerely yours  
Peter Trunk

**Guest User**

Location:  
Submitted At: 3:57pm 11-01-21

We visit Maui every year and are dismayed to hear that there is a proposal to ban vacation rentals. We never stay in a hotel prefer a house or condo. We would choose to travel elsewhere if we couldn't rent a home

**Guest User**

Location:  
Submitted At: 3:50pm 11-01-21

I want any council member who might actually be reading these comments to note that all the opposed comments are from Guest Users. Why is that? Because this ordinance and social media have helped to demonize vacation rental owners on Maui. For example, there's no distinction in their mind between illegal and legal units. They tend to think that vacation rentals are the cause of too much tourism which is unproven and not the case and thanks to this ordinance they equate unavailability of rental choices to the presence of vacation

rentals (in districts near the beaches for most part). So they persecute vacation rental property owners and they are forced to remain anonymous here. Why are hotels being awarded and protected while local owners being vilified? It's shameful and you are feeding the frenzy with misguided ordinances like this one.

**Guest User**

Location:

Submitted At: 3:30pm 11-01-21

All of these condos were approved by the County of Maui and have been operated as vacation rentals as approved by the by-laws of each condominium AOA. You cannot all of a sudden try and reverse a decision like this as you do not have the authority.

This proposal in no way helps solve the affordable housing problem. on Maui which should have been regulated under strict controls years ago similar to what they did in Aspen, Colorado. Just limit the amount of appreciation that a condo can have every year so that the next buyer can afford it.

For example, how does a Mana Kai condominium selling at 1.8 million dollars now become a long term rental at an affordable monthly rate.

If you want to increase your tax revenue then you should be allowing simple gaming like scratch offs, powerball and other lotteries. The legalization of marijuana has provided huge tax revenues for many states. I know this is off the subject, but it correlates to the shallow thought process whereby the elimination of vacation rentals will help with affordable housing.

I have been a resident of Maui since 1982 and the property taxes are ridiculously low and should be raised for all residents.

I could go on and on ,but you need to research how other counties on the mainland have successfully solved the affordable housing problem and not start meddling with the vacation rental business that has operated successfully for years.

David Cudlipp Kumulani Vacations and Realty, Inc.

**Guest User**

Location:

Submitted At: 3:23pm 11-01-21

We are retired Maui vacation rental owners that depend on their income to live here and we stridently oppose your proposed change. It will do nothing to assure more affordable local housing. Why? Because the prices are set by the marketplace and although these units might become available, they won't be affordable. The entire issue of renters being priced out of the market is happening everywhere. The only helpful solution is probably rent control and there are no provisions in place to remedy the affordability issue. Your proposed changes will however cut TAT and GE revenues substantially and be a giveaway to the local hotel industry that take most of their income off island. It will also serve to reduce property values as these units become less desirable. This ordinance is misguided, will have a negative impact and should be voted down!

**Kai Duponte**

Location:

Submitted At: 3:09pm 11-01-21

November 1, 2021

RE: PSLU-28

Aloha Planning Commission and Maui County Council Members:

I am writing this letter in support of the proposed moratorium on visitor accommodations on Maui. This moratorium is a crucial step toward remediating the current unregulated over-tourism we are seeing here.

The Maui Island Plan suggests limiting the number of visitors to approximately 1/3 the number of residents in order to preserve our environment, infrastructure, and quality of life for residents--all of which would improve the visitor experience as well.

The year 2019 was already a year of uncontrolled growth, fueled by the tourism industry. Promises were made by leaders during the early part of the pandemic to improve on the tourism experience for both visitors and residents. Residents were promised that the goal would be to decrease the number of tourists while protecting the islands. Since October of 2020, those promises have been completely forgotten by our leaders, who proudly announce that the goal of reaching 2019 numbers has been met and now exceeded.



The current volume of tourists we were seeing pre-pandemic and now, in 2021, during the pandemic, is a threat to the health, safety and quality of life of the residents of Maui, our environment and wildlife.

Our island resources are very limited. Our inadequate sewage treatment, water, and landfills are not meant for this level of use. We just finished months of a severe water shortage, yet only Upcountry residents were affected, not tourists. While my family's yard dried up and died due to not watering it, the hotels are literally sucking up water as if there is no restriction. While sewage is discharged into our oceans, tourists are overcrowding our beaches and cruelly abusing our wildlife (I am thinking about honu and dolphins right now). Our fishing industry is endangered by the abuse the ocean environment is enduring.

On Maui, tourists do not stay in the tourist areas, but drive all over the island, causing huge traffic congestion—and this is despite the rental car shortage. Tourists don't even think twice about using up resources meant for residents, such as UHauls! I have seen horrific pictures of the road to Hana being blocked by tourists who choose to park on the road, blocking traffic, because of lack of parking.

Residents are literally being told that we do not count and that the tourism industry is all-powerful. Our mayor has not showed any support of controlling tourism, including vetoing the last proposed moratorium for south and west Maui and vetoing the affordable housing bill. He has constantly communicated in a very condescending way to residents, very publicly blaming residents for COVID spread rather than acknowledging that it had to have come in by travel; he has called residents "little children who refuse to listen" when we were concerned about the delay in vaccinations here; and he goes out of his way to please the big money brought in by the tourism industry and mainland investors. He has made it clear that residents are second class citizens to tourists.

Residents here sacrifice a great deal financially to live here and deserve to be able to enjoy the beaches, hikes and parks. Instead, there is no room for residents on any of these. The majority of residents here do not depend at all on the tourist industry—yet all of us are made to sacrifice for it. For me, it is about more than a financial sacrifice, as this is not only my birthplace but also that of my ancestors. I am trying my best not to be chased out by greedy leaders who put short-term profit first.

Our economy needs to be diversified. Our children need to be taught skills that will help them to succeed in society, rather than just to serve tourists. We need a moratorium on future visitor accommodations while solutions can be implemented, including leadership that supports resident lives over the tourism industry.

I appreciate the members of the Maui County Council greatly. With few exceptions, you are the leaders who put residents and the 'aina first.

Mahalo Piha,  
Kai Duponte  
Kai Duponte, MSW

### **Guest User**

Location:

Submitted At: 3:06pm 11-01-21

I oppose this PSLU-34 CC21-422. Such a long term to terminate! It's not right! Jobs would be lost. I agree with the person who owns one to be able to do short term rentals.

### **Guest User**

Location:

Submitted At: 3:00pm 11-01-21

How many hotels are being converted to affordable housing? If the County feels they have the right to eliminate apartment condos from short term rentals, shouldn't an equal number of hotels share in this bill? If this bill passes, Maui County will eliminate thousands of jobs from the hospitality industry, the restaurant industry, the commercial industry, the real estate industry, the small businesses, the food truck industry, the construction industry and so on and so on! Not everyone who comes to Maui County can afford a \$2500 room at the Four Seasons or the Hyatt. Not everyone who comes to Maui County can afford to eat at their expensive restaurants. We no longer live in a world where visitors to any vacation destination want to live and eat in a hotel. Hotels force outrageous prices for rooms, food, parking and events. If this Bill passes, foreclosures will become rampant as many buyers only purchased these 7000 plus condos with the potential to rent for short term occupants. This is not a new AirBNB or VRBO model either. Many of these condos have been renting this way for decades well before the internet. Families and communities have been coming and visiting these same condos every year for decades. The wealthy hotels cannot eliminate the middle class to lower class condos in the name of affordable housing. Stop allowing the development of hotels and timeshares! Start giving the County permits to build affordable housing.

**Guest User**

Location:

Submitted At: 2:48pm 11-01-21

I have owned my Wailea Ekahi condo since 2000. I purchased it with the understanding that short term rental was permitted. The first ten years we owned it, we kept it as second home. Because Maui taxes rose so high and property values rose so high, we decided to put it into rental in 2011, managed ably by Destination Resorts. We occupied 4 months, and rent the remaining months.

Your proposal does permits us to continue rentals until we sell, but steals property values from us. For who will want to buy our units at market value (if we need to sell) when it would come with the limitations you are proposing? My unit currently cost me \$10K a month (\$5K mortgage, \$2.5K AOAO dues, \$2.8K property taxes). No one would pay \$10K a month to long-term rent; there is no way this could be considered even remotely affordable without short term rental income to offset. First Bank of Hawaii has my mortgage; they can't be happy about this either.

If we were to pass the property to our children, so they could continue Maui as a second home for the next generation,

But it would be like giving them an albatross, which would need to remain empty during all the periods they cannot enjoy its use personally.

Please do not pass this legislation; it gains no affordable housing and steals value from current landholders.

**Guest User**

Location:

Submitted At: 2:17pm 11-01-21

I do not own an apartment rental unit and I understand why communities don't like short term rentals. I do think a lot of tax income would be lost and many units are not suitable for long term rentals. Also, many of these units are used part of time by family or friends of the owners so they cannot be used for long term rentals. It seem a lot of the complaints about short term rentals would be solved by strict enforcement of stated rules and current laws. Sterling

**Guest User**

Location:

Submitted At: 2:14pm 11-01-21

This is not part of the solution! Find another way, Maui will lose too much tax dollars. So over government overreach. People buy a property with an understanding of what they are and are not allowed to do with their property. To suddenly "change the rules" is a violation of their ownership rights and will most certainly result in a major loss of value, when they go to sell and it is no longer zoned a short-term property.

We purchased the property in early 2016 as a vacation home with the intention of renting it when we aren't able to use it. I have filed a monthly tax return for both GE and TA taxes every month ever since. My property taxes have gone up every year since we purchased.

**Guest User**

Location:

Submitted At: 1:36pm 11-01-21

As a Maui condo owner, I am opposed to this proposal. If the government forces me to make my condo a long term rental, I'll be forced to simply take it off the market or rent it at my break even point of approximately \$3,000 per month. Either senerio doesn't help solve the issue of affordable housing. The county will only lose tax dollars. Your consideration of my opinion is appreciated.

Mahalo

**Guest User**

Location:

Submitted At: 12:55pm 11-01-21

Phasing out vacation rentals in Maui would do so much harm to the economy derived from visitors to Maui. Not only do vacation rentals help bring more visitors to Maui, the TYPES of visitors who stay at a vacation rental home instead of a hotel are QUALITY visitors who treat Maui like their home. They come to Maui to "feel at home" and they are more likely to be respectful of the beauty of Maui. These tourists want to have a more "local" experience instead of being like a tourist.

In addition, as a traveler myself, I have found that special places like Maui benefit from travelers like me who want to GIVE BACK to the local community. Why take away this method of travel, which will hurt travelers and locals alike?

As an owner, I agree - we need to abide by the rules AND pay the respective fees (which further supports the economy), which I do, so we owners CONTRIBUTE to the community.

Another point is that by eliminating transient accommodations, the hotels would have the ability to raise rates, which could further hinder travel to Maui! And for those travelers who cannot afford the high hotel rates, they actually still travel to Maui using STRV's and also infuse other capital into the community.

Please do not phase out transient accommodations in Maui, especially in this time of need to rebuild the economy. Thank you!

**Guest User**

Location:

Submitted At: 12:25pm 11-01-21

Does anyone really believe that 40 year old oceanfront concrete buildings can be part of the solution to Maui's affordable housing dilemma? All it would be is a boon to the hotel industry that has battled for years to stifle the TVR industry so that they can jack up room rates, increase occupancy and send more profits home to their shareholders. The County will lose millions of dollars of revenue that they were planning on to build more affordable housing. Instead these buildings will become more stressed due to shoreline erosion and falling occupancy and thousands of owners who made good-faith property purchases will be denied the ability to supplement their incomes and hundreds of tradespeople who serve these properties will lose their jobs. A sad day indeed for Maui.

**Guest User**

Location:

Submitted At: 12:05pm 11-01-21

Gee Whiz.....another useless exercise and more stress to us by the Maui gummint....

Do they not know that the people that rent from us transient providers do so because they cannot afford the room charges at our local hotels.?

And...most important, stay at a mini home usually, with magnificent ocean views and easy access that your have to pay a fortune for at any of the Maui hotels that have similar attributes.?

Reminds me when the Maui gummint wanted to have our local RE agents collect our rents, take out the Transient and GE taxes, and send us the remainder.

The local RE agencies just about had a stroke, for they would have to add many people to handle these kind of transactions, with no benefit to the RE company, so with the rising up of the RE companies on Maui, thankfully this latter day device of private imposition happily died a quick death.

Larry Burke, Owner

Kana'i a nalu

250 Hauoli Street

Wailukui

**Guest User**

Location:

Submitted At: 11:45am 11-01-21

I will start by saying my husband and I own a legal oceanfront vacation rental in Maui. We purchased the property in early 2016 as a vacation home with the intention of renting it when we aren't able to use it. I have filed a monthly tax return for both GE and TA taxes every month ever since. My property taxes have gone up every year since we purchased. The amount of revenue our rental (and all the other oceanfront rentals in Maui) provides to the county of Maui is astronomical. Our unit has NEVER been a long term rental since it was built in 1979. The

idea that oceanfront rentals are taking away affordable housing is simply untrue. If the ability to rent out my unit is taken away, I will be forced to sell. Between taxes, HOA payments, mortgage and utilities, my break-even is \$3500/month. So I would need to rent my one bedroom for a minimum of \$3,500+ a month to a long term tenant. Is that considered affordable? To whom? Stripping property owner's rights is not the answer. Affordable housing isn't obtained by ripping our properties out of our hands, it is obtained by building more affordable housing in the inland areas. Mahalo for your consideration.

### **Guest User**

Location:

Submitted At: 11:42am 11-01-21

I am in adamant opposition to this proposal for the following reasons:

Lack of "affordable" housing is not just a Maui problem - it is a nationwide problem - right along with homelessness. How are other cities dealing with this?

Current owners of STVR's have paid top dollar for their investment properties; eliminating STVRs is a "taking" of property without compensation, opening the door for class-action lawsuits against the county. Property values will plummet, along with property tax revenue.

STVR's pay an extraordinary amount of taxes, from higher property taxes than residents, to conveyance fees from property sales, to the TAT and GET taxes that, effective Nov. 1, 2021, will now total 17.42%.

Instead of eliminating STVR's, dedicate that new 3% TAT tax to building affordable housing and bonding against estimated revenue to increase available state and federal grants dedicated to building affordable housing and needed infrastructure.

If STVR's are eliminated, so too will be the GET taxes collected from visitors. Visitors support many local businesses, from mom&pop restaurants, small car dealers, local farms, fishing/boating tours, etc. What will that eliminate from the County budget? Exactly how much money will Maui County lose? How will this affect local residents who depend on tourism? Eliminating STVR's will cause job losses in the rental management industry, housekeepers, maintenance workers, etc.

Eliminating STVRs is viewed by many as a gift to the hotel industry, who has lobbied for years against STVRs. Eliminating/reducing STVRs will eliminate healthy competition and exacerbate the favoritism shown to hotels (i.e., during covid shutdown, hotels had property assessments lowered due to less occupancy; STVRs had their assessments raised 25%)

Maintenance fees for condominium units will not go away. Those in themselves will be cost-prohibitive for both new low-moderate income homeowners and renters. Reducing maintenance will result in rundown complexes. Older complexes will impose assessments to fund needed repairs (pipes, roofing, termite treatments, spalling repairs, etc.).

Condos have been around for a long time and available for anyone to purchase; its simply that many locals don't want to live in older condos, particularly STVR's with limited parking and storage capacity.

What will replace the tourist dollars if visitor numbers are reduced? Diversifying the economy is a priority, but it will take many years to accomplish that.

### **Guest User**

Location:

Submitted At: 11:24am 11-01-21

Having purchased a legal property in Maui 5 years ago and using it for personal use as well as short term rental purposes I oppose this proposal. I purchased my condo under the expectation that I would be able to use this condo in a manner I choose. In the past 5 years I have paid my TAT and GET monthly and paid a significant amount more on my property tax than owners who do not use their properties in this way. By going the honest and legal route I am now being potentially punished? For my 1 property alone I have generated 20,000-24,000\$ per year in state taxes. That is approximately \$125,000 in the five years I have owned. This is not including the property taxes. What was the purpose in my making these payments if suddenly the right to use of my property can be changed. Where will the state make up the loss of this kind of substantial revenue. This revenue extends beyond just what I pay but also what my guests pay to local businesses during their stay. There needs to be a more logical process implemented in managing the island housing issues, one that does not only fall at the feet of law abiding owners.

### **Guest User**

Location:

Submitted At: 9:14am 10-31-21

Aloha. Sometimes good intentions result in proposals that have unintended consequences and the unintended consequences can have devastating results. Such is the case with this proposed resolution. It is my hope that the council will be open to hearing testimony from many educated and experience experts who will outline the negatives such as decreased property values, loss of local jobs from small business which service guests of TVRs, loss of real estate tax revenues which provide the greatest financial support to affordable house development, failure to actually solve the affordable housing needs of the county, and the very real threat of a massive lawsuit by the owners of legal vacation rentals who will realize substantial losses in the investments they have made over the years. A resolution such of this makes the County of Maui look like a banana republic government. The long term financial implications are dire. The only benefactors should this resolution pass would be the large hotels.

**Testimony for Planning and Sustainable Land Use Committee  
Meeting of November 3, 2021**

Aloha, Committee members.

My name is Sarah Hofstadter. I am a full-time, permanent resident of Kihei and a steering team member of the HALE Hawai'i community group. I am writing to express my strong support for **both** the proposed visitor accommodations moratorium (PSLU-28) **and** the proposed phase-out of transient accommodations in apartment districts (PSLU-34).

It is no secret that Maui County residents, especially on the island of Maui, are increasingly voicing strenuous objections to the uncontrolled growth of tourism. One down side of our excessive economic reliance on tourism was evident during the height of the pandemic, when so many residents were financially devastated. As long as our economy is so tightly tied to tourism, any major disruption to the global economy in the future will have the same effect.

And now that visitors are back, the contrast between current conditions and the relative peace and quiet we enjoyed when we were "closed" has thrown into sharp relief the other down sides of overtourism: traffic, overcrowding, food shortages, overuse of our natural resources, abuse of wildlife, and an excessive number of expensive rescue operations attributable to poor judgment and disregard of warnings by visitors.

Enough is enough. Maui residents are getting fed up with the double standard that allows crowds of visitors to degrade our quality of life, while resident-oriented recreational facilities and gatherings are still subject to closures and limitations. We are facing severe drought conditions; farmers are fighting over water rights and Upcountry residents are letting their gardens die to conserve water, yet our resort areas are green and lush. We have a looming problem with adequate sewage processing facilities, and other aspects of our island infrastructure are seriously in need of repair; visitors add to these problems, but do nothing to help solve them. We are in desperate need of affordable housing, yet we continue to commit an excess share of our construction resources to visitor accommodations and luxury second homes for rich mainlanders.

The Maui Island Plan, which was adopted in 2012 and is supposed to have the force and effect of law, specifies in section 4.2.3.a that we are to "Promote a desirable island population by striving to not exceed an island-wide visitor population of roughly 33 percent of the resident population." That provision has NEVER been enforced. Now is the time to start. Let's not wait until a cherished kupuna in East Maui dies unnecessarily because visitor traffic on the road to Hana made it impossible for an ambulance to get through in time.

Of course, neither Maui County nor the State of Hawai'i has the legal authority to directly control the number of visitors who come here. **Thus, the ONLY legal tool we have to regulate tourist numbers is our ability to limit the accommodations available to them.** If visitors cannot book lodgings, they will not come, and reducing visitor demand is the only way we have to influence the number of incoming flights. **We already have MORE than enough hotel rooms and vacation condos to house the number of visitors Maui's infrastructure can properly handle, and MORE than enough to house a number of visitors equal to 33% of our resident population.** Building yet more capacity would only add to our existing problems.

The opposition to the proposed moratorium has been groundless and deceptive. Why do the hotels need to expand, when they are not operating at full capacity now? Not only that, but also, as noted in the Planning Department report on the moratorium, even more visitor accommodations are already set to open before the proposed moratorium could take effect. If the visitor lodging industry really needs more revenue, they can raise rates instead. As for construction workers, if they need jobs, they can get them from building affordable housing for residents, including their own ohanas and friends, instead of additional/expanded visitor accommodations. Construction union opposition to the moratorium bills is very short-sighted and narrow-minded, and does not reflect a commitment to the long-term well-being of the workers and their community.

As for the proposed phase-out of transient accommodations in apartment districts, it is a necessary complement to the moratorium. We do not want the moratorium on new visitor accommodations in hotel districts to result in more visitors occupying dwelling units that could be providing residents with long-term housing. That would defeat the purpose of the moratorium.

In addition, returning units that are currently being used as transient rentals to the long-term rental housing market will help ease Maui's current critical shortage of affordable housing. This Committee's primary goal should be providing affordable housing for residents, not protecting the property values of real estate investors and absentee vacation home owners. The financial self-interest of people wealthy enough to invest in real estate that they do not personally occupy should not take precedence over the interest of our local working families in having a primary residence they can afford.

Finally, buildings in apartment districts are intended to house **residents**, not visitors. Working families living in multi-unit buildings should not have to put up with a constantly changing population of visitors who have no ties to the community, and no incentive to ensure that their behavior does not negatively impact their neighbors.

The tourism pause necessitated by the pandemic gave us the perspective to see that we **MUST** diversify our economy, both to insulate it against future emergencies and to preserve residents' quality of life, as well as Maui's infrastructure and ecosystems. Let's not waste the present opportunity to build on that insight with actual policy changes. Let's not succumb to the pressure for tourism growth, when what we need is better tourism management. **Let's not build any more of what we have too much of already.** Instead, let's focus Maui's workforce and investment resources on the things we really **NEED** and **DON'T** have: affordable housing, updated infrastructure, more local food production, and a better future for our keiki, with good-paying jobs that enable them to stay on island.

Mahalo nui for your attention. - Sarah Hofstadter, Kihei resident and HALE Hawai'i Steering Team member

<http://mauicounty.us/ecomment/>

Testimony on the proposed moratorium on new transient accommodations on Maui and the elimination of Transient Vacation Rentals (TVRs) in apartment districts (PSLU-34) in Maui County

by Mr. William F. Hoover, Jr. and Dr. Marion Ceruti,  
VOTING residents of Kahana, Lahaina, Maui, HI

31 Oct. 2021

Testimony is hereby submitted to the Planning and Sustainable Land Use Committee (2021) for the scheduled, online, public hearing at 09:00 Wed., 3 Nov, 2021.

**Position: OPPOSE**

**References**

[1] County Communication 21-280 from Council Vice-Chair Keani Rawlins-Fernandez;

[2] Maui County Council Resolution 21-98 re: bill for an ordinance to establish Chapters 19.98 and 20.41, Maui County Code, declaring a moratorium on new transient accommodations on Maui;

[3] County Communication 21-377 from the County Clerk re: failure of Maui Council to override the Mayor's veto of Bill 60 (2021) relating to an ordinance amending the building code adding Chapter 40 relating to a moratorium on building permits for visitor accommodations;

[4] Corporation Counsel's correspondence of 28 Oct. 2021, transmitting a proposed bill, "A BILL FOR AN ORDINANCE ESTABLISHING CHAPTER 19.98 AND CHAPTER 20.41, MAUI COUNTY CODE, DECLARING A MORATORIUM ON NEW TRANSIENT ACCOMMODATIONS ON MAUI."



[5] Proposed County Communication 21-280 (and by extension, County Communication 221-422) to place the bill named in reference (4) on the next Maui County Council meeting agenda.

[6] “A Bill For An Ordinance Establishing Chapter 19.98 and Chapter 20.41, Maui County Code, Declaring A Moratorium on New Transient Accommodations of Maui” approved by County Counsel, Michael Hopper, and transmitted to Jacky Takakura, PSLU Committee, on 28 Oct. 2021

[7] Letter dated 29 Oct. 2021 from Jason A. Economou, Government Affairs Director of the Realtors Association of Maui, Inc. “Re: Phasing Out TVRs in the Apartment District (PSLU-34)”

[8] “Apartment District Properties Allowed to be Used for Short-Term Occupancy” and “Non-Apartment District Properties Allowed to be Used for Short-Term Occupancy spreadsheet,” 18 Aug. 2021, pursuant to Maui County Code Chapter 19.12.020 Apartment Districts Permitted Uses and Maui County Code Chapter 19.500.110.C Nonconforming Use, respectively. Minatoya List of Properties[1].pdf

## **Testimony**

I. Less Money for Maui County – The ideas described in references [1] – [3] and the bills described in references [4] – [6] will result in less tax revenue collected by Maui County, and more county expenses. These financial losses are described below.

A. Transient Accommodation Tax (TAT) – Maui County obtains a portion of the TAT collected statewide. Fewer vacation rentals will lead to lower TAT payments to Maui County.

B. General Excise Tax (GET) and Local Business – Fewer tourists visiting Maui means less GET collected not only from TVRs, but also less GET from local general sales. Fewer tourists will spend money in the local community on all

manner of tourist services, including luaus, tour groups, maid services, and restaurants. These local small-businesses, owned by residents, collect GET. Some local businesses, already struggling under the rules of pandemic proclamations, will have more hardships associated with a lower business volume if with fewer tourists, and the state will collect less GET.

C. Property Tax – Apartment owners typically have purchased their units after considering the prospect of a revenue stream from TVRs built into their budget and their pre-purchase evaluation of affordability. Until now, most buyers who purchased apartments on Maui have done so for their own enjoyment, while operating the properties as TVRs to defray expenses when the owners are not on vacation. Very few owners have purchased their apartments in buildings with a substantial number of TVRs, for the purpose of providing long-term rentals. If these owners decide that a TVR income stream is a condition of ownership, the owners may be forced to sell their apartments at lower prices, which could lead to lower assessed property values. This, in turn, translate to lower County property taxes collected. For owners who don't or can't sell, fewer vacation rentals could lead to more defaults on property tax payments to Maui County from TVR owners whose income depends on rentals.

D. Law-Enforcement Costs Will Increase. – Even if TVRs in apartment districts and elsewhere were made illegal, some local owners, now operating legally, will offer rooms to tourists anyway, because they believe that they cannot “make ends meet” without the rental income. Illegal TVRs generate no TAT and GET. The existing law-enforcement problem with illegal TVRs would get worse. Enforcement costs money because someone must be paid to do it, and the county would have less money for other services that residents want, such as road, beach, and park maintenance and enhancement.

II. Textual Conflicts and Consequences – In addition to the tax-revenue and enforcement arguments against the bills to eliminate or pause TVRs, other factors will impede significantly the “success” of the proposed bills.

The text of the bill described in references [4] and [5] differs considerably from that of the bill described in reference [6]. These two approaches are so different that they don’t even agree with each other on the main reason(s) for the bills. Either of these ill-conceived bills, or some combination of them, likely will fail their stated purposes.

A. Long-Term Affordable Housing? – The stated purpose of the bill described in references [4] and [5] is to “create long-term affordable housing opportunities for residents” “by making more units available for residential use.” This method of coercing coastal-apartment owners to provide “long-term affordable housing” for existing residents constitutes a violation of the owners’ property rights – a taking without compensation. If any of these bills passes, the resulting injustice will attract litigation from multiple sources, some of which are described in reference [7], against which Maui County would be obligated to defend. Maui County would spend tax-payers’ money on court costs.

Nothing in the bill compels any apartment owner to offer a long-term lease to a potential tenant in a specified rental price range that the proposed tenant, or anyone else, would find “affordable.” Properties built especially as luxury ocean-front apartments and condos, with their high maintenance fees and high taxes, are totally inappropriate candidates to meet the needs of residents of modest means seeking affordable housing. Affordable-housing developments should be built specifically for that purpose, in more mauka areas where land prices and maintenance costs are lower.

The likely result of the proposed ordinance, in any form, will be one of three alternatives:

- 1) Owners of previously functional TVRs will offer their units to long-term tenants at very high prices to match the much-needed income that they received from the TVRs.

2) Owners of previously functional TVRs simply will stop renting their units to anyone, local or tourist. Either they will move in and reside in their units, or keep their property as a second homes without the risk of wear and tear that results from long-term tenants.

3) Rather than subject themselves to an adverse business environment, existing owners will sell their units. There is no guarantee that the new owners will offer a long-term lease at a low price.

B. County infrastructure and Quality of Life? – In contrast to the bill described in references [4] and [5], the stated purpose of the bill described in reference [6] is to prevent and/or mitigate “an increase in tourism, which causes negative impacts on the environment, overwhelms existing County infrastructure, and negatively impacts residents' quality of life.” This is very different from the stated purpose of the bill described in references 4 and 5. Moreover, there is no proof that an increase in tourism would “overwhelm existing County infrastructure.” With the increased revenue from TVRs, Maui County can afford to improve infrastructure. Likewise, there is no proof that an increase in tourism negatively impacts residents' quality of life, especially when some residents depend on tourism for their livelihoods.

“Quality of life” is a subjective term and difficult to measure. Like beauty, it is in the eye of the beholder. For example, some residents prefer to house visiting family members in TVRs close to their own units, rather than to book them in hotels that may be far away from their residences. The large hotel chains would benefit from less competition from TVRs, at the expense of the “quality of life” and the standard of living of residents with visiting ohana.

C. Communities At Risk in an Uncertain Business Environment – TVRs have a long history of use in Hawai'i. Tourists not only bring in much needed revenue not only to the State of Hawai'i and Maui County in particular, but they also contribute significantly to the economic viability of community homeowners' associations. Boards of Directors of such associations would much rather allocate resources to enhance the safety and beauty of their apartment buildings and the common-area amenities, than to pay their lawyers to issue foreclosure notices when members in arrears cannot make

payments. A lower community income translates to higher community financial risk and a lower quality of life. As residents, we expect that the high quality of life we enjoy now will continue if TVRs continue to be permitted.

The text of reference [6] claims to establish a moratorium, which could last two years, but actually it could go on indefinitely. This kind of uncertainty fails to provide a business-friendly environment that enables small businesses to plan ahead with confidence. At the very least, the text of the bill should be modified to include a clause that grandfathers in all of the units in any of the apartment buildings that have provided TVRs previously or currently are providing TVRs. Over 7,302 of these units are listed in reference [8]. Many people depend on the revenue stream provided by TVRs. To interrupt this income will cause hardships for Maui residents who live in one unit and own other units now operating in TVR programs.

III. Conclusion – The provisions of these bills, if passed in any form, will

- Diminish Maui County's finances due to limited tax collection;
- Fail to provide long-term housing for residents of modest means;
- Introduce unnecessary risk into local businesses and communities;
- Lower the quality of life and the standard of living for residents;
- Infringe on the rights of tax-paying property owners;
- Created fertile ground for costly litigation;
- Open a Pandora's box of troubles, all of which could be avoided simply by dropping the idea of eliminating TVRs.

Please, kokua, kill all forms of this bill now. Consign them to the opala heap where they belong. Don't cause more turmoil for struggling local businesses. Residents whose finances are linked to the tourist industry, either directly or indirectly, don't want additional restrictions on TVRs, so please vote NO on moving any anti-TVR bill forward.

Sincerely,

Mr. William F. Hoover, Jr.

Dr. Marion G. Ceruti

VOTING Residents, Kahana, Lahaina, Maui, HI



November 2, 2021

TO: Councilmember Tamara Paltin, Chair  
Councilmember Kelly Takaya King, Vice- Chair  
Members of the Planning and Sustainable Land Use Committee

FR: AMERICAN RESORT DEVELOPMENT ASSOCIATION – HAWAII (ARDA-Hawaii)

RE: Opposition to PSLU-28 ("A BILL FOR AN ORDINANCE ESTABLISHING  
CHAPTERS 19.98 AND 20.41, MAUI COUNTY CODE, DECLARING A  
MORATORIUM ON NEW TRANSIENT ACCOMMODATIONS ON MAUI)  
**Hearing date: Wednesday, November 3, 2021 at 9:00AM**

Aloha Chair Paltin, Vice Chair King and members of the Planning and Sustainable Land Use Committee,

Thank you for allowing ARDA-Hawaii to submit testimony in **STRONG OPPOSITION** to PSLU-28 regarding a bill for an ordinance establishing Chapters 19.98 and 20.41, Maui County Code, declaring a moratorium on new transient accommodations on Maui. PSLU-28 seeks to create an island wide moratorium which temporarily prohibits the issuance of any permit under Title 19. The proposed measure creates multiple concerns that could have broad impacts on Maui's economy.

The stated purpose of the proposed bill is to establish a moratorium to comply with visitor to resident ratio specified in Chapter 2.80B of the Maui Island Plan by pausing the increase of transient accommodations. However, there is no data to suggest that stopping the development of transient accommodations will decrease the number of visitors to Maui. It is simple, it won't.

Visitors will still come to Maui and seek other accommodations even if the supply of lodging units is limited. As we have seen, the volume of visitors will permeate into the residential neighborhoods and long-term apartment inventory on Maui through an increase in short-term vacation rentals ("STR"), which are the fastest-growing segment within Maui's visitor accommodations industry. If the purpose of the bill is to ultimately decrease the visitor count, perhaps further regulation is needed on the number of illegal short-term vacation rental units that are allowed.

There are better alternatives to accomplish the Council's goals of reducing the impacts of the tourism industry on Maui residents, without the negative economic impacts created by the

proposed moratorium. Regulating the fastest growing segment of transient accommodations in Maui would provide the greatest reduction in the number of visitors to comply with the Maui Island Plan.

Conversely, the moratorium would seek to limit transient accommodations island wide, thus, prohibiting increased accommodations even in districts that are intended for tourism. Hotel and resort areas are where visitor accommodations should be focused and aid in insulating Maui residents from the perceived negative impacts of tourism.

Moreover, the moratorium will have substantial economic impacts on Maui's economy. It is concerning that the County would seek to deter capital investment in a time where it is still recovering from the pandemic. This is especially concerning given the recent surge in cases that may continue to impact the tourism industry. The County would risk forgoing substantial amounts of investments, tax revenues and job creation for Maui's economy. For example, the timeshare industry is currently a major contributor to Maui's economy by providing more than \$73 million per year in state and local taxes, sustaining occupancies to keep Maui residents employed and supplying well compensated jobs to Maui residents.

The proposed ordinance would enact a moratorium to "maintain the status quo" while the Tourism Management Temporary Investigative Group ("TIG") explores and recommends legislation to better manage the tourism industry's impact on the environment and residents' quality of life. This poses significant risk to Maui's economy, without first obtaining information to better manage the industry. Instead, the TIG, in collaboration with the tourism industry, could address the Council's concerns prior to the moratorium to prevent causing unnecessary harm to Maui's fragile economy, which is still recovering from the pandemic.

Additionally, the proposed ordinance is intended to mitigate negative impacts on the environment and residents' quality of life. Again, there is a lack of data suggesting that a moratorium will substantially reduce the negative impacts on the environment or residents. It is concerning that such a broad and inflexible policy would be implemented without first showing transient accommodations as the primary cause of these negative impacts. As mentioned previously, further regulation of illegal STRs would help reduce the negative impacts on resident's quality of life. Measures eliminating illegal STRs would accomplish the moratorium's intended goals without implementing such an inflexible policy that would result in lost jobs and reduced economic activity for residents.

Further, as a member of ARDA-Hawaii, which represents the vacation ownership and resort development industries in Hawaii, I'm surprised that the County would want to stop timeshare visitors from coming to Maui. The timeshare visitor has the exact profile of the type of visitor that we should welcome with higher income levels, more spending off property in restaurants and local stores, and are more likely to take care of their property and Maui County. Maui is a "home away from home" as Timeshare visitors are owners, not transients. We should be mindful that the timeshare industry could be part of the solution.

Due consideration should be given to the broader impacts of the proposed measure. We as a community should consider a resolution that provides our Maui residents with the ability to

continue to work and provide for their families, while at the same time addressing the impacts of the influx of visitors, until Maui can transition to a more diversified economic base.

I respectfully ask that you recommend the Council defer this measure and instead pursue further regulation of illegal STRs prior to implementing any form of moratorium to address the Council's concerns in a more meaningful way.

Thank you for your consideration of my comments.

Respectfully submitted,

A handwritten signature in blue ink, consisting of a stylized 'R' followed by a flourish.

Ryan Nobriga  
Maui Task Force Chair  
ARDA Hawaii



November 2, 2021

VIA E-COMMENT

Chair Tamara Paltin and Members of the  
Planning and Sustainable Land Use Committee  
Council of the County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

Re: November 3, 2021, Planning and Sustainable Land Use Committee Meeting  
Comments to Moratorium on New Transient Accommodations on Maui (PSLU-  
28) (the "***Proposed Moratorium Measure***")

Dear Chair Paltin and Members of the Committee:

Thank you for the opportunity to provide testimony concerning the above-referenced Proposed Moratorium Measure. My name is Derek Kanoa, and I am Hawaii Senior Vice President, Sales for Hilton Grand Vacations ("***HGV***"). As members of the Committee may know, HGV is the owner of the Maui Bay Villas resort, the first phase of which recently opened to the public. We write to request what we believe is a relatively small and straightforward clarification to the exceptions enumerated in Section 19.98.040 of the Proposed Moratorium Measure.

While the Maui Bay Villas project has already received its last discretionary permit (*i.e.*, SMA Permit), sometimes during the development or construction process it may become necessary or desirable to make changes to an existing permit or approval. Sometimes such changes or adjustments may be requested by the Planning Department itself. We believe that explicitly allowing changes to prior approvals, that do not increase lodging capacity, would be appropriate and entirely consistent with the other exceptions already enumerated in the Proposed Moratorium Measure.

Our suggestion and request is that Section 19.98.040D of the Proposed Moratorium Measure be revised to read as follows:

"19.98.040D – With respect to permits or approvals granted prior to the effective date of this ordinance:

1. A time extension granted after the date of this ordinance; or
2. A modification or adjustment made after the date of this ordinance that does not increase lodging capacity."

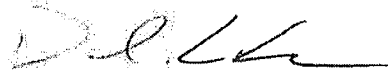
We believe such a change will ensure that the developer / owner, and the Planning Department, will have the flexibility to make necessary or otherwise desirable changes to permits

Planning and Sustainable Land Use Committee  
November 2, 2021  
Page 2 of 2

and approvals that exist prior to the effective date of the moratorium, without risking becoming subject to the moratorium.

Thank you very much for considering our request.

Very truly yours,

A handwritten signature in black ink, appearing to read 'D. Kanoa', with a long horizontal stroke extending to the right.

Derek Kanoa

# AQUA-ASTON

## HOSPITALITY

November 2, 2021

TO: Councilmember Tamara Paltin, Chair  
Councilmember Kelly Takaya King, Vice- Chair  
Members of the Planning and Sustainable Land Use Committee

FR: Aqua-Aston Hospitality

RE: Comments on PSLU 34 ("REFERRING TO THE PLANNING COMMISSIONS A  
PROPOSED BILL RELATING TO PHASING OUT TRANSIENT  
ACCOMMODATIONS IN THE APARTMENT DISTRICTS")  
**Hearing Date: Wednesday, November 3, 2021 at 9:00AM**

Aloha Chair Paltin, Vice Chair King and Members of the Planning and Sustainable Land Use Committee,

Thank you for allowing Aqua-Aston Hospitality, LLC ("**Aqua-Aston**") to provide **Comments** on PSLU 34 relating to phasing out Transient Vacation Rentals ("**TVR**") in the apartment districts. Aqua-Aston has engaged in hotel and resort management in the state of Hawaii for over 75 years.

PSLU 34 proposes a bill relating to the phasing out of transient accommodations in the A-1- and A-2 districts on Maui. The language of the bill proposes the discontinuation of TVR use once a unit is sold or transferred after December 31, 2021.

Several of the condominium properties which would be adversely affected by PSLU 34 are condominium projects which were built in the 1960s and 1970s and have been continuously used as TVRs ever since. The condominium documents for such projects specifically provide that the units may be used for residential, hotel or transient rentals. Units were purchased in reliance on the condominium documents which permit the units to be used as TVRs.

Further, Aqua-Aston would like to highlight the potential economic impacts that could result from PSLU 34. The Director of the Department of Finance ("**DOF**") has previously stated that the proposed phasing out of TVRs in the A-1 and A-2 districts could result in reduced revenue for Maui County. The DOF has projected approximately a \$23 million revenue reduction for the County. The properties that would be impacted by PSLU 34 represent a substantial amount of property and transient accommodations tax revenue. Accordingly, this proposed legislation may impact the County's ability to maintain services and impact the County's bond rating.

Aqua-Aston understands the purpose of this proposed legislation is to do away with the Minatoya list, however, these Minatoya properties have been consistently used as vacation rentals for the last 3-4 decades. These units were grandfathered, by virtue of a variance or by ordinance as a result of the Minatoya decision, and therefore, are legal vacation rentals. The proposed legislation should focus instead on preventing any illegal or new vacation rentals in Apartment zones rather than doing away with legal TVRs.

Currently, Aqua-Aston manages 231 units in two condominium projects which would be affected by the PSLU 34. This equates to approximately \$501,000 in lost County transient accommodations tax ("**TAT**") based upon 2019 occupancy, not to mention a reduction in real property taxes. All units are in condominium projects which have been in existence for more than 3 decades and were built specifically for TVR use. Consequently, if the proposed legislation is passed, there would be a projected loss of approximately half a million dollars a year (using 2019 occupancy statistics) in County TAT just from these two (2) properties alone.

Accordingly, Aqua-Aston would like to provide these comments encouraging the Council to: 1) consider the broader economic impacts of PSLU 34; and 2) regulate illegal rentals and new vacation rentals in Apartment zones. Mahalo for your consideration of these comments.

Respectfully submitted,



Denis Ebrill  
Aqua-Aston Hospitality, LLC, Managing Director



TO: Councilmember Tamara Paltin, Chair  
Councilmember Kelly Takaya King, Vice- Chair  
Members of the Planning and Sustainable Land Use Committee

FR: Maui Condo and Home, LLC

RE: Comments on PSLU 34 ("REFERRING TO THE PLANNING COMMISSIONS A PROPOSED BILL RELATING TO PHASING OUT TRANSIENT ACCOMMODATIONS IN THE APARTMENT DISTRICTS")

**Hearing Date: Wednesday, November 3, 2021 at 9:00AM**

Aloha Chair Paltin, Vice Chair King and Members of the Planning and Sustainable Land Use Committee,

Thank you for allowing Maui Condo and Home, LLC ("**MCH**") to provide **Comments** on PSLU 34 relating to phasing out Transient Vacation Rentals ("**TVR**") in the apartment districts. MCH is a real estate brokage that has managed vacation rentals on Maui since 1988.

PSLU 34 proposes a bill relating to the phasing out of transient accommodations in the A-1- and A-2 districts on Maui. The language of the bill proposes the discontinuation of TVR use once a unit is sold or transferred after December 31, 2021. Numerous condominium properties which would be adversely affected by PSLU 34 are condominium projects which were built in the 1960s and 1970s and have been continuously used as TVRs ever since. The condominium documents for such projects specifically provide that the units may be used for residential, hotel or transient rentals. Units were purchased in reliance on the condominium documents which allow the use of the unit as a TVR.

MCH would also like to emphasize the potential economic impacts that could result from PSLU 34. The Director of the Department of Finance ("**DOF**") has stated that the proposed phasing out of TVRs in the A-1 and A-2 districts could result in reduced revenue for Maui County. Specifically, DOF has projected approximately a \$23 million revenue reduction for the County. The properties that would be impacted by PSLU 34 represent a substantial amount of property and transient accommodations tax revenue. Accordingly, this proposed legislation may impact the County's ability to maintain services and impact the County's bond rating.

MCH understands the purpose of this proposed legislation is to do away with the Minatoya list, however, the Minatoya properties have been consistently used as vacation rentals for the last 3-4 decades. These units are legal vacation rentals that were grandfathered by virtue of a variance or by ordinance as a result of the Minatoya decision. Rather than seeking to do away with legal



vacation rentals, the Council should consider preventing any illegal or new vacation rentals in Apartment zones.

Currently, MCH manages 168 units throughout 16 different condominium projects on Maui that would be affected by the proposal. If PSLU 34 is passed, these 168 units would equate to approximately \$248,000 in lost County transient accommodations tax ("TAT") based on 2019 occupancy alongside a reduction in real property tax revenue.

Accordingly, MCH would like to provide comments encouraging the Council to consider the broader economic impacts of PSLU 34. Prevention of illegal vacation rentals should be the focus rather than doing away with legally permitted TVRs in the Apartment zones. Mahalo for your consideration of these comments.

Respectfully submitted,

Denis Ebrill  
Maui Condo and Home, LLC, Managing Director



October 19, 2021

Councilmember Tamara Paltin, Chair  
Councilmember Kelly Takaya King, Vice- Chair  
Members of the Planning and Sustainable Land Use Committee

RE: Support of PSLU 34 ("REFERRING TO THE PLANNING COMMISSIONS A  
PROPOSED BILL RELATING TO PHASING OUT TRANSIENT  
ACCOMMODATIONS IN THE APARTMENT DISTRICTS")  
**Hearing Date: Wednesday, November 3, 2021 at 9:00AM**

(Sent via e-mail to county.clerk@mauicounty.us)

Aloha Chair Lee, Vice Chair Rawlins-Fernandez and members Maui County Council,

My name is Jerry Gibson, President of Hawai'i Hotel Alliance ("**HHA**"). Mahalo for the opportunity to submit testimony on behalf of HHA in **SUPPORT** of PSLU 34 relating to phasing out Transient Vacation Rentals ("**TVR**") in the apartment districts.

PSLU 34 refers a bill to the Maui Planning Commission that is designed to phase out TVRs in the A-1 and A-2 districts by only allowing the use "until the date December after December 31, 2021, on which the property is first sold or transferred." In short, the TVR use will cease for a specific TVR unit once it is sold or transferred after December 31, 2021. Additionally, PSLU 34 establishes similar phasing out of Bed and Breakfast Homes ("**B&B**") and Short-Term Rental Homes ("**STRH**") in the apartment districts. The purpose of the proposed bill is to create long- term affordable housing opportunities for Maui residents by reducing the amount of units been used as TVRS, B&Bs and STRHs in residential apartments and neighborhoods.

Furthermore, TVRs and STRHs are currently part of the fastest growing segment of Maui's visitor accommodations industry. Limitations on these uses as provided in PSLU 34 would offer the greatest impact in reducing the number of visitors in residential portions of Maui and increase available housing stock for Maui residents.

In addition, reduction of transient accommodations in the apartment districts will accomplish the County's goal without severe negative impacts including: 1) elimination of good paying jobs for Maui residents; and 2) shut down of local businesses that are critical to Maui's economic recovery. Additionally, PSLU 34 will have the added benefit of directing visitors back towards resort zoned districts to lessen the impacts of tourism on residential neighborhoods.

HHA supports several of the Council's proposed initiatives to limit TVRs, B&Bs, and STRHs in residential and apartment districts in Maui. Hotel and resort districts are the areas which visitor accommodations should be focused to insulate Maui residents from the impacts of tourist. In

addition, other counties throughout the state are also working on measures to better enforce zoning restrictions on TVRs, B&Bs, and STRHs to limit the impact of tourism on local communities.

HHA supports the need for responsible tourism and protection of Maui's precious resources. HHA looks forward to working with the Council to implement policy to regulate TVRs and STRHs that will preserve the character of residential neighborhoods and responsibly accommodate tourist in hotel and resort designated areas. Accordingly, HHA respectfully supports this measure.

Mahalo for your consideration,

Jerry Gibson, President  
Hawaii Hotel Association



**To: Maui County Council Chair Alice Lee and Maui County Council Members      10/01/2021**

**Re: Phase out of short-term rentals in apartment zones**

Aloha, my name is Shannon VanderHeuvel, my husband and I moved to Maui and bought our condominium at Ma'alaea, which is an ocean front condo. We enjoy Ma'alaea and Maui's beauty. I am a retired police officer. I am presently the Crime Committee Chair and Board Secretary for Ma'alaea Village Association (MVA). Presently, I would like to offer my personal testimony on this very important issue of the Proposed phase out of short-term rentals in apartment zones on Maui. This affects me personally.

**Proposed Phase out of short-term rentals in apartment zones on Maui**

I support increasing affordable housing on the island. However, I do not support this bill. As we all know, living on Maui is expensive. Ma'alaea ocean front condos are zoned apartment, and they would be included in the phase out. They certainly are not affordable, with the mortgage, high maintenance fees and frequent special assessments due to the aging buildings. Most are one and two bedrooms with only a few 3-bedroom units. There is no extra storage or parking. I would guess that at least 60-75% of owners at Ma'alaea have to use TVR to help pay for the costs of the condos. My husband and I live here fulltime so we can't rent, and after 3 years, we probably will have to move back to the Midwest. It's doubtful we will be able to sell prior to 12-31-21. Who knows how long it will take to find a buyer that cannot TVR when the unit next door still can? That's not fair either. This bill is supposed to help produce affordable housing. It just won't in Ma'alaea. I don't know the other areas this affects but getting rid of TVR's in Ma'alaea, under the claim that it will produce affordable housing, is false, so I question the real reason for this bill? To me, the only parties benefitting from this proposal would be Maui hotels. The Realtor's Association of Maui has much more information that makes several good additional arguments showing flaws in the bill. Not many owners in Ma'alaea were aware of this bill and the implications about their properties and several emails recently went out alerting as many as possible. I urge the Council to find fairer, more effective ways to address the need for more affordable housing for Maui's people. Please think of Maui's people in Ma'alaea, which this bill is negatively impacting, in every way.

Mahalo for listening to our concerns and for your consideration.

With Aloha Shannon VanderHeuvel

A handwritten signature in black ink, appearing to read "Shannon VanderHeuvel". The signature is fluid and cursive, with a large initial "S" and a long, sweeping underline.

## PSLU Committee

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**From:** County Clerk  
**Sent:** Tuesday, November 2, 2021 8:02 AM  
**To:** PSLU Committee  
**Subject:** FW: Amending the Reso Estb a Rt to Housing for Maui Cty Residents

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**From:** Lisa Darcy <lisa@shareyourmana.org>  
**Sent:** Tuesday, November 2, 2021 5:46 AM  
**To:** County Clerk <County.Clerk@mauicounty.us>  
**Cc:** Keisa Liu <keisaliu@gmail.com>; Farmers Voice Hawaii <mauifaith@gmail.com>; 'Danielle Bergan' <Danielle.Bergan@mentalhealthhawaii.org>  
**Subject:** Amending the Reso Estb a Rt to Housing for Maui Cty Residents

You don't often get email from [lisa@shareyourmana.org](mailto:lisa@shareyourmana.org). [Learn why this is important](#)

Good morning Council Members,

Few of you know that I came to Maui almost 20 years ago after meeting Hawaiian colleagues at an international conference on psychosocial rehabilitation in Toronto, Canada in 1999. At the time, I was an international trainer on mental health and employment at Fountain House in NYC. Our friendships grew instantaneously, and they pursued me to come to Hawai'i to help the desperate mental health situation. The top picture is of Jack Yatsko of Kauai, now the International Center Director, holding a coconut explaining mental health at the opening plenary. I was the Employment plenary chair. It is important to understand this work has been my life's career. It is not a passing cause, it is the drive of my entire life's work.



It took several years, and I accepted the adventure to cross the Pacific. It has been nothing but hardship since I have been here. The individuals want to grow and change, yet the institutions charged with guarding their health want to

keep them in back rooms and without a voice. This is why you are now hearing from those unhoused. I have applied all of my skills and energies outside the Department of Health, which has proven to be a dangerous institution. My contributions include running the PSR program at Mental Health Kokua, being a Board member on the Mental Health Association, running the Disability Forum and being active for many years, etc... Share Your Mana is on track to be cutting the path for those unhoused to regain safety, health and their voices.

Lack of mental health care is a leading cause of people living chronically unhoused in Maui County. It is imperative this get its recognition and that one day, it will be championed and supported.

Suggestion 1

WHEREAS, adequate and affordable housing and shelter must be accessible to all, with special consideration given to vulnerable groups in the community, including seniors, children, the physically, **psychiatrically**, and developmentally disabled, persons with terminal illness or chronic medical conditions, domestic violence survivors, victims of natural and man-made disasters, and other economically or socially disadvantaged groups; and

Suggestion 2

Seniors, children, the physically and developmentally disabled, **persons managing serious mental health conditions**, persons with terminal illness, etc.....

Mahalo for your care and attention to this matter.

With appreciation,  
Lisa Seikai Darcy  
[www.shareyourmana.org](http://www.shareyourmana.org)

**PLANNING AND SUSTAINABLE LAND USE COMMITTEE (2021)**  
**COUNCIL OF THE COUNTY OF MAUI**

**WRITTEN TESTIMONY: PHASING OUT TRANSIENT ACCOMMODATIONS IN THE  
APARTMENT DISTRICTS (PSLU-34)**

TO: HONORABLE MAUI COUNTY COUNCIL MEMBERS

DATE: November 2, 2021

Aloha and Good Day,

I am Ralph Overton, let me take a minute to share who we are & why we care!

I've been a Maui County resident since 1997; my spouse, Nancy Leis Overton, for over 50 years. We have been very fortunate to call Maui home, benefitting from the great quality of life our island affords. Over the years, our ohana has generously supported our community through charity donations and volunteerism.

Nancy is an executive for the Dorvin D. Leis Company, I'm a REALTOR® specializing in Short Term Rentals which we own, manage, and truly love providing guests, with 1<sup>st</sup> class Maui experiences, and we have hundreds of 5 STAR reviews as evidence!

Short Term Rentals contribute to our livelihood, our retirement, our children, our grandchildren, and our great grandchildren's futures! This phase out will directly affect all of us by prohibiting future opportunities in our own backyard! And not just our Ohana, this phase out impacts all residents who strive to earn income in the tourism industry, while it does appear, that the major beneficiary will be the Hotel and Resort industry!

We realize that there are many obstacles facing our futures, and we do have empathy regarding affordable housing issues; however, we don't see how this phase out will best address affordable housing!

Let me provide a real time current example! Over a year ago, the Department of Planning initiated action steps due to a complainant from the Maalaea Yacht Marina resort. A single complaint that led to the discovery of a zoning issue. Sadly, just last week, we along with many owners, were ordered to cease all Short-Term Rentals, in a condo we purchased there 10 years ago. This surprise enforcement action, in a complex with a 30-year history of short-term rentals.

As a result, this associated retirement income stream, will be significantly reduced, and, for this 2 bedroom/2 bath condo, we will charge, nearly \$5000/month as a long-term rental. Most likely, very appealing to work-from-home, nonresidents. Very unlikely, appealing as affordable housing for a local family of four.

If this current situation will not produce affordable housing, how will similar phase out actions be successful? Perhaps phasing out transient accommodations, will serve to reduce tourism or will drive tourist to the hotels and resorts?

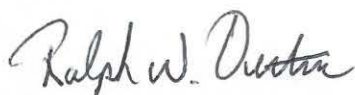
This phasing out notion, may not only be ineffective, but will also deny our children a future opportunity to help defray Maui's increasing cost of living. This type of action also prevents residents from future opportunities to really participate in the tourism industry and improve quality of lives without having to work two or more jobs!

In our humble opinion, we offer a couple of suggestions:

- 1) Uncover all Short-Term Rental Operators that are TAT & GET cheaters and consider governmental police powers as an enforcement vehicle.
- 2) Consider a moratorium on the conversion of existing long-term rentals with no recorded or never having any previous short term rental history. We all may know of residents that have been displaced because what was once a long-term rental being converted to short term.

We hope that you will Consider our Concerns and oppose PSLU-34!

Mahalo Nui Loa!



Ralph W. Overton  
**REALTOR®** RS – 80236  
808.282.2982  
Maui Premier Vacation Condos  
Hawaii Premier Investments  
Maui International Real Estate Svc.



Nancy Leis Overton  
Vice President  
Dorvin D. Leis Company, Inc.

## PSLU Committee

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**From:** JBG <jbriangarner@gmail.com>  
**Sent:** Thursday, November 4, 2021 12:29 PM  
**To:** PSLU Committee  
**Subject:** Housing

You don't often get email from jbriangarner@gmail.com. [Learn why this is important](#)

Aloha PSLU Committee Members,

Like many, I appreciate the desire to find solutions to the housing crisis currently affecting Maui County, though this is hardly unique to the Aloha state. I'd like to share with you some real boots on the ground solutions that are taking place in another destination market where too many units have been used as transient vacation rentals: Vail, Colorado.

Please take a look at what leaders in Vail are doing to ensure locals have a place to live. In particular, note that the town has dedicated staff to specifically address this issue. I believe the County of Maui can implement some real solutions using the same models that Vail is doing. Here is a link where you can learn more: <https://www.vailgov.com/government/departments/housing>

Mahalo for your consideration,

J. Brian Garner  
Kihei, Maui, HI  
808.268.9890

## PSLU Committee

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**From:** Maui\_County Council\_mailbox  
**Sent:** Wednesday, November 10, 2021 8:47 AM  
**To:** PSLU Committee  
**Subject:** FW: Long Term Rental Proposal  
**Attachments:** Luana Kai letter.pdf

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**From:** Elie on gMail <ehalpern7379@gmail.com>  
**Sent:** Wednesday, November 10, 2021 8:41 AM  
**To:** Maui\_County Council\_mailbox <county.council@mauicounty.us>  
**Cc:** 'John Godfrey' <johngonmaui@gmail.com>  
**Subject:** Long Term Rental Proposal

You don't often get email from [ehalpern7379@gmail.com](mailto:ehalpern7379@gmail.com). [Learn why this is important](#)

Please see attached letter regarding long term rental proposal. Thanks. elie halpern

# Halpern Olivares

PLLC

Attorneys at Law

2102 Carriage Drive SW • Building E102 • Olympia, WA 98502

Tel. (360) 753-8055 • Fax (360) 753-8584

[www.ssavalaw.com](http://www.ssavalaw.com)

November 7, 2021

Members of the Maui County Council  
Planning and Sustainable Land Use Committee  
200 S. High St.  
[Wailuku](http://Wailuku), Hawaii 96793

Via Email: [county.council@mauicounty.us](mailto:county.council@mauicounty.us)

Dear Planning and Sustainable Land Use Committee:

You have already received a letter dated November 3, 2021, from John Godfrey, who is the president of the Luana Kai Owners Association, the letter being written on behalf of the owners of Luana Kai. My wife and I are owners of one of the units at Luana Kai, which we have owned and enjoyed for almost 20 years. I am writing this on behalf of my wife Beth as well just to emphasize the fact that proceeding with your proposal as an attempt to free up long term rental accommodation in south Maui by removing the present right of owners to rent out their units on a short-term basis would be counterproductive for Maui County.

If your proposal is adopted, it would reduce the values of the condos we own and therefore would reduce the amount of income Maui County receives from property taxes, which just were increased greatly. It would also make it very difficult for those of us who are older to maintain our condos. We actually bring a lot of money to the Maui economy. Short-term rentals greatly increase the amount of money spent on Maui in restaurants since most of our short-term rentals eat out every day, and most do not spend time cooking. From an economic standpoint, this proposal makes no sense to us.

We do not know of any studies done to show that your proposal will have a positive impact at all. I think to address the problem of the lack of long-term rentals, there needs to be an independent study rather than your proposal, which to my knowledge is not based on any legitimate study of the impact on Maui County in general. Since we are coming in less than a month to Maui, we will do more research on this. I am not even sure why south Maui is being focused on for this conversion from short-term rentals to long-term rentals, but it would be a substantial hardship on those of us who are elderly, my wife and I included, who likely would sell our condos which we dearly love.

My hope is that your proposal will be shelved until there is a significant and objective study done including other alternatives, and that there should be public hearings with lots of testimony. While your proposal is well meaning, financially for the County it decrease the amount raised by taxes.

**Attorneys**  
Elie Halpern\*  
Jamie Olivares  
\*Of Counsel


**Veterans' Advocate**  
Kayla Vance

**Legal Assistants**  
MaLeah Larsen  
Katie Westall  
Megan Williams



We are coming on December 1 to enjoy a couple of months of generally perfect weather and look forward to hearing more about your proposal. If there are public hearings when we are present, we would like to attend and testify. I think your proposal needs to be rethought and there needs to be much greater research done.

Yours truly,

A handwritten signature in black ink, appearing to read "Elie Halpern". The signature is written in a cursive style with a long, sweeping underline.

Elie Halpern  
EH/km

## PSLU Committee

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**From:** Tiger Mynarcik <tm@tradewindvegas.com>  
**Sent:** Wednesday, January 19, 2022 11:14 AM  
**To:** PSLU Committee  
**Subject:** Consider Limiting Short Term Rentals to 180 days

You don't often get email from tm@tradewindvegas.com. [Learn why this is important](#)

*Dear Planning and Sustainable Land Use Committee Members*

*Maui County Council*

I applaud the override of the Mayor's Veto to establish a moratorium on new hotels on Maui, designated as PSLU-28 and the Legislation proposed by multiple council members to phase out vacation rentals in the county's apartment zoning districts (PSLU-34)

You may want to consider an additional item.

I have watched the soaring cost of housing in Maui and the pain it inflicts upon the Maui residents, many that are my friends and many that have moved here to Las Vegas, NV. I am a frequent short term renter in Maui and also own and manage short term rentals(STR) in other states. I saw the consideration of bill 41 by the Honolulu City Council which would limit STR to 180 days minimum. As a real estate broker, I very familiar with the Maui housing market and have to admit that if Maui considered a similar action to limit STR to 180 days, it would bring a large amount of properties to the market and make existing housing more affordable due to increased inventory. I say this even though I am aware I may not be able to stay at properties any longer that I have been enjoying renting previously. So as a renter, owner and manager of STR, you might greatly help the Maui county residents by considering a similar bill.

The City of Las Vegas passed a bill that does not allow any STR within city limits period. <https://www.lasvegasnevada.gov/News/Blog/Detail/short-term-rentals-faq>

Best wishes from the 9th Island.

Tiger Mynarcik-Broker  
Tradewind Investments  
NV LIC B.24994.CORP  
702-870-5500  
702-768-1611  
[WWW.TRADEWINDPROPERTYMANAGEMENT.com](http://WWW.TRADEWINDPROPERTYMANAGEMENT.com)

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# REQUEST FOR LEGAL SERVICES

**Date:** May 24, 2022  
**From:** Tamara Paltin, Chair  
Planning and Sustainable Land Use Committee


TRANSMITTAL

**Memo to:** DEPARTMENT OF THE CORPORATION COUNSEL  
Attention: Stephanie Chen, Esq.

**Subject:** VOLUNTARY PHASING OUT TRANSIENT ACCOMMODATIONS IN THE APARTMENT DISTRICTS (PSLU-34)

**Background Data:** Please review the attached bill.

**Work Requested:**  FOR APPROVAL AS TO FORM AND LEGALITY  
 OTHER:

Requestor's signature  Tamara Paltin	Contact Person <u>Wilton Leauanae</u> (Telephone Extension: <u>7761</u> )
---	---

ROUTINE (WITHIN 15 WORKING DAYS)       RUSH (WITHIN 5 WORKING DAYS)  
 PRIORITY (WITHIN 10 WORKING DAYS)       URGENT (WITHIN 3 WORKING DAYS)

SPECIFY DUE DATE (IF IMPOSED BY SPECIFIC CIRCUMSTANCES): May 27, 2022 at 10 a.m.  
REASON: To be posted for the PSLU Committee Meeting on June 2, 2022.

## FOR CORPORATION COUNSEL'S RESPONSE

ASSIGNED TO:	ASSIGNMENT NO.	BY:
--------------	----------------	-----

TO REQUESTOR:  APPROVED  DISAPPROVED  OTHER (SEE COMMENTS BELOW)  
 RETURNING--PLEASE EXPAND AND PROVIDE DETAILS REGARDING ITEMS AS NOTED

COMMENTS (NOTE - THIS SECTION NOT TO BE USED FOR LEGAL ADVICE): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DEPARTMENT OF THE CORPORATION COUNSEL

Date \_\_\_\_\_

By \_\_\_\_\_

(Rev. 7/03)

pslu:ltr:034acc01:wal

Attachment

ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2022)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 19.12, MAUI COUNTY CODE, RELATING TO CONVERTING APARTMENT BUILDINGS FROM TRANSIENT VACATION RENTAL USE TO LONG-TERM RESIDENTIAL USE

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. The purpose of this Ordinance is to allow property owners of buildings located in the Apartment District to permanently convert property from transient vacation rental use to long-term residential use by filing a declaration with the State of Hawai'i Bureau of Conveyances and providing notice to the County.

SECTION 2. Chapter 19.12, Maui County Code, is amended by adding a new section to be appropriately designated and to read as follows:

**“19.12.025 Conversion of real property from transient vacation rental use to residential use.** The owners of property, in which transient vacation rental use is allowed under section 19.12.020(G), may opt to permanently discontinue such use upon filing a declaration with the state of Hawai'i bureau of conveyances in a form prescribed by the department in accordance with this section.

A. The declaration must be executed by 100 percent of the property owners and must apply to the entire parcel.

B. The declaration must state the owners will use the property for long-term residential use only.

C. The property owners must cause the declaration to be filed with the state of Hawai'i bureau of conveyances.

D. Recordation of the declaration constitutes a forfeiture on the part of the owners, and all successors and assigns, of any right to transient vacation rental use of the property, unless such use is then allowed in accordance with a valid permit.

E. A recorded copy of the declaration must be filed with the director by September 1 of any calendar year. Upon receipt, the director must review the declaration and determine whether it is complete within forty-five days.

F. The director must notify the department of finance, real property assessment division of the recordation of a declaration permanently converting property from transient vacation rental use to long-term residential use that is determined to be complete.”

SECTION 3. This Ordinance takes effect on approval.

APPROVED AS TO FORM AND LEGALITY:

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Deputy Corporation Counsel  
County of Maui

pslu:misc:034abill01:wal

INTRODUCED BY:

*Tamara M. Paltin*

---

TAMARA PALTIN

RECEIVED

May 27, 2022

2022 MAY 27 PM 2: 45

OFFICE OF THE  
COUNTY COUNCIL

MEMO TO: PSLU-34 File

F R O M: Tamara Paltin, Chair *Tamara A. M. Paltin*  
Planning and Sustainable Land Use Committee

SUBJECT: **TRANSMITTAL OF LEGISLATIVE PROPOSAL RELATING TO  
VOLUNTARY PHASING OUT TRANSIENT ACCOMMODATIONS IN  
THE APARTMENT DISTRICTS** (PSLU-34)

The attached legislative proposal pertains to Item 34 on the Committee's agenda.

pslu:ltr:034afile01:wal

Attachment

# Resolution

No. \_\_\_\_\_

REFERRING TO THE PLANNING COMMISSIONS  
A PROPOSED BILL RELATING TO CONVERTING  
APARTMENT BUILDINGS FROM TRANSIENT  
VACATION RENTAL USE TO LONG-TERM  
RESIDENTIAL USE

WHEREAS the Council is considering a proposed bill to allow property owners of buildings in the Apartment District to permanently convert property from transient vacation rental use to long-term residential use; and

WHEREAS Sections 8-8.4 and 8-8.6 of the Revised Charter of the County of Maui (1983), as amended, require that the appropriate planning commission review proposed land use ordinances and provide findings and recommendations to the Council; now therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That it refers the proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING CHAPTER 19.12, MAUI COUNTY CODE, RELATING TO CONVERTING APARTMENT BUILDINGS FROM TRANSIENT VACATION RENTAL USE TO LONG-TERM RESIDENTIAL USE," a copy of which is attached as Exhibit "1," to the Lanai Planning Commission, Maui Planning Commission, and Molokai Planning Commission for appropriate action, in accordance with Sections 8.8.4 and 8.8.6 of the Revised Charter of the County of Maui (1983), as amended;
2. That it respectfully requests that the Lanai Planning Commission, Maui Planning Commission, and Molokai Planning Commission transmit their findings and recommendations to the Council as expeditiously as possible; and
3. That certified copies of this Resolution be transmitted to the Mayor, the Planning Director, the Lanai Planning Commission, Maui Planning Commission, and Molokai Planning Commission.



ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2022)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 19.12, MAUI COUNTY CODE, RELATING TO CONVERTING APARTMENT BUILDINGS FROM TRANSIENT VACATION RENTAL USE TO LONG-TERM RESIDENTIAL USE

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. The purpose of this Ordinance is to allow property owners of buildings located in the Apartment District to permanently convert property from transient vacation rental use to long-term residential use by filing a declaration with the State of Hawai'i Bureau of Conveyances and providing notice to the County.

SECTION 2. Chapter 19.12, Maui County Code, is amended by adding a new section to be appropriately designated and to read as follows:

**"19.12.025 Conversion of real property from transient vacation rental use to residential use.** The owners of property, in which transient vacation rental use is allowed under section 19.12.020(G), may opt to permanently discontinue such use upon filing a declaration with the state of Hawai'i bureau of conveyances in a form prescribed by the department in accordance with this section.

A. The declaration must be executed by 100 percent of the property owners and must apply to the entire parcel.

B. The declaration must state the owners will use the property for long-term residential use only.

C. The property owners must cause the declaration to be filed with the state of Hawai'i bureau of conveyances.

D. Recordation of the declaration constitutes a forfeiture on the part of the owners, and all successors and assigns, of any right to transient vacation rental use of the property, unless such use is then allowed in accordance with a valid permit.

E. A recorded copy of the declaration must be filed with the director by September 1 of any calendar year. Upon receipt, the director must review the declaration and determine whether it is complete within forty-five days.

F. The director must notify the department of finance, real property assessment division of the recordation of a declaration permanently converting property from transient vacation rental use to long-term residential use that is determined to be complete.”

SECTION 3. This Ordinance takes effect on approval.

APPROVED AS TO FORM AND LEGALITY:

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Deputy Corporation Counsel  
County of Maui

pslu:misc:034abill01:wal

INTRODUCED BY:

*Tamara M. Paltin*

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TAMARA PALTIN

# REQUEST FOR LEGAL SERVICES

**RECEIVED**

By Corporation Counsel at 1:25 pm, May 25, 2022

**Date:** May 24, 2022  
**From:** Tamara Paltin, Chair  
Planning and Sustainable Land Use Committee

TRANSMITTAL


**Memo to:** DEPARTMENT OF THE CORPORATION COUNSEL  
Attention: Stephanie Chen, Esq.

**Subject:** VOLUNTARY PHASING OUT TRANSIENT ACCOMMODATIONS IN THE APARTMENT DISTRICTS (PSLU-34)

**Background Data:** Please review the attached bill.

**Work Requested:**  FOR APPROVAL AS TO FORM AND LEGALITY

OTHER:

Requestor's signature  Tamara Paltin	Contact Person <u>Wilton Leauanae</u> (Telephone Extension: <u>7761</u> )
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- ROUTINE (WITHIN 15 WORKING DAYS)       RUSH (WITHIN 5 WORKING DAYS)  
 PRIORITY (WITHIN 10 WORKING DAYS)       URGENT (WITHIN 3 WORKING DAYS)

SPECIFY DUE DATE (IF IMPOSED BY SPECIFIC CIRCUMSTANCES): May 27, 2022 at 10 a.m.

REASON: To be posted for the PSLU Committee Meeting on June 2, 2022.

### FOR CORPORATION COUNSEL'S RESPONSE

ASSIGNED TO: <b>SMC</b>	ASSIGNMENT NO. <b>2021-0016</b>	BY: <b>GMR</b>
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TO REQUESTOR:  APPROVED  DISAPPROVED  OTHER (SEE COMMENTS BELOW)  
 RETURNING--PLEASE EXPAND AND PROVIDE DETAILS REGARDING ITEMS AS NOTED

COMMENTS (NOTE - THIS SECTION NOT TO BE USED FOR LEGAL ADVICE): \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DEPARTMENT OF THE CORPORATION COUNSEL

Date 5/31/2022

By /s/ Stephanie M. Chen

(Rev. 7/03)

pslu:ltr:034acc01:wal

Attachment

ORDINANCE NO. \_\_\_\_\_

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B. The declaration must state the owners will use the property for long-term residential use only.

C. The property owners must cause the declaration to be filed with the State of Hawai'i bureau of conveyances.

D. Recordation of the declaration constitutes a forfeiture on the part of the owners, and all successors and assigns, of any right to transient vacation rental use of the property, unless such use is then allowed in accordance with a valid permit.

E. A recorded copy of the declaration must be filed with the director by September 1 of any calendar year. Upon receipt, the

director must review the declaration and determine whether it is complete within forty-five days.

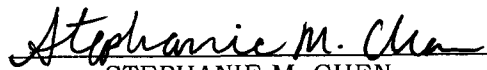
F. The director must notify the department of finance, real property assessment division of the recordation of a declaration permanently converting property from transient vacation rental use to long-term residential use that is determined to be complete.

G. The director may enforce the failure to abide by the declaration as a violation of this title.”

SECTION 3. New material is underscored. In printing this bill, the County Clerk need not include the underscoring.

SECTION 4. This Ordinance takes effect on approval.

APPROVED AS TO FORM AND LEGALITY:



STEPHANIE M. CHEN  
Deputy Corporation Counsel  
County of Maui

LF2021-0016  
PSLU-34 2022-05-31 Ord Amd Ch 19.12  
pslu:misc:034abill01:wal

INTRODUCED BY:

*Tamara M. Paltin*

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TAMARA PALTIN

## PSLU Committee

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**From:** Graham Resell <Graham.M.Resell@co.maui.hi.us>  
**Sent:** Tuesday, May 31, 2022 3:53 PM  
**To:** PSLU Committee  
**Subject:** PSLU-34 Ord Amd Ch 19.12 Converting Apartment Buildings to Long TermUs  
**Attachments:** PSLU-34 2022-05-31 Ord Amd Ch 19.12.docx; PSLU-34 2022-05-31 RFLS Leauanae Ord Amd Ch 19.12 RAFL Closing.pdf

Please find attached the above referenced bill approved (with minor revisions) and signed by our department. Also attached for your records is the Word version with markup. Please let me know if there are any questions or if you need anything else.

Thank you,  
Graham

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Graham M. Resell  
Law Technician  
Department of the Corporation Counsel  
Telephone: (808)270-1778



# Planning and Sustainable Land Use Committee (2021) on 2022-06-02 9:00 AM

Meeting Time: 06-02-22 09:00

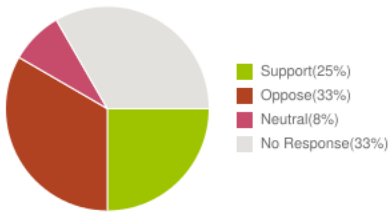
## eComments Report

Meetings	Meeting Time	Agenda Items	Comments	Support	Oppose	Neutral
Planning and Sustainable Land Use Committee (2021) on 2022-06-02 9:00 AM	06-02-22 09:00	4	12	3	4	1

### Sentiments for All Meetings

The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

#### Overall Sentiment



# Planning and Sustainable Land Use Committee (2021) on 2022-06-02 9:00 AM

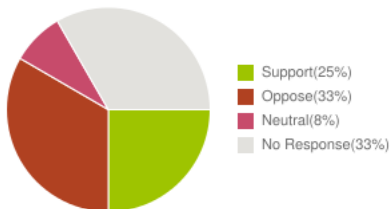
06-02-22 09:00

Agenda Name	Comments	Support	Oppose	Neutral
A G E N D A	3	1	2	0
PSLU-34 CC 21-422 PHASING OUT TRANSIENT ACCOMMODATIONS IN THE APARTMENT DISTRICTS (PSLU-34)	6	1	1	1
PSLU-52 BILL 82 (2022) BILL 82 (2022), RELATING TO PERMITTED USES IN THE M-2 HEAVY INDUSTRIAL DISTRICT (PSLU-52)	3	1	1	0

## Sentiments for All Agenda Items

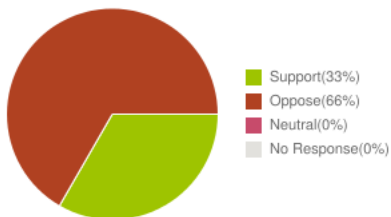
The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

### Overall Sentiment



### Agenda Item: eComments for A G E N D A

### Overall Sentiment



## Guest User

Location:

Submitted At: 10:28am 06-01-22

Its pretty sad that you want to restrict/take peoples rights to their property, take from home owners and give them to someone else. Clearly you do not understand what the "make up" of these vacation rentals entail. What next will you come up with? You can own a car here on Maui, but not drive it, or you can only drive it if you live here on Maui full time, or you will be forced to give you're car to someone else? You want to FORCE people to give their properties away, that is as unamerican as it comes. It also screams that you support the hotels and time shares, which by the way are taking over Maui with your blessings. How many hotels/time shares have been built here just in the past 6 years? MANY No restrictions there, and they're on the water front, greedy hotels that want to squash out the little guy.

I live here on Maui for the past 10 years, and own a small condo, which is a vacation rental, for the past 17 years.

You have no idea what those buildings are like, or the cost to own one, they were built 50 years ago specifically for vacation rentals. They have NO fire sprinkler systems, thin floors and walls, you can hear someone walk across the floor or move a chair upstairs, squeaky bed, you can hear their phone conversation, or someone's sneeze two doors down or across the courtyard, each condo comes with one parking spot per condo, no street parking, one dumpster (that's all there is room for) this is not conducive to long term rentals, they were not built for long term living, they're small spaces crowded in, and resemble the years ago old term "living like rats" that's why they're short term rentals, they're hotel rooms, people crowded together long term do not fare well in tiny places.. Parking is always a nightmare, parking lots are tiny, parking stalls are tiny, the parking lots were crammed in and built 50 years ago are for small cars, there is no room for expansion. Pets are not allowed, there is only ONE parking spot, NO storage, no visitor parking, no handicapped parking, and condo's come with exorbitant payments and condo dues. They are not ADA compliant, they're too small, no handicapped parking, wheel chairs will not go down cement stairs, nor grassy embankments, nor fit in front doors, or interior doors/bathrooms that are tiny, these buildings were built in the 70's, electrical wiring does not support AC. Run the dishwasher, microwave, toaster and oven at the same time, or you could blow a breaker. Is that how buildings today are built? The answer is no.

These condo's were not acquired free, they come with payments. These buildings are NOT like buildings built as apartments, they are small 1 bedroom condos, some with small lofts, or studio apartments, all come with major cost to upkeep. Just the condo dues alone are \$1,500 - \$2,000 per month, plus taxes, plus insurance, plus flood insurance, and a mortgage payment, this DOES NOT support affordable housing. Forcing people to do long term rentals on these condo's doesn't solve any housing problem, payments, dues etc. are too high, even selling them for half price does not get rid of condo dues nor payments, nor taxes etc. Are you going to attempt to change the by-laws that govern the use of these buildings? Those by-laws that were created when these condo's were built? By-laws, can not be changed without a vote of the majority of the condo owners. These bylaws govern the condo's use, and inflict strict condo rules on owners which are passed on to the occupants whether a home owner or tenant, examples include; no surfboards, no bicycles, no storage bins on lanais, no plants, clothes, towels nothing hanging on the rails of the lanais, no exterior decorations, flags, seasonal decorative lights etc.. some By-laws say no owner occupants nor long term tenants. Condo's come with those rules and more, they also include a front office, for STR rentals, again they were built for vacation rentals, they're called condotels, they come with managers, housekeepers, gardeners, office staff, handy men, are you willing to put those people out of jobs as well?

How are tenants going to be able to afford these building's that come with multiple assessments? Sea Walls that fail, new roofs, new paint, new doors, new windows, siding, doors, pools, , spalling lanai's, spalling building framework, repave old and crumbling parking lots, failing cast iron pipes in the grounds, and that run thru interior walls, sewer pump stations, that require constant maintenance and huge fines should they fail, none of these items are FREE to fix, they all come with Millions of Dollars of assessments passed on to the condo owners, which add an additional \$500- \$1,000+ a month, in payments.

People don't build hotels whose rooms are used for long term rentals, these condo's mimic hotel rooms they were not built for long term use, they're built for short term use, bring your suitcase, nothing else. Purchase of food items, cans foods, chips, bread etc. get stored in the fridge because there is no room in the small kitchens whose shelves were not designed for storage other than space for dishes, pots and pans and silverware. These condo's are different than apartments, they're like hotel rooms, yet you want families to rent them long term?

Ten years ago I could not find a job here on Maui what so ever. During covid there was no one here to rent short or long term to, the banks and county did not stop collecting taxes or payments from homeowners, and all those buildings sat vacant. What would happen if this happened again? Propose another bill to turn the STR apartments back into vacation rentals so you can collect higher taxes to support the county? Hawaii as well as other states let tenants skip making payments on rents during covid, so landlords went without rents, that isn't incentive for landlords, as the banks did not forgive payments, condo associations did not forgive condo dues, and the State of Hawaii, Maui County, still collected property taxes, no forgiveness to homeowners, and no one could evict a tenant not paying rent.. . This short sighted attempt to take peoples properties is terrible. You will put banks back in the foreclosure business, which is a way to help collapse an economy. Banks do not sell property cheaply especially when they add on delinquent association condo dues, attorneys fees, and all of the past due interest and payments to the sales price.

A \$5,000 mortgage payment, is not affordable tenant housing. This proposal is not a solution to affordable housing. Affordable housing does not involve taking peoples properties, it involves long term planning, and building the right type of housing. The State was flooded with CARES money, where did that go? Why isn't it being put to good use? If you want affordable housing, build apartments that are equipped for families or multiple tenants, which include parking, storage space, soundproof walls, include space for the handicapped, allows pets,

and has affordable rents. How would you like to vacation at your favorite spot in the country and find your only option is a hotel, and oh the rates are exorbitant because there are less options on where to stay, would you go? Probably not, and that may collapse that states economy by people staying away, and oh the flight to get there is crazy money because of the cost of fuel!

With this proposed bill you're not considering future impact here on Maui, you're pandering to greedy hotels that are taking over, and you're allowing it. Why don't you make the hotels or time shares build affordable housing, they have deep pockets, or suggest they give up some of their rooms for long term rentals? They have plenty of rooms, and make sure the tenants don't get charged for the hotels daily parking fees, maybe they could share some of their space with the residents here on Maui, I'm sure they'd love to "give back".

I am the "mom & pop" business you are trying to put out of business, the one you are discriminating against, not to mention that all of us homeowners/condo owners support other businesses here on Maui. Inflation is coming, you are not preparing for things to come, you're only living for today's "I wants", not preparing for the future of the disaster that is looming, is a disaster in the making. .

## **Guest User**

Location:

Submitted At: 4:38pm 05-31-22

Take a good look at the below for some concerning facts. Before even getting into specifics, the first point explicitly states what should be a major red flag for residents. While the council may think this is beneficial for residents, the unfortunate issue is that if this does pass the amount of taxable income from TVR's is a significant portion (almost 9%! ) of the county budget. That doesn't include the new 3% county TAT. Do we truly think this loss will help the county to achieve its goals of funding affordable housing?

### **1. This Bill Would Defund Affordable Housing for Maui County:**

Maui County's recent Comprehensive Affordable Housing Plan, calls for the County to "increase funding into the Affordable Housing Fund to \$58 million annually."

This increased contribution to the Affordable Housing Fund will be used to effectuate necessary infrastructure updates and to allow the County to play a meaningful role in the development of truly affordable housing.

If this legislation is passed, we estimate that the County stands to lose as much as \$74 million in property tax revenue annually (which is roughly 8.77% of the total operating budget!).

This loss in revenue would make it difficult for the County to maintain the services it currently provides, and it would make it impossible to increase funding to the Affordable Housing Fund.

Without the revenue, there is no investment in Affordable Housing, and there will be property tax increases for everyone else.

### **2. This Bill Will Harm the County, the State, and Many Others:**

The STR property tax class in Maui County is expected to produce \$137,908,224 in property tax revenue for the County in FY 2022 (more than 5 times as much as the Hotel class or the Owner-Occupied class).

With there being roughly 13,466 properties in the STR class overall, the average amount of tax paid by each property is \$10,241 per property.

This legislation is designed to remove just over 7,300 properties from the STR property tax class, which equates to roughly \$74 million in lost revenue! That is equal to 8.77% of Maui County's operating budget for this year.

The only way to make up for this huge loss in revenue is to increase property taxes for everyone else..

This bill will also remove 7,000+ units from paying TAT, which we estimate to be a loss of roughly \$69 Million in TAT revenue for the State of Hawaii. Now that the County will also be charging a 3% surcharge, it will result in direct loss of revenue for the County as well

Conveyance Tax losses could be substantial, but are difficult to estimate at this time. These 7,000 properties currently equate to billions of dollars worth of real estate, but some estimate that they could lose as much as half their value the moment this legislation is passed. That will be devastating for conveyance tax revenue, and devastating to individuals who own these properties. There is the distinct possibility that this legislation could also cause a bit of a financial crisis, since many current owners will suddenly own more on their mortgages than the units are worth. That is essentially what happened on a national level in 2008, and we all remember how bad that was.

### **3. This Bill is Yet Another Gift to the Hotel Industry!:**

During the pandemic, the Hotel properties were the only properties that were assessed at a lower value due to lost revenue, and they were openly given priority in reopening when restrictions started loosening. Now, through this bill, the County is eliminating the only real source of competition on the island that the hotels have.

These impacted properties are not “illegal short term rentals.” They are mostly professionally managed units in buildings that have historically been used for the purpose of transient accommodations. The main difference between these units and the hotels is that they are usually family owned, as opposed to the hotels that are owned by multinational corporations.

The only group that will benefit from this bill is the hotel industry, as the reduction in revenue this bill will cause will be devastating for everyone else in the County.

It will be most devastating to anyone that hoped the Affordable Housing Plan would actually produce affordable housing.

#### 4. The Impacted Properties are Not Suitable for Our Residents:

The proposed legislation aims to “create long-term affordable housing opportunities for residents,” but the reality is that these properties are not suitable for that.

Parking is generally 1-2 spaces per unity, and the spaces are primarily for compact vehicles.

Units were designed as transient accommodations to begin with, and have minimal storage for families or long term occupancy.

Units are all 30+ years old, and have high maintenance fees and high special assessments to cope with aging infrastructure. Some recent special assessments have been as high as \$100,000 per unit.

Impacted properties are primarily located in the sea level rise exposure area, and will face financial and practical challenges with climate adaptation. Turning these into “affordable housing opportunities” will almost certainly ensure deferment of critical infrastructure updates for many of these properties, and an increased risk of catastrophic circumstances (like the Miami Condo Collapse).

#### 5. Is this Legislation Even Legal?

The counties are granted zoning authority by the State of Hawaii through HRS § 46-4, which does allow “for the amortization or phasing out of nonconforming uses or signs over a reasonable period of time in commercial, industrial, resort, and apartment zoned areas only.”

However, TVR use is explicitly permitted pursuant to the Maui County Code, and has been conducted in the Apartment Zoning Districts for a very long time by many properties. This is hardly a “nonconforming” use.

Therefore, it is unlawful to abruptly eliminate the use in this manner.

These properties clearly have a vested property right to conduct transient rentals, and the proposed legislation will result in a lot of litigation against the county. Some might argue this legislation is a government taking or violation of due process, and there will likely be claims for zoning estoppel, and it will ultimately cost the County (i.e. tax payers) a lot of money to sort out.

#### **Guest User**

Location:

Submitted At: 8:19am 05-31-22

Legal memo re Phasing Out the Minatoya condo-TVRS

Submitted as written testimony for the PSLU Committee meeting of 6/2/22

From Michael Williams, 808-264-4884; MichaelWilliams@PueoFarm.com

#### Background

In 1991, the Council banned TVR use in the Apartment districts. Many owners objected, and soon Corporation Counsel was asked for a legal opinion on whether the non-conforming use could continue in buildings constructed before the ban. Deputy Corp. Counsel Richard Minatoya issued an opinion letter that concluded such use could continue.

These condos, all in buildings constructed before 1989, were allowed to continue renting short term to tourists. In 2016, the Council codified that opinion so that TVR use was explicitly allowed in those older buildings. There are about 7,000 such condos.

Now several Council members want to phase out that nonconforming use so that these condos can no longer be

operated as TVRs.

There are two important policy reasons for this proposal:

1. Reduce the number of tourists back toward the Maui Island Plan prescribed balance of 1 visitor for 3 residents. In 2019 and again this year, that ratio has reached 1 visitor to 2 residents. Maui Island has a resident population of about 155,000. Therefore, we should not have more than about 52,000 visitors on any given day. In July and August this summer we had a daily census of about 75,000 visitors---23,000 too many.

2. Increase the amount of housing units available for residents, either as live-in owners, or as long term renters. It is not knowable now how many of these 7,000 condos will become residences for locals, but surely many of them will.

CM Johnson, in July, made this zoning change one of his top five priorities in implementing the Comprehensive Affordable Housing Plan.

CM Paltin agreed to take the issue up in her Planning and Sustainable Land Use Committee. She submitted a draft bill to the Council at its August 24, 2021 meeting, along with a resolution to send the draft bill to the three Planning Commissions, as required by the County Charter for any zoning change. The Council agreed unanimously to the requested referral. CM Paltin has put it on her committee's agenda for June 1, 2022.

In the meantime, CM Rawlins-Fernandez proposed an alternative bill that would eliminate TVR use only in the Minatoya condos outside the 3.2' sea level rise zone. That bill is also on tomorrow's agenda.

#### LEGAL ISSUES

The affected owners are certain to file legal challenges to this zoning change if the Council approves it. There are likely to be challenges to its constitutionality under the Fifth Amendment Takings Clause and also under a Hawaii statute that deals specifically with the elimination of nonconforming uses in Apartment districts.

##### 1. Federal law:

Under the controlling federal case law, this zoning change would not be a "taking" and would not require compensation to the owners even if they could show a reduction in value. Without going into detail, the basic US Supreme Court rulings on these zoning changes is that if the owner is left with other reasonable uses of the property, no compensation is due even if there is a diminution in value. Here, the owners can still use the property as a long-term rental, as their own principal place of residence, or as a second home. There are a couple very recent lower court decisions that have examined new zoning changes eliminating or greatly curtailing use of residential property for short term rentals and found they do not violate the federal constitution and did not require any compensation to the owners: *Hignell v City of New Orleans*, 476 F. Supp 369 (US Dist. Ct E.D. Louisiana 2020); *Nekrilov v. City of Jersey City*, ( \_\_\_ F. Supp. \_\_\_, 2021 WL 1138360--only the Westlaw citation is currently available—US Dist, Court, D. New Jersey.)

These two decisions thoroughly analyze the case law in reaching their conclusions. (I have attached both to the cover email.)

It is important that the bill contain a statement of the "public purpose" that justifies the change in zoning. Here there are several: preserve the island's natural resources, reduce strain on its infrastructure, and help to alleviate a critical housing shortage.

##### 2. State law:

When I discussed this proposed phase out with Planning Director Michele McLean last year, she called my attention to a state statute that provides for the elimination of non-conforming uses in Apartment districts. HRS 46-4 (a) provides in relevant part:

" . . . a zoning ordinance may provide for elimination of nonconforming uses as the uses are discontinued, or for the amortization or phasing out of nonconforming uses or signs over a reasonable period of time in commercial, industrial, resort, and apartment zoned areas only."

The concept of amortization of the financial impact on property owners of a zoning change is a well-established principle in US law. There is a large body of case law from other states, but so far as I have found, no Hawaii case has ever interpreted HRS 46-4 (a). Director McLean suggested a reasonable period of time in this case would be three years.

CM Paltin's proposed bill would eliminate the TVR use as soon as the condo is sold—i.e., no new owner could acquire the right to TVR use. This rule does not appear to allow any "time period" if the current owner must or wants to sell soon. It also would allow some gamesmanship in the identity of the "owner". Suppose the owner is a corporation, and a new investor acquires an interest in the corporation, but the recorded 'owner' on Maui's real property rolls stays the same?

CM Rawlins-Fernandez's alternative would phase out only those TVR's in the apartment district that are outside the seal level rise zone, allowing those 3000 or so TVR condos threatened by seal level rise to continue

operating. But it has the same legal flaw as the Paltin bill—the loss of TVR use is immediate when the bill takes effect, and allows no reasonable amortization time period.

I believe the bills should be redrafted so that TVR use is ended 2-3 years after the bill's passage. Use of a corporation as owner would not matter, a sale would not matter. Moreover, the time between the passage of the bill and its effective date would allow the courts to rule on the legality of the change before any TVR use must cease. If the court thought the time period should be longer than 2 or 3 years, the bill could be amended accordingly before any tourist was turned away.

### 3. Corporation Counsel's analysis.

When this proposed phase out of the Minatoya condos came up in the July 19, 2021 meeting of CM Johnson's committee, Corp Counsel Daniel Kunkel promised CM Molina to produce an opinion in writing about phasing out TVR use by a future date, like 2025? So, if I could just get comments from Corp. Counsel on that.

MR. KUNKEL: I would need to get back to you on that, and I can do that.

VICE-CHAIR MOLINA: Okay. If we could get that in writing.

MR. KUNKEL: Sure.

Committee Chair Johnson followed up with a letter on July 30 to Corp Counsel that made this request:

"Please indicate whether the Council can legally establish an end date for the phasing out of the short-term rental homes exemption in the Apartment District."

Corp Counsel responded with a formal letter on August 27 but declined to answer CM Johnson's and CM Molina's question. Mimi Desjardins said:

"This subject matter was referred to the Planning and Sustainable Land Use Committee during the August 24, 2021, Council meeting (County Communication No. 21-4221). Because the matter will be taken up by PLSU, the preference is to address this substantial matter in that forum."

Of course, the affected condo owners will be opposed.

The hotels will favor the bill because it will reduce their competition for tourists. There are several thousand TVR condos in the hotel zone, and they will support the bill for the same reason.

The Realtors Association of Maui has stated its opposition too, maybe because many realtors act as rental agents for the TVRs.

The many small businesses who sell stuff to tourists will probably oppose the bill as well.

On the other hand, residents who would like to own or rent their own home here will be in favor of the bill, as will those of us who think Maui has an over-tourism problem.

Although these condos would not become "affordable" homes, to the extent they increase the supply of homes for owner occupants or long-term renters, that increase in supply should work to open the lower end of the housing market to lower income residents.

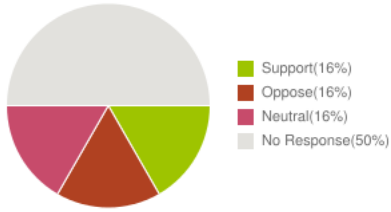
### 2. Are TVRs worth the costs?

It is not at all an established fact that condos with TVR use are more highly priced than similarly situated condos barred from such use. Take the very interesting situation at the Palms at Wailea I and II. These are essentially identical, side by side, high end condo complexes. PW I was built before 1989 and contains Minatoya condos. PW II was finished in 1991 and does not allow TVR use. Yet an analysis of real estate sales records shows that sales prices are consistently higher for PW II condos than for PW I. An owner tells me that second home owners prefer the peace and quiet at PW II, while in PW I there is a constant churn of tenants every week, strangers around all the time, and any more late night parties.

### Conclusion

The County should support phasing out TVRs in the Apartment district but grant them 3 years before the phase takes effect, to allow owners to adjust their plans for using their condo in some fashion other than as a TVR.

## Overall Sentiment



### **PSLU Committee**

Location:

Submitted At: 1:03pm 06-02-22

Testimony received by PSLU Committee.

### **Guest User**

Location:

Submitted At: 10:18am 06-02-22

Aloha Council Members,

I support this most recent version of PLU34, essentially giving the choice to the HOA and owners of individual condo and apartment complexes to phase out TVR if the majority of their owners vote for that.

Much Mahalo,  
Colleen P Medeiros

### **Pamela Tumpap**

Location:

Submitted At: 9:10am 06-02-22

Please see attached written testimony.

### **Jason Economou**

Location:

Submitted At: 2:02pm 06-01-22

Aloha Committee Chair Paltin and Committee Members,

I am submitting this testimony on behalf of the REALTORS Association of Maui and our 2,000 members in my capacity as their Government Affairs Director. The REALTORS Association of Maui (RAM) remains strongly opposed to the legislative proposals put forth in County Communication 21-422 (dated 08-04-2021) and in Correspondence from Council Vice-Chair Rawlins-Fernandez dated 10-29-2021. Notwithstanding, RAM supports the most recent legislative proposal contained in the Correspondence from Committee Chair dated 05-27-2022.

As we have expressed in previous testimony, the two legislative proposals put forward in 2021 failed to recognize the well established equitable doctrines of vested rights and zoning estoppel in Hawaii jurisprudence. The fact remains that transient accommodations are a permitted, and thereby "conforming," use within the Apartment Districts. As such, the County of Maui cannot simply eliminate the use and strip property owners of a vested right that is both explicitly permitted by zoning, and supported by countless assurances from county officials over the span of decades. To do so would be a clear violation of Hawaii law, and a likely violation of state and federal due process. With that in mind, we urge this committee to abandon the previous proposals in whole, and focus exclusively on Committee Chair Paltin's most recent proposal.

The newest proposal from Committee Chair Paltin does an excellent job of balancing the vested rights of property owners against this Council's desire to reduce the number of TVRs. This method of voluntary conversion is necessary to avoid harsh legal and economic consequences for the county, and it is likely to succeed over time



given the consistent trend of tax increases placed on the short term rental class. In that sense, if these properties are to be removed from the short term rental property tax class upon conversion, this legislation is more of a tax relief measure than a land use restriction.

Ultimately, the County of Maui must recognize that it has a duty to respect and uphold the vested rights of individuals, as well as a duty to preserve the economic well being of the county. We know that the earlier proposals would violate vested rights of property owners, and we have economic data that strongly suggests those proposals could eliminate approximately 14,000 jobs and upwards of \$2 billion from Maui County's annual GDP. These consequences can largely be avoided simply by incentivizing the actions you want and working with property owners, instead of against them.

The REALTORS Association of Maui recognizes that this Council's interest in phasing out transient accommodations in the Apartment Districts is well intended, and seeks to address the concerns of the community. Notwithstanding, two of the three proposals you have before you are essentially unlawful and accompanied by significant negative economic consequences (a slide deck outlining those consequences is attached). With that in mind, we urge you to focus your efforts on other issues facing the county, or move forward with the newest legislative proposal from 05-27-2022.

Mahalo,

Jason A. Economou  
Government Affairs Director  
REALTORS Association of Maui

**Guest User**

Location:

Submitted At: 8:18am 06-01-22

Mahalo for the opportunity to submit testimony.

I think the new proposal is the right thing to do in this situation. This protects the rights of property owners and doesn't take the right away from property owners who have utilized this right for many years.

I would think the higher tax rates that these owners pay for these properties, is a substantial piece of the county budget.

And it's good for the consumers who visit the island to have at least a few other choices than super high-priced resort hotels.

Sincerely,

Cheryl Ramos

**Guest User**

Location:

Submitted At: 6:53am 06-01-22

Dear Chair Paltin, Vice Chair King, and Members of the Committee:

On behalf of Airbnb, mahalo for the opportunity to comment on recent proposals to phase out transient accommodations in apartment districts. Airbnb has worked to advocate for a reasonable short-term rental policy that ensures our compliance with local laws and supports the tourism industry in Maui County. We are deeply concerned by the proposed phasing-out of transient accommodations, which (1) risks harming the local economy; (2) interferes with the stable framework for short-term rentals currently in place; and (3) poses a direct conflict with state law.

Negative impact on the local economy

Airbnb has been proud to play a critical part in the County's recovery from the COVID-19 pandemic. The typical

Host in Hawaii earned more than \$11,500 in 2021, which represents about two extra months of pay for the median US household and is far more than most Americans received in government-provided stimulus payments. Since 2010, Hosts in Hawaii have earned a total of approximately \$2 billion. Each Host and property in turn contributes to the local economy by supporting local small businesses that provide maintenance, housekeeping, management, landscaping, and other services.

Phasing out transient accommodations in certain zones prevents Hosts from earning critical income, deprives the local economy of vital support during challenging times, and reduces tax revenue for the County. Those consequences will likely be compounded by other proposals that seek to limit the overall number of transient accommodations in Maui.

#### Interference with existing regulatory framework

Airbnb has worked with Maui to support a reasonable regulatory scheme for short-term rentals, providing stability, transparency, and certainty to Hosts and guests. At the heart of that framework is the compliance agreement between Airbnb and Maui, signed in 2021, which gives the County powerful tools to enforce its regulations. Under that agreement, Airbnb took down more than 1,300 listings without TMK numbers in late January and continues to take down noncompliant listings on a monthly basis.

We urge the Committee to continue to leverage our existing compliance framework and utilize its two-year planning process to develop comprehensive, reasonable regulations for hospitality accommodations across the island. That approach would prevent ad hoc, patchwork amendments from disrupting ongoing efforts and shifting the regulatory goalposts for Hosts, platforms, and County staff charged with enforcement.

#### Direct conflict with state law

The proposed phasing-out of transient vacation rentals in apartment districts stands in tension with state law. Hawaii Revised Statutes, Section 46-4, protects the “continued lawful use” of buildings or premises for residential purposes and bars local laws from amortizing or phasing out nonconforming residential uses. See, e.g., *Robert D. Ferris Trust v. Planning Commission of County of Kauai*, 138 Hawaii 307 (2016) (“preexisting lawful uses of property are generally considered to be vested rights that zoning ordinances may not abrogate”); *Kendrick v. County of Kauai*, No. CAAP-20-00057, Haw. Intermediate Ct. App (2020) (“plain and obvious meaning of the state statute [HRS, Section 46-4] . . . provides that a nonconforming use shall not be lost unless discontinued”). The phase-out proposals at issue target the offering of a residential dwelling unit as a transient accommodation in apartment districts—a fundamentally residential use protected by the state statute. *Kendrick*, No. CAAP-20-00057, Haw. Intermediate Ct. App, \*13 n.2 (planning commissions have found that transient vacation rentals qualify as “residential use”).

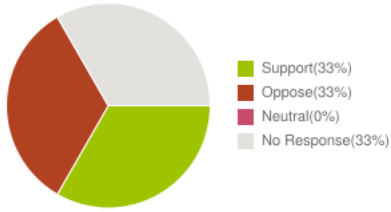
\* \* \*

Mahalo for taking our comments and concerns into consideration. As always, we welcome an opportunity for continued discussion and collaboration on fair, reasonable regulations of transient vacation rentals in Maui County.

Sincerely,

Ayisha Irfan  
Airbnb Public Policy

## Overall Sentiment



### Guest User

Location:

Submitted At: 8:42pm 06-01-22

Aloha PSLU Committee,

I support BILL 82 (2022) AMENDING CHAPTER 19.26, MAUI COUNTY CODE, RELATING TO PERMITTED USES IN THE M-2 HEAVY INDUSTRIAL DISTRICT with an AMENDMENT: Located on the same lot as business or LIGHT industrial (M1) uses.

I support the redevelopment of under used but already developed parcels. Utilities are already connected, making these parcels cheaper to develop. These areas have already been disturbed and cement poured. Redevelopment in the right places is better for the island.

Bill 82 will enable the redevelopment of underutilized retail like Queen Ka'ahumanu center. The empty stores could be converted to apartments, This would be a great place for affordable and workforce housing to be integrated into a mixed use building.

Business and light Industrial are appropriate with residential. This could help to redevelop overimpacted but underutilized areas in Kahului and Lahaina.

Housing near businesses could create walkable neighborhoods in the heart of town, and out of SLR-XA. It will not impact truly industrial areas like P\_lehunui.

Thank you for your time,  
Karen Comcowich  
Lahaina, HI

### Guest User

Location:

Submitted At: 8:37am 06-01-22

Wednesday, June 1, 2022

### Testimony

Bill 82, Related to permitted Uses in the M-2 Heavy Industrial District

As an Architect, a Planner and Chair Person for Kihei Community Association Design Review Committee, I OPPOSE allowing Residential usage in the M-2 Heavy Industrial District.

This bill is a mistake because it would permit land that has been deemed for Industrial use to be used for a higher use without proper vetting. Developers would be able to purchase less expensive Industrial land and use it as if they had purchased Residential land with no questions asked.

Most Heavy Industrial land is not in locations that are good for homes. Such land is usually not in places with the

infrastructure that supports Residences, such as sidewalks, shopping, schools, parks and recreation.

If there is a particular project that would be well suited for Residential use in an existing Industrial zoned location, then the proper procedure for review and development must be followed. This includes changes to the existing community plan and changes to the zoning. These processes will allow oversight by the planning department and the community in order to do what is best.

Bill 82 should not be accepted. It will degrade the quality of Community Planning in Maui.

Thank you for your consideration of this very important matter.

Sincerely,

Randy Wagner, AIA, LEED AP

**PSLU Committee**

Location:

Submitted At: 2:26pm 05-31-22

Testimony received by PSLU Committee.

## PSLU Committee

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**From:** Maui Vacation Rental Association <jenrusso@mauivacationrentalassociation.org>  
**Sent:** Wednesday, June 1, 2022 3:21 PM  
**To:** Kelly King; Keani N. Rawlins; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura; Gabe Johnson; PSLU Committee  
**Subject:** PSLU item 34  
**Attachments:** PSLU 34 June 2 2022 testimony.pdf

Aloha e Planning and Sustainable Land Use Committee,

Mahalo for the opportunity to submit testimony.

Please see attached.

best,

Jen Russo  
MVRA



August 11, 2020

Honorable Tamara Paltin, chair  
Planning and Sustainable Land Use  
And Committee Members  
Council of the County of Maui  
200 High Street  
Wailuku, Hawaii 96793

RE: PSLU 34

Thank you so much for the opportunity to comment on PSLU 34.

We feel this newest iteration of the proposal that allows for voluntary TVR use change is better legislation. This could satisfy the goal of having a pathway for property to change its use away from short term, but leaves that decision to do so to be implemented by owners.

We do not support the other proposals that compel or force a change in TVR use on the owners, which could create many costly lawsuits for the county. Those proposals could also have more devastating financial consequences for the county, who get 37% of their real property tax from short term rentals.

This fiscal year Maui County's operating budget is the largest ever set at \$1.07 Billion dollars, and for the first time will be going into the billions of dollars. This will be over a \$200 Million increase, or 27% over last fiscal year.

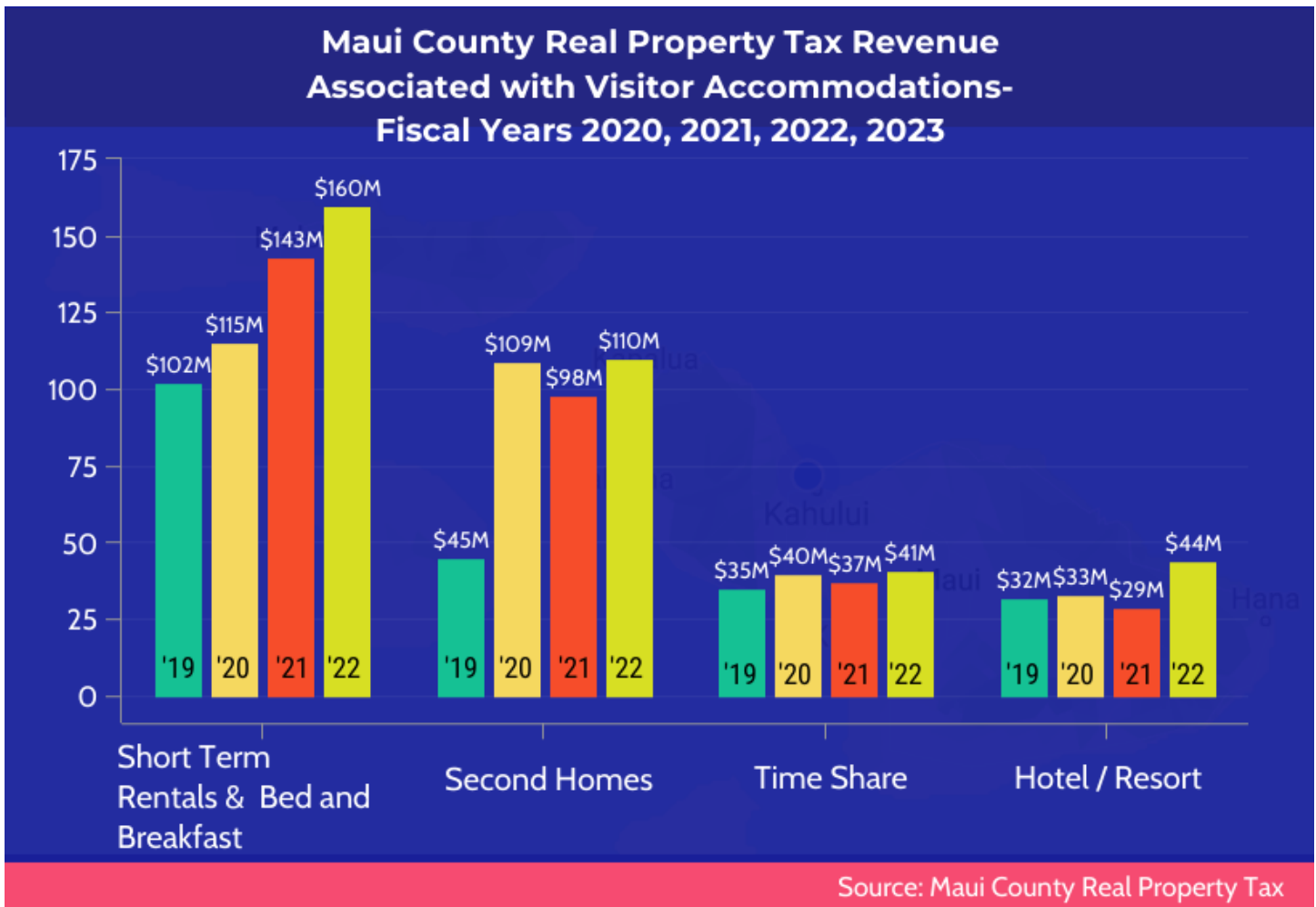
In all, the county will raise \$430 Million in property tax revenue. Vacation Rentals will raise \$160 Million in RPT tax, 12% more than last year. This was an increase of \$17 Million in tax dollars, the highest increase in all the tax classifications. This year Short Term Rentals represents 37% of the real property tax revenue, and 15% of the total operating budget. The average short term rental property tax is \$11,600.

Much of the increases in revenue in property taxes overall came from the increase in values of properties. Total assessments rose \$4 Billion overall in Maui County in fiscal year 2022-2023. Increases in assessed values were 5% overall in the short term classification. Short term rentals will contribute \$12.1 Million in revenue to the Affordable Housing Fund, the largest contribution of all the classifications, and the largest contribution to date. Over the last 5 years the short term rental classification has generated \$31.5 million dollars for the affordable housing fund.

# MAUI VACATION RENTAL ASSOCIATION

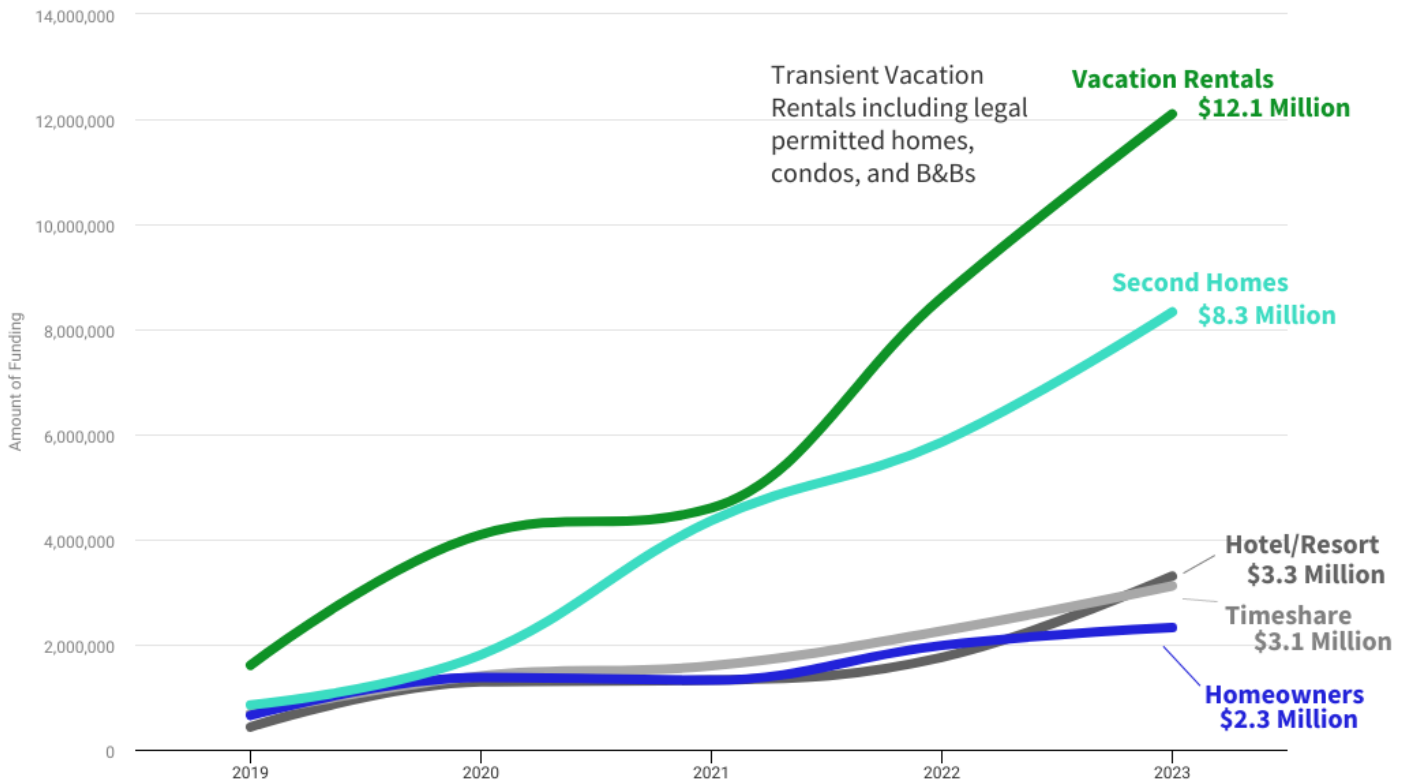
Visitor accommodations raise 82% of Maui's property tax revenue with second homes included. These numbers show Short term rentals are a significant contributor to the County of Maui, and a legitimate and critical part of the economic engine for Maui.

That being said, as the council considers changes in TVR use by buildings, I think there is a necessity to know how this affects future budgets, and the total amount of reductions to future tax proceeds. These properties also contribute State TAT tax as well as County TAT tax.



# Who Pays for Maui's Affordable Housing Fund?

FY2019-2023  
Review



**Vacation Rentals have contributed a total of \$31.5 million from 2019-2023**  
**Second Homes have contributed a total of \$12.3 million from 2019-2023**  
**Timeshares have contributed a total of \$9 million from 2019-2023**  
**Homeowners have contributed a total of \$8.3 million from 2019-2023**  
**Hotel/Resorts have contributed a total of \$4.8 million from 2019-2023**

Source: Maui County Real Property Tax

Mahalo,

Jen Russo  
Executive Director



## Short Term Rentals

Hotels

Time share Condomiums

Airbnb, HomeAway etc

Bed And Breakfast

Complaints: Loud parties in residential neighborhoods

Airbnb: not a problem

Host and guests are evaluated if noisy, unruly, damage ..... POOR REVIEW-BLACK LISTED

Who owns condos AirBnb

Retired lawyer from Kansas City Missouri

Why are Hawaii State and Maui County Governments going after AirBNB owners???

I am an older, eventually to be retired person

Another source of income besides social security

Are you targeting us because we are a new industry without a well-organized legal team to protect us??

Already taxed too much!

GET 4.17

TATT 10.25

MTATT 3

**17.42% off the gross**

Property tax doubled from 1000 to 2000

Plus

federal income tax

state income tax

Calculated on the net profit.

We also have to pay:

2

Monthly Condominium fees

Condo assessments

Cleaning fees

Maintenance

Appliance repair

Remodeling

Utility bills

    Cable

    Electric

Insurance

**Why are you going after short term rental owners as if we are rich, evil people to be taxed and regulated out of existence????????????**

**We are scapegoats for low supply of long term rental units.**

**Unfair: real cause is the Maui Planning department**

**Maui water department**

**new construction**

**Takes too long**

**Too much red tape**

**Too expensive-**

**How many years to get a water meter?**

**How much will water meter cost?**

**J Mickey Damerell**

**Senior citizen**



# MAUI

CHAMBER OF COMMERCE  
VOICE OF BUSINESS

## PSLU-34

### Phasing Out Transient Accommodations in the Apartment Districts Thursday, June 2, 2022

Aloha Committee Chair Paltin, Committee Vice Chair King, and Members of the Planning and Sustainable Land Use Committee,

The Maui Chamber of Commerce would like to offer our **comments on PSLU-34**.

In looking at the agenda for this item, it is very unclear as to what correspondence that the committee will be acting on. Therefore, we are commenting on all three items that the committee is in receipt of.

**Item #1 – County Communication 21-422.** The resolution included in this communication will eventually phase out all Transient Vacation Rentals (TVR) in the A-1 and A-2 districts. The Chamber **opposes** this resolution and **requests that this item be filed**. The units built prior to Ordinance 1797 (1989) have been excluded from any consideration of removing the vested TVR rights as per Section 11 in that ordinance. Furthermore, in an attempt to codify that section (section 11, Ordinance 1797), Ordinance 4167 (2016) was passed. Based on the information in the “Minatoya Opinion” and the above-mentioned ordinances, we feel that the proposed bill could be construed as a “taking” and could cost Maui taxpayers an unknown amount in litigation. As we have shared previously, the majority of these properties would not become affordable rentals for local residents if they are not allowed to be used as short-term rentals. Most of these units are in areas where visitors frequent, have desirable amenities, and are beachfront or close to the beach, which makes their value and therefore, the cost to rent, extremely high. We believe there are other ways to address the need for affordable housing and rentals. Lastly, we are concerned with the date of December 31, 2021 as a unit may have been sold between then and now with the understanding that TVR’s are allowed. We believe a date in the future should be used to give proper notice to owners and so it is then incumbent upon a realtor if a unit is sold to inform the new seller of this change, should this bill pass.

**Item #2 – Correspondence from Council Vice-Chair Rawlins-Fernandez 10-29-2021.** The resolution included in this correspondence will allow TVRs if they are within the 3.2-foot sea level rise exposure area. The Chamber would like to comment on this proposal.



# MAUI

CHAMBER OF COMMERCE  
VOICE OF BUSINESS

PSLU-34  
Thursday, June 2, 2022  
Page 2.

We appreciate the recognition that oceanfront properties in this exposure area were often meant to be TVR's and those in more inland areas in the A-1 and A-2 district were intended to be for local residents. If this bill moves forward, we would suggest including a date in the future when this bill would take effect and a phase out plan.

**Item #3 – Correspondence from Committee Chair 05-27-2022.** The resolution included in this correspondence will allow property owners of buildings in the Apartment District to permanently convert property from transient vacation rental use to long-term residential use. The Chamber would like to **comment** on this proposal. We recognize that you are seeking to create a path to long-term rentals if there is 100% agreement from all property owners. We would like to better understand if this legislation is in response to multiple properties seeking this option or if this is hopeful legislation. We have heard of 1 possible property that may benefit from this, but would like to also know how many properties you think will utilize this legislation in the next two years, should it pass.

Mahalo for the opportunity to testify on these proposals.

Sincerely,

Pamela Tumpap  
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



Jason A. Economou  
Government Affairs Director

441 Ala Makani Pl • Kahului, HI 96732  
phone 808-243-8585 • fax 808-873-8585  
Jason@RAMaui.com • www.ramaui.com

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June 1, 2021

**Committee Chair Tamara Paltin**

Planning and Sustainable Land Use Committee  
Council of the County of Maui  
200 South High Street, 8<sup>th</sup> Floor  
Wailuku, Hawaii 96793

**RE: Phasing Out Transient Accommodations in the Apartment Districts  
(PSLU-34)**

Aloha Committee Chair Paltin and Committee Members,

I am submitting this testimony on behalf of the REALTORS Association of Maui and our 2,000 members in my capacity as their Government Affairs Director. The REALTORS Association of Maui (RAM) remains strongly opposed to the legislative proposals put forth in [County Communication 21-422](#) (dated 08-04-2021) and in [Correspondence from Council Vice-Chair Rawlins-Fernandez dated 10-29-2021](#). **Notwithstanding, RAM supports the most recent legislative proposal contained in the [Correspondence from Committee Chair dated 05-27-2022](#).**

As we have expressed in previous testimony, the two legislative proposals put forward in 2021 failed to recognize the well established equitable doctrines of vested rights and zoning estoppel in Hawaii jurisprudence. The fact remains that transient accommodations are a permitted, and thereby “conforming,” use within the Apartment Districts. As such, the County of Maui cannot simply eliminate the use and strip property owners of a vested right that is both explicitly permitted by zoning, and supported by countless assurances from county officials over the span of decades. To do so would be a clear violation of Hawaii law, and a likely violation of state and federal due process. With that in mind, we urge this committee to abandon the previous proposals in whole, and focus exclusively on Committee Chair Paltin’s most recent proposal.

The newest proposal from Committee Chair Paltin does an excellent job of balancing the vested rights of property owners against this Council’s desire to reduce the number of TVRs. This method of voluntary conversion is necessary to avoid harsh legal and economic consequences for the county, and it is likely to succeed over time given the consistent trend of tax increases placed on the short term rental class. In that sense, if these properties are to be removed from the short term rental property tax class upon conversion, this legislation is more of a tax relief measure than a land use restriction.

Ultimately, the County of Maui must recognize that it has a duty to respect and uphold the vested rights of individuals, as well as a duty to preserve the economic well being of the county. We know that the earlier proposals would violate vested rights of property owners, and we have economic data that strongly suggests those proposals could eliminate approximately 14,000 jobs and upwards of \$2 billion from Maui County's annual GDP. These consequences can largely be avoided simply by incentivizing the actions you want and working *with* property owners, instead of against them.

The REALTORS Association of Maui recognizes that this Council's interest in phasing out transient accommodations in the Apartment Districts is well intended, and seeks to address the concerns of the community. Notwithstanding, two of the three proposals you have before you are essentially unlawful and accompanied by significant negative economic consequences (a slide deck outlining those consequences is attached). With that in mind, we urge you to focus your efforts on other issues facing the county, or move forward with the newest legislative proposal from 05-27-2022.

Mahalo,

A handwritten signature in black ink, appearing to read 'Jason A. Economou', with a stylized flourish at the end.

Jason A. Economou  
Government Affairs Director  
REALTORS Association of Maui

**Overview:** economic impacts of proposed TVR exclusion from apartment-zoned areas



Maui County may remove approximately 6,750 condo units from its TVR inventory, under new proposal

- A proposal advanced by Maui’s County Council would exclude TVRs (transient vacation rentals) from apartment-zoned areas.<sup>1</sup>
- Maui County previously adopted a moratorium on new transient accommodations.<sup>2</sup>
- Proposed zoning change would exclude, from Maui’s lodging inventory, 6,749 of 7,306 *pre-existing* condominium units in apartment-zoned areas:<sup>3</sup>
  - 5,929 short-term rental units, 214 timeshare units
  - 238 long-term rental units, 260 owner-occupied units
  - 656 not identified units (pro-rate 92.4 percent transient : 7.6 percent resident)
- An estimated 557 units residential; an estimated 6,749 units subject to zoning change

<sup>1</sup> See Maui County Council (August 2021) (<https://mauicounty.legistar.com/View.ashx?M=F&ID=9718863&GUID=E6B7CC3E-94F2-4BFA-A97A-D557AF010372>).

<sup>2</sup> Maui County adopted a “moratorium on new transient accommodations” in January 2022 (<https://www.mauicounty.gov/DocumentCenter/View/131251/Ordinance-5316-eff-01072022>).

<sup>3</sup> Overall enumerations courtesy Maui Vacation Rental Association

Macroeconomic impacts of excluding TVRs from apartment-zoned areas in Maui County: profound, adverse

- \$2.74 billion in foregone aggregate output (reference: Maui County potential GDP \$11-12 billion)
- Nearly \$750 million in foregone Maui County workers' earnings
- More than \$135 million in foregone state government tax receipts
- More than 14,100 jobs lost in Maui County

Direct and indirect (Type I) effects			
<i>Million \$ or as noted</i>	Maui	Others	Statewide
Output	-1,972	-383	-2,355
Earnings	-549	-102	-650
State taxes	-102	-16	-119
Jobs ( <i>number</i> )	-10,470	-1,878	-12,348

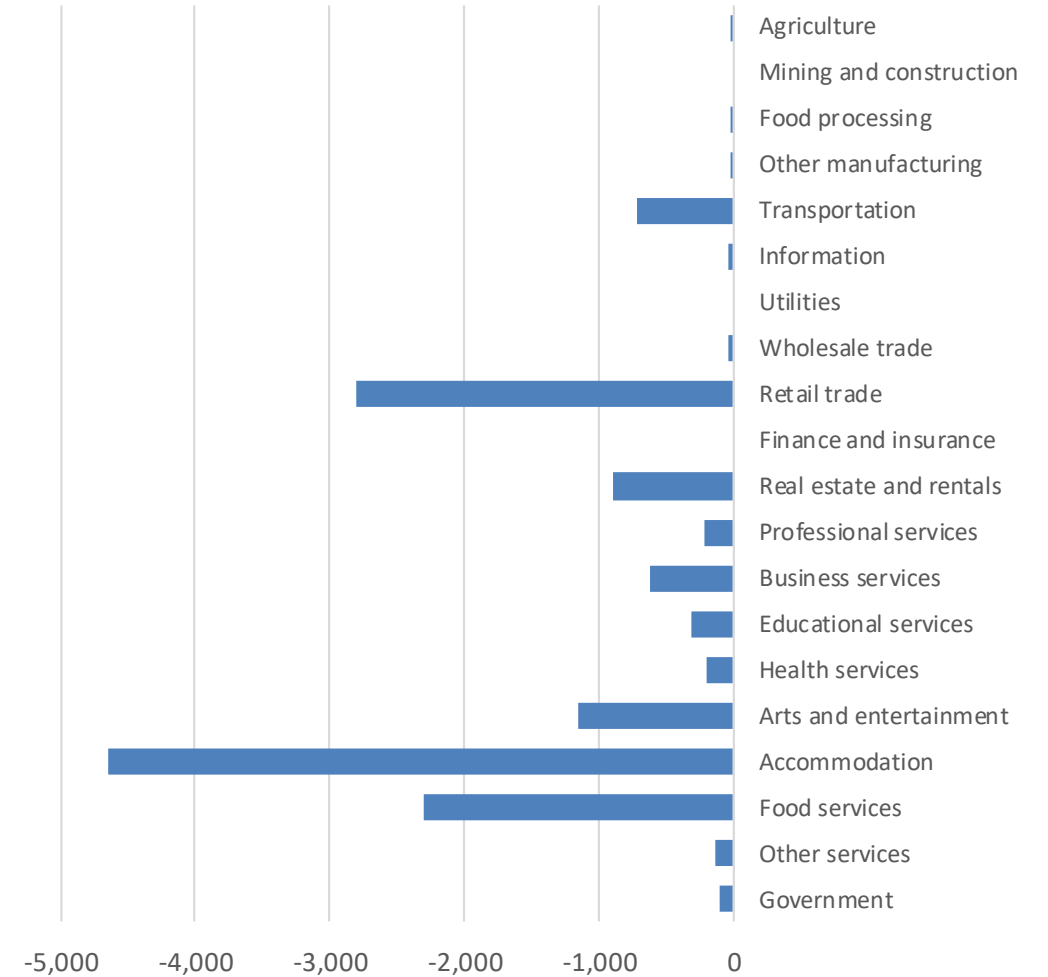
Because of inter-industry linkages, widespread adverse impacts; because of inter-county linkages, statewide ramifications

Direct, indirect, and induced (Type II) effects			
<i>Million \$ or as noted</i>	Maui	Others	Statewide
Output	-2,737	-508	-3,246
Earnings	-748	-138	-885
State taxes	-137	-23	-160
Jobs ( <i>number</i> )	-14,126	-2,555	-16,681

Interindustry impacts *induce* broader negative consequences as residents reduce their consumption

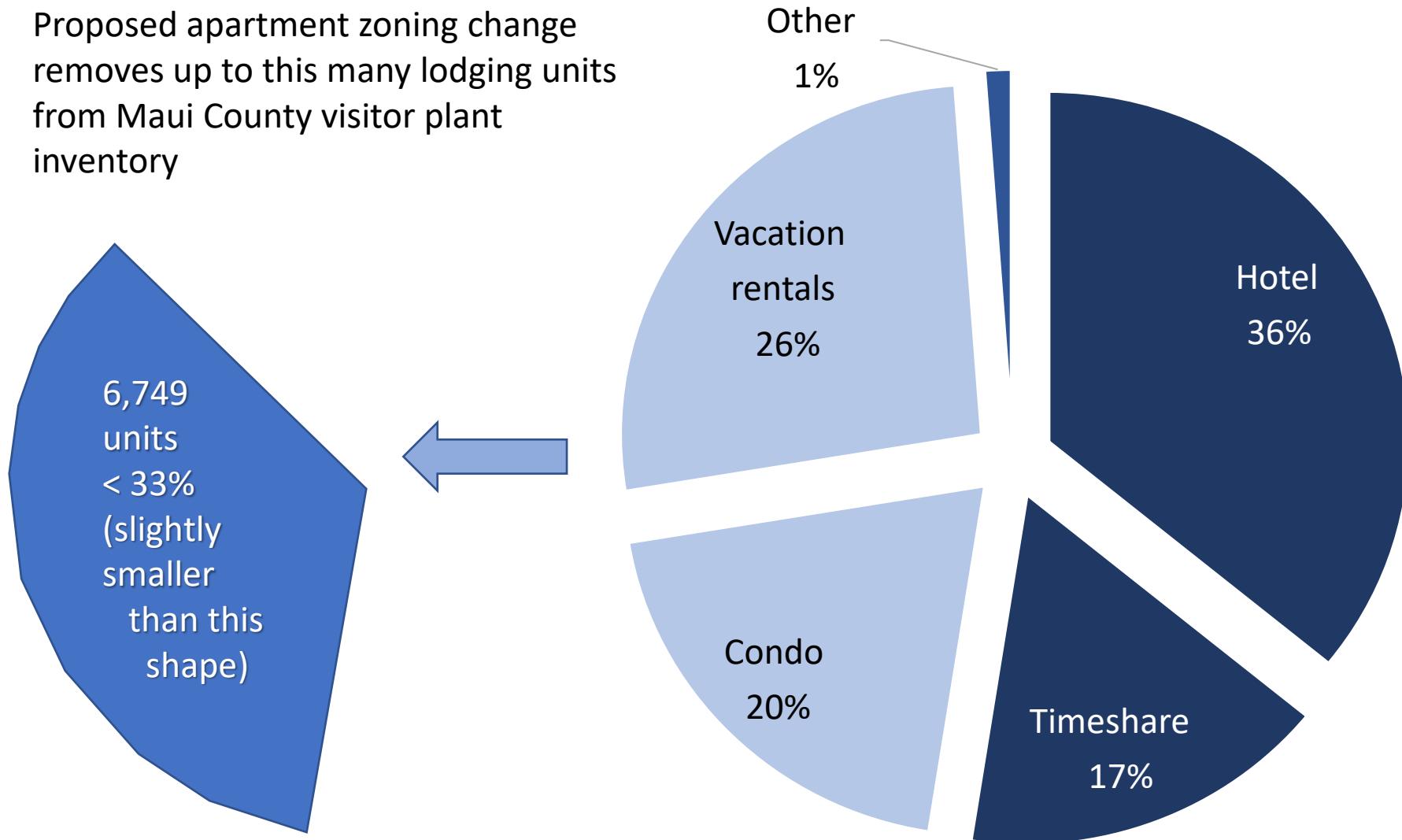
## Contraction in Maui County output, earnings, state taxes, jobs is extensive and *pervasive* across industries

Million \$, or <i>jobs</i>	Output	Earnings	State taxes	Jobs
Agriculture	-0.5	-0.1	0.0	-5
Mining and construction	0.0	0.0	0.0	0
Food processing	-0.6	-0.1	0.0	-4
Other manufacturing	-0.5	-0.2	0.0	-4
Transportation	-138.3	-32.6	-5.3	-715
Information	-9.5	-2.0	-0.4	-30
Utilities	0.0	0.0	0.0	0
Wholesale trade	-7.5	-2.1	-0.2	-34
Retail trade	-416.7	-118.3	-19.5	-2,793
Finance and insurance	0.0	0.0	0.0	0
Real estate and rentals	-312.7	-41.0	-11.0	-887
Professional services	-28.9	-10.1	-1.5	-211
Business services	-69.3	-26.6	-3.5	-613
Educational services	-30.3	-11.5	-1.5	-311
Health services	-34.5	-10.8	-1.6	-199
Arts, entert., recreation	-107.1	-40.5	-5.2	-1,151
Accommodation	-1,239.3	-325.0	-71.0	-4,650
Food services	-304.4	-114.3	-15.4	-2,297
Other services	-20.5	-6.1	-0.8	-126
Government	-16.7	-6.4	-0.5	-96
<b>Maui County totals</b>	<b>-2,737</b>	<b>-748</b>	<b>-137</b>	<b>-14,126</b>

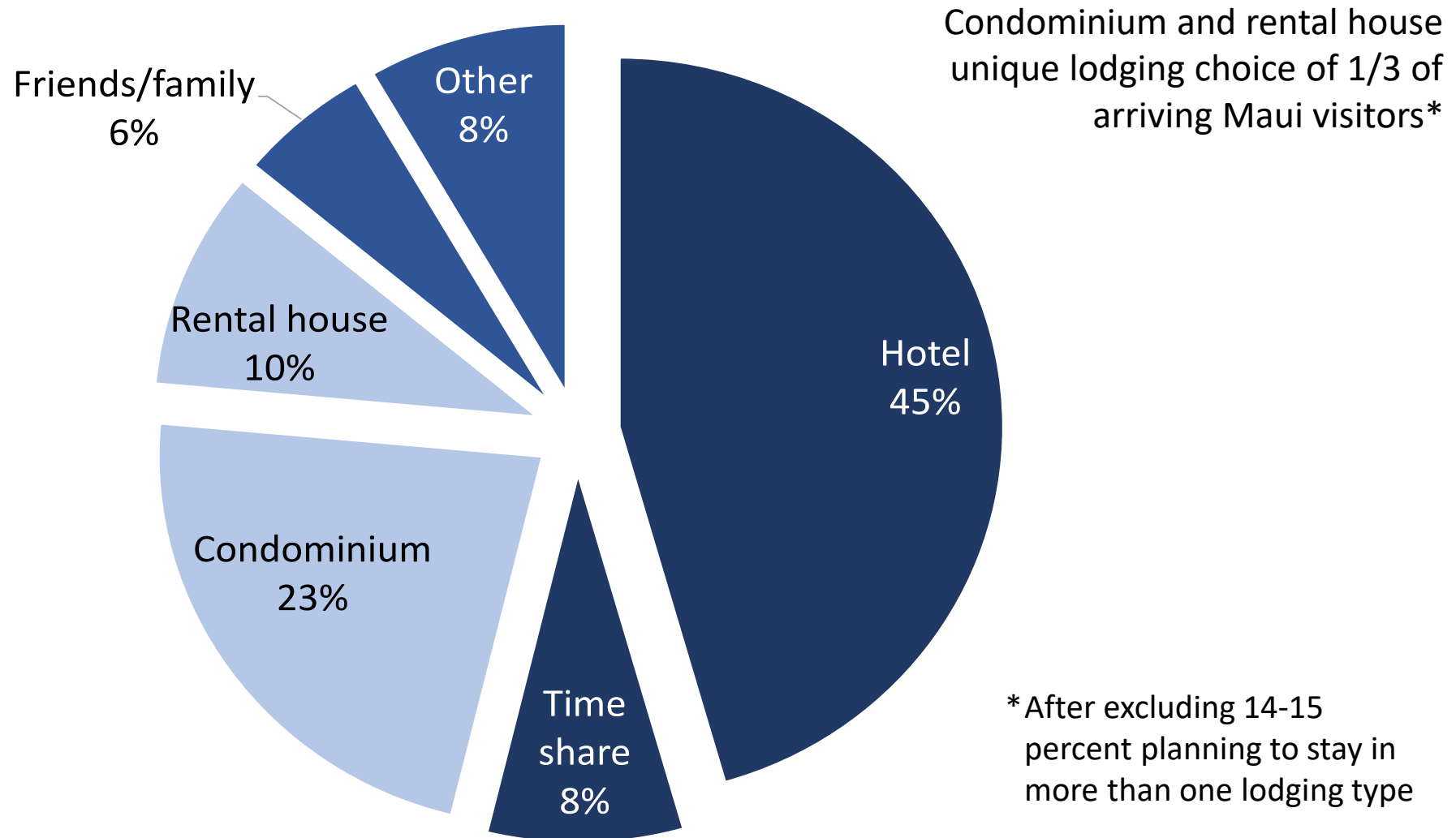


Exclusionary zoning has extensive adverse impacts because it removes almost one-third of Maui lodging inventory

Proposed apartment zoning change removes up to this many lodging units from Maui County visitor plant inventory

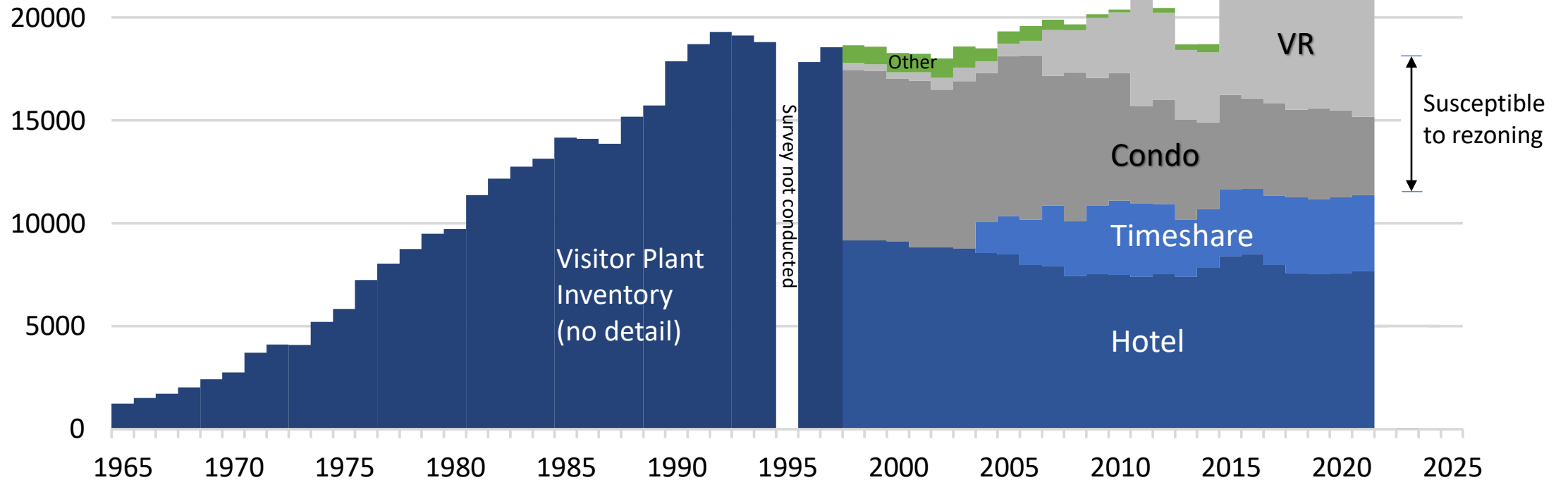


Not coincidentally, the one-third of Maui lodging inventory at risk corresponds with one-third of Maui visitors



# Maui's lodging inventory has evolved; potentially rezoned condo and VR units represent a disruptive change

Maui County visitor plant inventory (thousand lodging units, stacked to total)

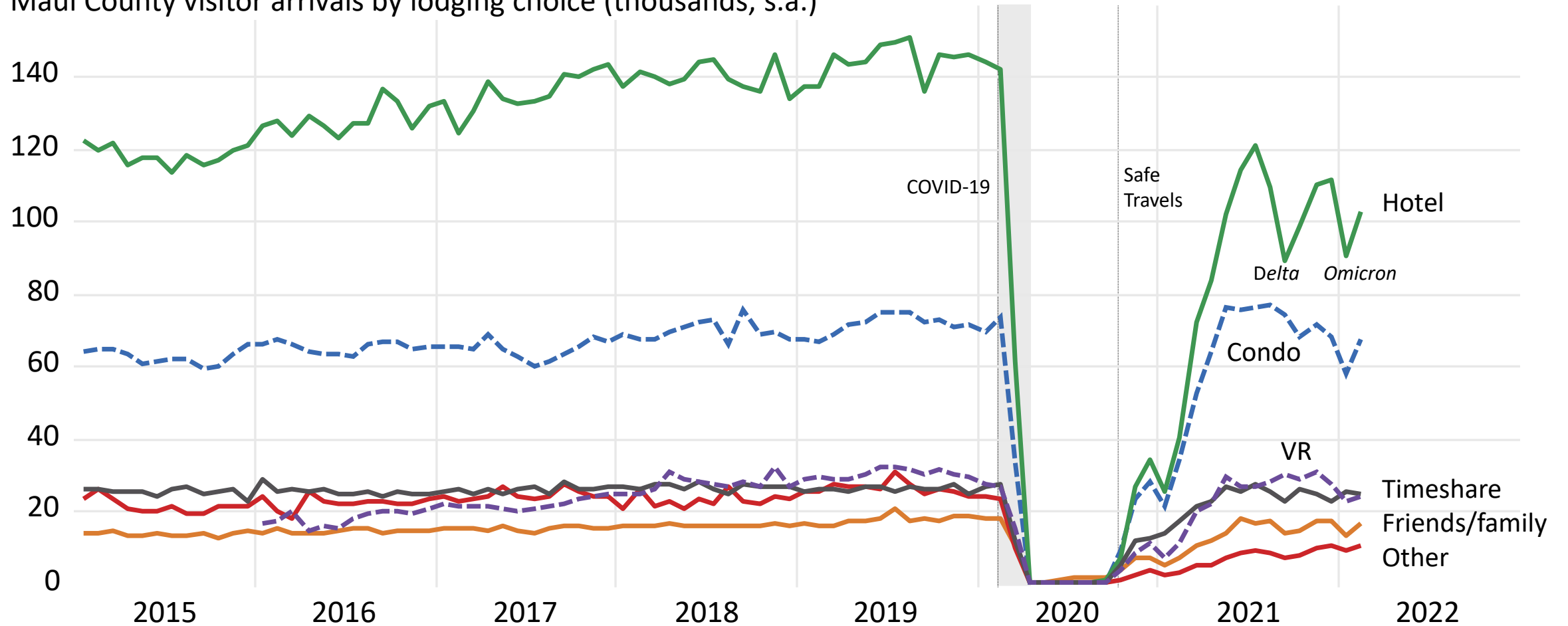


Sources: Hawaii Visitors Bureau, Hawaii DBEDT, Hawaii Tourism Authority (triennial, and annual) (<https://hawaiitourismauthority.org/research/visitor-plant-inventory/>)

**Context:** economic losses of proposed TVR exclusion are extreme and unrecoverable

For reference purposes: removing condos and VRs essentially cuts off relatively *resilient* streams of Maui visitors

Maui County visitor arrivals by lodging choice (thousands, s.a.)

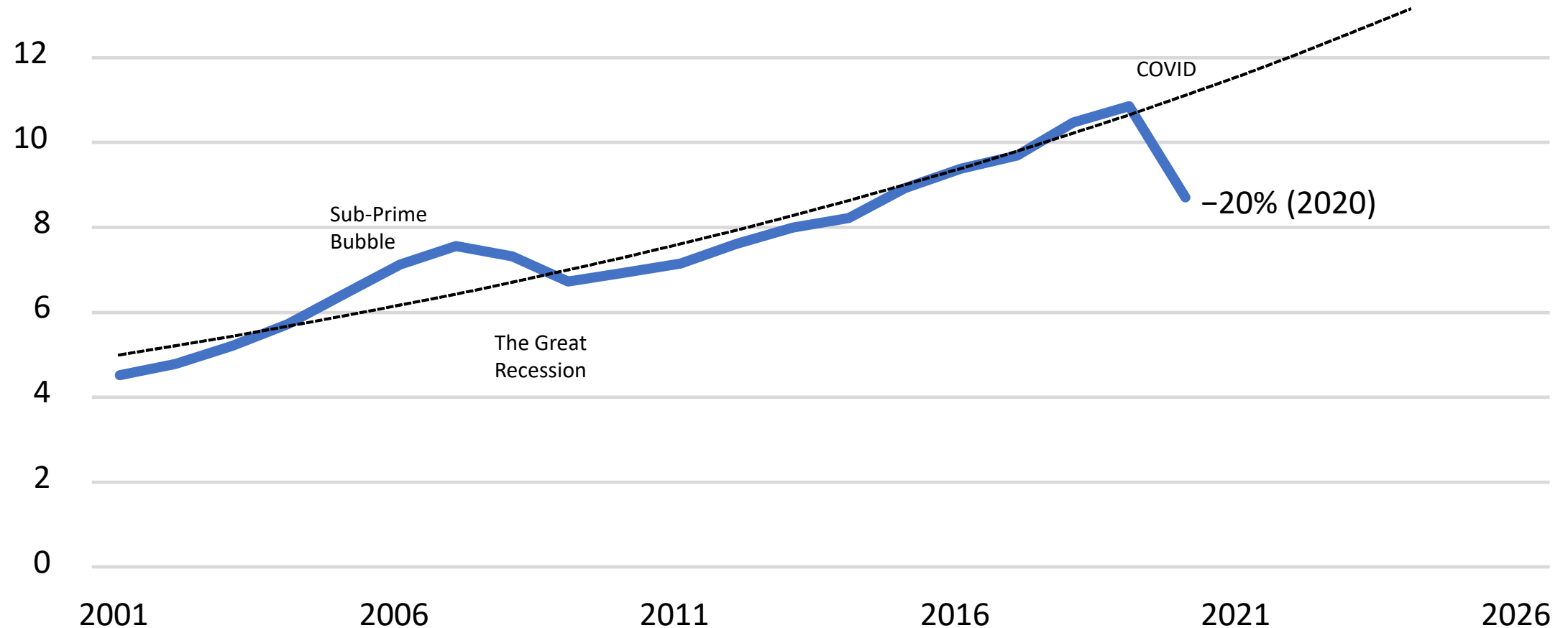


Source: Hawaii Tourism Authority (<https://hawaii tourism authority.org/research/monthly-visitor-statistics/>), seasonally adjusted by TZ Economics.



For reference purposes: the output impact of TVR exclusion is roughly the equivalent of the Covid Recession

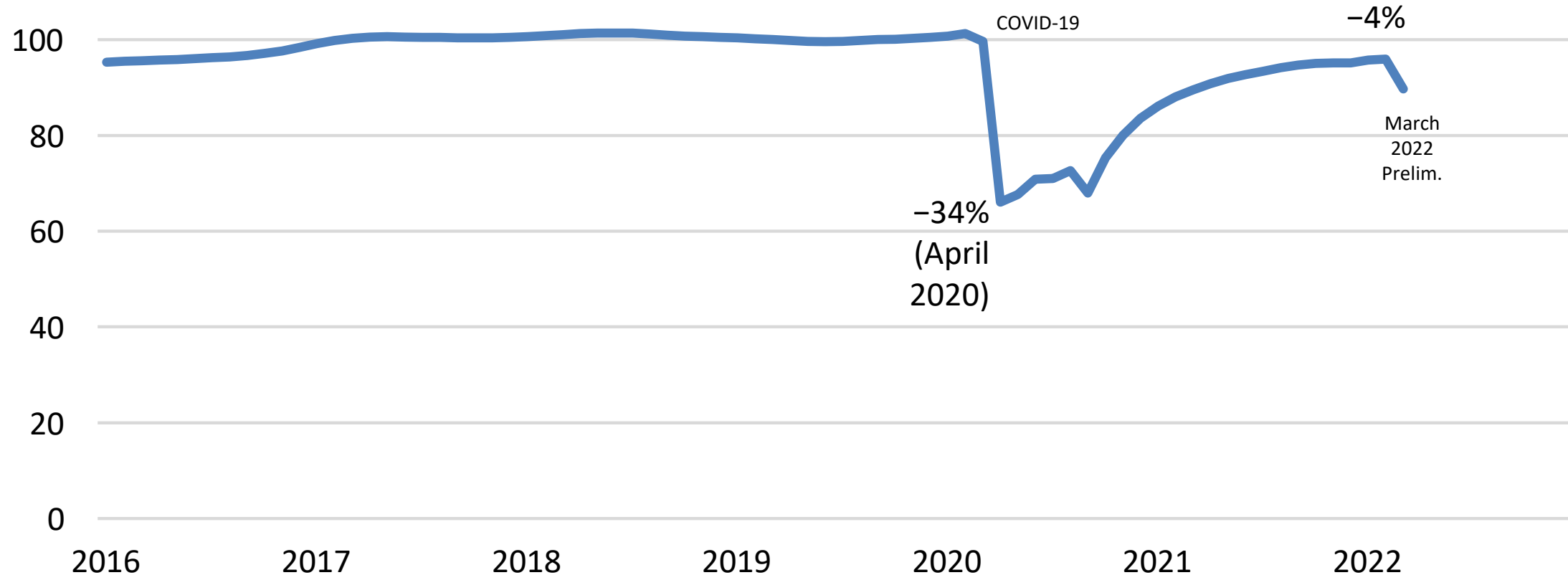
Annual nominal Maui County GDP and trend through 2019 (billion current dollars)



Source: U.S. Bureau of Economic Analysis (<https://www.bea.gov/data/gdp/gdp-county-metro-and-other-areas>)

For reference purposes: the employment impact of TVR exclusion is *not* as large as in April 2020, *but is permanent*

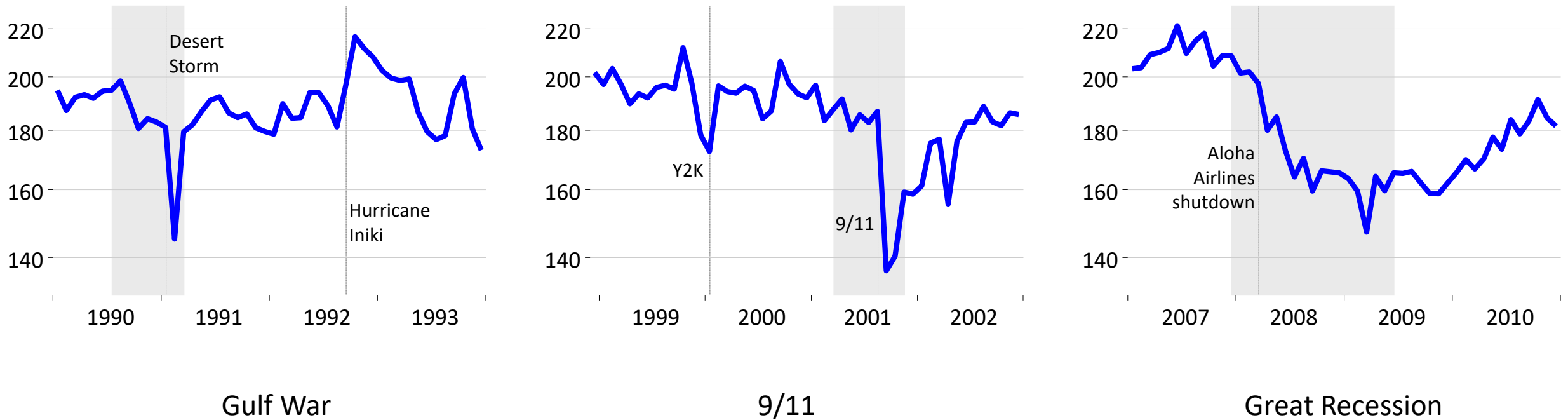
Maui monthly employment as percent of 2019 (thousand persons, seasonally-adjusted)



Sources: Hawaii DLIR, Hawaii DBEDT ([https://files.hawaii.gov/dbedt/economic/data\\_reports/DLIR/LFR\\_LAUS\\_SADJ.xls](https://files.hawaii.gov/dbedt/economic/data_reports/DLIR/LFR_LAUS_SADJ.xls))

For reference purposes: the visitor arrivals impact of TVR exclusion is like several prior shocks, *but without recovery*

Monthly Maui visitor arrivals (thousands, s.a.; log scale); U.S. recessions shaded



**Appendix 1:** rough sketch of underlying Maui visitor expenditure “at risk” assumption

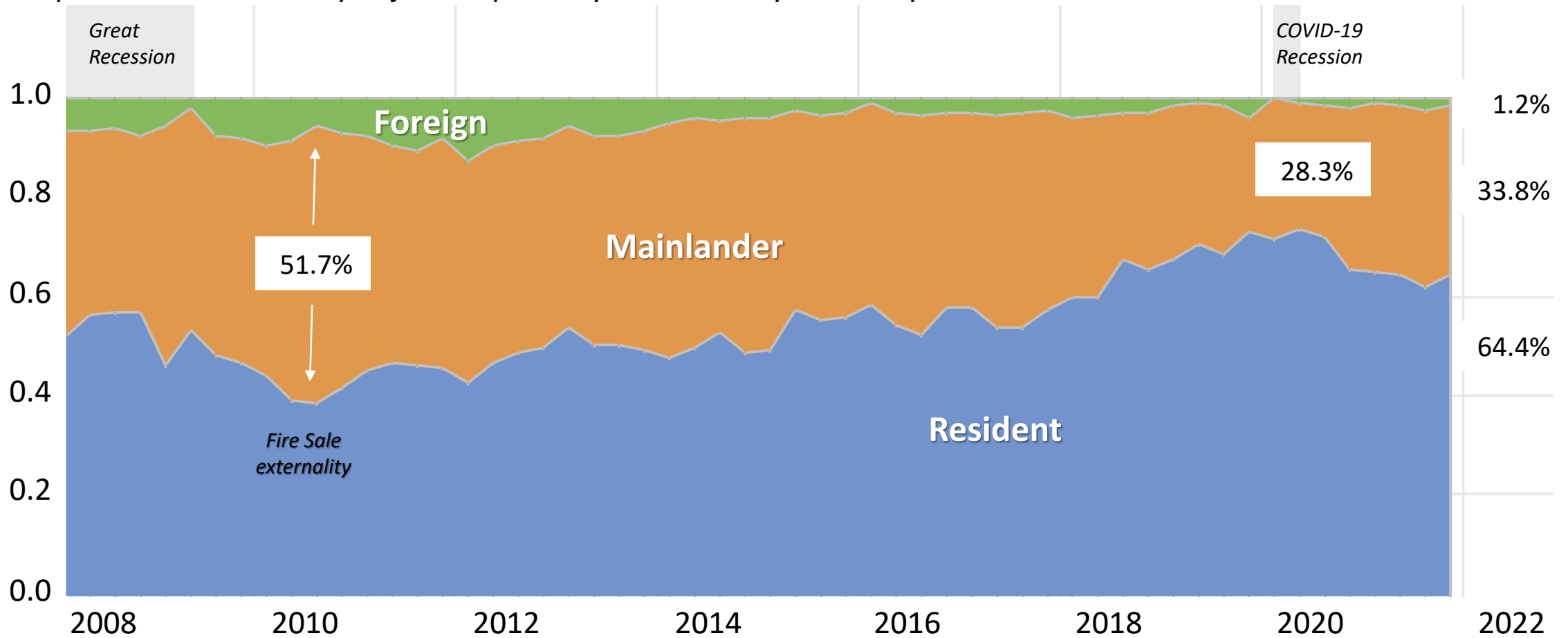
To calculate what's at risk for Maui from excluding TVRs in apartment-zoned areas, estimate Maui's *potential* based on limited data: (1) Statewide per-person-per-day expenditure by visitor origin and accommodation choice; (2) Maui visitor arrivals by accommodation choice times average stay length (statewide) maps to visitor days and visitor expenditure

<i>Distributed tourism receipts</i>	<b>U.S. West</b>	<b>U.S. East</b>	<b>Japan</b>	<b>Other</b>	<b>Maui</b>
Maui arrivals share (sums to 1)	0.51	0.26	0.01	0.21	1.00
Same stay lengths as statewide (days)	8.65	9.68	5.90	3.14	8.78
Visitor days (Maui)	14,212,547	8,175,534	281,890	2,107,921	24,777,892
Estimated receipts (dollars/year)					
Hotel	1,397,357,289	931,406,494	33,674,184	693,513,164	3,055,951,131
Timeshare	201,189,888	105,218,192	3,142,360	90,871,087	400,421,527
Condo	567,407,342	385,591,795	11,825,186	283,232,144	1,248,056,467
Rental House	192,178,548	131,162,577	4,119,960	96,128,904	423,589,988
Friends/family/other	184,723,473	102,656,731	4,184,218	85,591,143	377,155,565
Total spending	2,358,133,066	1,553,379,059	52,761,690	1,163,745,299	\$5,128,019,114
At-risk tourism receipts ( ? )					
Condo plus rental house	759,585,889	516,754,372	15,945,146	379,361,048	<b>\$1,671,646,455</b>
Percent share in each group	32.2%	33.3%	30.2%	32.6%	32.6%

**Appendix 2:** U.S. mainland homebuyer shares of Maui sales *decreased* for a decade

If 2010s Maui housing is in short supply and less affordable, it can't be because mainland buyer shares increased

Proportions of seasonally adjusted quarterly Maui County homebuyer shares



Sources: Bureau of Conveyances, Hawaii DLNR, as compiled by Title Guaranty and provided to Hawaii DBEDT ([http://files.hawaii.gov/dbedt/economic/data\\_reports/qser/E\\_construction-tables.xls](http://files.hawaii.gov/dbedt/economic/data_reports/qser/E_construction-tables.xls)), seasonally-adjusted with a Census X-13 ARIMA filter.

From: Mark Hyde <[markghyde@gmail.com](mailto:markghyde@gmail.com)>

Date: May 28, 2022 at 8:51:09 AM HST

To: Tamara Paltin <[tampaltin@gmail.com](mailto:tampaltin@gmail.com)>

Subject: Do Community Plans and the Maui County Code Mean Anything?

*Do not allow apartments in heavy industrial zones.* That's just plain nuts. The opposite of "planning." Heavy industrial zones are meant for uses that can be dirty, dusty, smelly, noisy, noxious, etc., all of which should be located in remote areas - like the harbor or off Veterans Highway.

Here's the map from the **community plan**, a county ordinance and law. Most of the area (red) in question is business, which is appropriate. There is some HI near the shopping center (purple). If that is the problem, amend the community plan to change the use to one suitable for apartments but don't back into an absurdity for the sake of convenience. Once the plan is amended as required by law, then amend the zoning consistent with uses permitted.



Here is what the community plan says HI areas are for.

### Heavy Industrial (HI)

This is for major industrial operations whose effects are potentially noxious due to noise, airborne emissions or liquid discharges.

The Wailuku-Kahului Community Plan states the following at page 27. Note the word "shall."

10. All zoning applications and/or proposed land uses and developments shall conform with the planned use designations, as specified in the adopted Community Plan Land Use Map, and be consistent with the Community Plan policies.



RECEIVED

June 13, 2022

2022 JUN 13 PM 7: 54

OFFICE OF THE  
COUNTY COUNCIL

MEMO TO: PSLU-34 File

F R O M: Tamara Paltin, Chair  
Planning and Sustainable Land Use Committee

*Tamara A. M. Paltin*

SUBJECT: **TRANSMITTAL OF LEGISLATIVE PROPOSAL RELATING TO  
PHASING OUT TRANSIENT ACCOMMODATIONS IN THE  
APARTMENT DISTRICTS** (PSLU-34)

The attached legislative proposal pertains to Item 34 on the Committee's agenda.

pslu:misc:034afile02:dmr

Attachment

# Resolution

No. \_\_\_\_\_

REFERRING TO THE PLANNING COMMISSIONS  
A PROPOSED BILL RELATING TO CONVERTING  
APARTMENT BUILDINGS FROM TRANSIENT  
VACATION RENTAL USE TO LONG-TERM  
RESIDENTIAL USE

WHEREAS the Council is considering a proposed bill to allow property owners of buildings in the Apartment District to permanently convert property from transient vacation rental use to long-term residential use; and

WHEREAS Sections 8-8.4 and 8-8.6 of the Revised Charter of the County of Maui (1983), as amended, require that the appropriate planning commission review proposed land use ordinances and provide findings and recommendations to the Council; now therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That it refers the proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING CHAPTER 19.12, MAUI COUNTY CODE, RELATING TO CONVERTING APARTMENT BUILDINGS FROM TRANSIENT VACATION RENTAL USE TO LONG-TERM RESIDENTIAL USE," a copy of which is attached as Exhibit "1," to the Lanai Planning Commission, Maui Planning Commission, and Molokai Planning Commission for appropriate action, in accordance with Sections 8.8.4 and 8.8.6 of the Revised Charter of the County of Maui (1983), as amended;
2. That it respectfully requests that the Lanai Planning Commission, Maui Planning Commission, and Molokai Planning Commission transmit their findings and recommendations to the Council as expeditiously as possible; and
3. That certified copies of this Resolution be transmitted to the Mayor, the Planning Director, the Lanai Planning Commission, Maui Planning Commission, and Molokai Planning Commission.

INTRODUCED BY:

  
TAMARA PALTIN

ORDINANCE NO. \_\_\_\_\_

BILL NO. \_\_\_\_\_ (2022)

A BILL FOR AN ORDINANCE AMENDING CHAPTER 19.12, MAUI COUNTY CODE, RELATING TO CONVERTING APARTMENT BUILDINGS FROM TRANSIENT VACATION RENTAL USE TO LONG-TERM RESIDENTIAL USE

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. The purpose of this Ordinance is to allow property owners of buildings located in the Apartment District to permanently convert property from transient vacation rental use to long-term residential use by filing a declaration with the State of Hawai'i Bureau of Conveyances and providing notice to the County.

SECTION 2. Chapter 19.12, Maui County Code, is amended by adding a new section to be appropriately designated and to read as follows:

**“19.12.025 Conversion of real property from transient vacation rental use to residential use.** The owners of property in which transient vacation rental use is allowed under subsection 19.12.020(G), may opt to permanently discontinue such use upon filing a declaration with the State of Hawai'i bureau of conveyances in a form prescribed by the department in accordance with this section. A. The declaration must be executed by 100 percent of the property owners and must apply to the entire parcel.

B. The declaration must state the owners will use the property for long-term residential use only.

C. The property owners must cause the declaration to be filed with the State of Hawai'i bureau of conveyances.

D. Recordation of the declaration constitutes a forfeiture on the part of the owners, and all successors and assigns, of any right to transient vacation rental use of the property, unless such use is then allowed in accordance with a valid permit.

E. A recorded copy of the declaration must be filed with the director by September 1 of any calendar year. Upon receipt, the

director must review the declaration and determine whether it is complete within forty-five days.

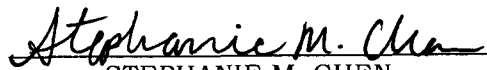
F. The director must notify the department of finance, real property assessment division of the recordation of a declaration permanently converting property from transient vacation rental use to long-term residential use that is determined to be complete.

G. The director may enforce the failure to abide by the declaration as a violation of this title.”

SECTION 3. New material is underscored. In printing this bill, the County Clerk need not include the underscoring.

SECTION 4. This Ordinance takes effect on approval.

APPROVED AS TO FORM AND LEGALITY:



STEPHANIE M. CHEN  
Deputy Corporation Counsel  
County of Maui

LF2021-0016  
PSLU-34 2022-05-31 Ord Amd Ch 19.12  
pslu:misc:034abill01:wal

INTRODUCED BY:

*Tamara M. Paltin*

---

TAMARA PALTIN

**COUNCIL OF THE COUNTY OF MAUI**  
**PLANNING AND SUSTAINABLE LAND**  
**USE COMMITTEE**

June 21, 2022

**Committee**  
**Report No.** 22-53

Honorable Chair and Members  
of the County Council  
County of Maui  
Wailuku, Maui, Hawaii

Chair and Members:

Your Planning and Sustainable Land Use Committee, having met on November 3, 2021, and June 2, 2022, makes reference to County Communication 21-422, from Councilmember Tamara Paltin, transmitting a proposed resolution entitled "REFERRING TO THE PLANNING COMMISSIONS A PROPOSED BILL RELATING TO PHASING OUT TRANSIENT ACCOMMODATIONS IN THE APARTMENT DISTRICTS."

The purpose of the proposed resolution is to refer the proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING CHAPTER 19.12, MAUI COUNTY CODE, PHASING OUT TRANSIENT ACCOMMODATIONS IN THE APARTMENT DISTRICTS," to the appropriate planning commissions in accordance with Sections 8-8.4 and 8-8.6 of the Revised Charter of the County of Maui (1983), as amended. The purpose of the proposed bill is to amend the Comprehensive Zoning Ordinance by phasing out transient accommodations in the Apartment Districts to create long-term affordable housing opportunities for residents, as recommended in the Maui County Comprehensive Affordable Housing Plan.

By correspondence dated October 29, 2021, Council Vice-Chair Keani N.W. Rawlins-Fernandez transmitted a revised proposed resolution, entitled "REFERRING TO THE PLANNING COMMISSIONS A PROPOSED BILL PHASING OUT TRANSIENT VACATION RENTALS IN THE APARTMENT DISTRICTS," and a revised proposed bill attached as Exhibit "1," entitled "A BILL FOR AN ORDINANCE AMENDING CHAPTER 19.12, MAUI COUNTY CODE, PHASING OUT TRANSIENT VACATION RENTALS IN THE APARTMENT DISTRICTS." The revised proposed bill removes the need for the Planning Director to determine that the building or structure

**COUNCIL OF THE COUNTY OF MAUI**  
**PLANNING AND SUSTAINABLE LAND**  
**USE COMMITTEE**

Page 2

**Committee**  
**Report No. 22-53**

is within the sea level rise exposure area, and incorporates an effective date of January 1, 2023.

By correspondence dated May 27, 2022, the Chair of your Committee transmitted a further revised proposed resolution, entitled "REFERRING TO THE PLANNING COMMISSIONS A PROPOSED BILL RELATING TO CONVERTING APARTMENT BUILDINGS FROM TRANSIENT VACATION RENTAL USE TO LONG-TERM RESIDENTIAL USE," and a further revised proposed bill attached as Exhibit "1," entitled "A BILL FOR AN ORDINANCE AMENDING CHAPTER 19.12, MAUI COUNTY CODE, RELATING TO CONVERTING APARTMENT BUILDINGS FROM TRANSIENT VACATION RENTAL USE TO LONG-TERM RESIDENTIAL USE." The further revised proposed bill would allow property owners of buildings located in the Apartment District to permanently convert property from transient vacation rental use to long-term residential use by filing a declaration with the State of Hawaii Bureau of Conveyances and providing notice to the County.

By correspondence dated May 31, 2022, the Department of the Corporation Counsel transmitted a further revised proposed bill which includes a provision that allows the Planning Director to enforce the declaration as a violation of Title 19, and nonsubstantive revisions.

Your Committee noted concerns, consistent of those raised by testifiers, on the requirement for the declaration to be executed by 100 percent of property owners. Your Committee supported 67 percent to be a more reasonable percentage.

A Deputy Corporation Counsel explained the intent of the provision is to be a recordation of a declaration with the Department of Finance, Real Property Assessment Division that would permanently convert property from transient vacation rental use to long-term residential use, which could be revised to further clarify the provision.



**COUNCIL OF THE COUNTY OF MAUI**  
**PLANNING AND SUSTAINABLE LAND**  
**USE COMMITTEE**

Page 3

**Committee**  
**Report No. 22-53**

The Deputy Corporation Counsel said the declaration must apply to the entire parcel and the planning commissions could amend the bill to require 67 percent of homeowners to agree to the conversion instead of 100 percent.

Your Committee agreed with the intent of the bill and supported the increase of affordable housing opportunities in the County, consistent with the recommendations in the Maui County Comprehensive Affordable Housing Plan.

Your Committee voted 9-0 to recommend adoption of the revised proposed resolution entitled "REFERRING TO THE PLANNING COMMISSIONS A PROPOSED BILL RELATING TO CONVERTING APARTMENT BUILDINGS FROM TRANSIENT VACATION RENTAL USE TO LONG-TERM RESIDENTIAL USE," and filing of the communication. Committee Chair Paltin, Vice-Chair King, and members Johnson, Kama, Lee, Molina, Rawlins-Fernandez, Sinenci, and Sugimura voted "aye."

Your Committee is in receipt of a revised proposed resolution incorporating your Committee's revisions.

Your Planning and Sustainable Land Use Committee RECOMMENDS the following:

1. That Resolution 22-154, as revised herein and attached hereto, entitled "REFERRING TO THE PLANNING COMMISSIONS A PROPOSED BILL RELATING TO CONVERTING APARTMENT BUILDINGS FROM TRANSIENT VACATION RENTAL USE TO LONG-TERM RESIDENTIAL USE," be ADOPTED; and
2. That County Communication 21-422 be FILED.

COUNCIL OF THE COUNTY OF MAUI  
**PLANNING AND SUSTAINABLE LAND  
USE COMMITTEE**

Page 4

Committee  
Report No. 22-53

This report is submitted in accordance with Rule 8 of the Rules of the Council.

*Tamara M. Paltin*

---

TAMARA PALTIN, Chair

pslu:cr:22034aa:pmg

# Resolution

No. 22-154

REFERRING TO THE PLANNING COMMISSIONS  
A PROPOSED BILL RELATING TO CONVERTING  
APARTMENT BUILDINGS FROM TRANSIENT  
VACATION RENTAL USE TO LONG-TERM  
RESIDENTIAL USE

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INTRODUCED BY:

  
TAMARA PALTIN

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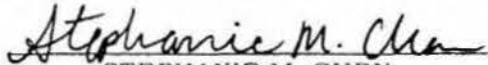
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G. The director may enforce the failure to abide by the declaration as a violation of this title.”

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STEPHANIE M. CHEN  
Deputy Corporation Counsel  
County of Maui

LF2021-0016  
PSLU-34 2022-05-31 Ord Amd Ch 19.12  
pslu:misc:034abill01:wal

INTRODUCED BY:

*Tamara M. Paltin*

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TAMARA PALTIN