

COUNCIL OF THE COUNTY OF MAUI
PLANNING AND SUSTAINABLE LAND
USE COMMITTEE

July 1, 2022

Committee
Report No. _____

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 June 16, 2022, makes reference to Resolution 22-149 entitled “REFERRING TO THE MAUI PLANNING COMMISSION PROPOSED BILLS TO AMEND THE KIHEI-MAKENA COMMUNITY PLAN LAND USE DESIGNATION TO MF MULTI-FAMILY AND OPEN SPACE AND CHANGE THE ZONING TO A-1 APARTMENT DISTRICT FOR REAL PROPERTY SITUATED AT KIHEI, MAUI, HAWAII, TAX MAP KEYS (2) 2-1-023:004, (2) 2-1-023:005, AND (2) 2-1-023:006 (WAILEA POINT VILLAGE).”

Resolution 22-149’s purpose is to refer to the Maui Planning Commission two proposed bills entitled:

- “A BILL FOR AN ORDINANCE TO AMEND THE KIHEI-MAKENA COMMUNITY PLAN LAND USE DESIGNATION FROM HOTEL TO MF MULTI-FAMILY AND OPEN SPACE FOR 26.36 ACRES IN KIHEI, MAUI, HAWAII, IDENTIFIED AS TAX MAP KEYS (2) 2-1-023:004, (2) 2-1-023:005, AND (2) 2-1-023:006 (WAILEA POINT VILLAGE),” and
- “A BILL FOR AN ORDINANCE TO CHANGE THE ZONING FROM H-1 HOTEL DISTRICT AND H-2 HOTEL DISTRICT TO A-1 APARTMENT DISTRICT (CONDITIONAL ZONING) FOR 22.03 ACRES IN KIHEI, MAUI, HAWAII, IDENTIFIED AS TAX MAP KEYS (2) 2-1-023:004, (2) 2-1-023:005 (POR.), AND (2) 2-1-023:006 (POR.) (WAILEA POINT VILLAGE).”

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The purpose of the proposed bills is to amend the Kihei-Makena Community Plan land use designation from Hotel to MF Multi-Family and Open Space, and a Change in Zoning from H-1 Hotel District and H-2 Hotel District to A-1 Apartment District for Wailea Point Village.

Your Committee notes Wailea Point Village is a gated community consisting of residential units, short-term rental units, and long-term rental units.

A representative from the Department of Finance said 15 owners self-declared their units were operating as short-term rentals in 2020.

The Department of Finance representative expressed concern with the potential loss in tax revenue and possibly setting precedent for other areas desiring similar changes in land use and tax classification. In 2022, the average assessed value for a unit was \$3.9 million and the maximum assessed value for a unit was \$10.7 million.

A representative from Wailea Point Village said an independent survey was conducted with owners and concluded that a majority of them supported prohibiting and phasing out short-term rentals.

He added that owners were possibly unaware of the County's property tax classification and rates for units at Wailea Point Village.

Your Committee expressed concern for a Council-initiated amendment if all unit owners did not support it. Your Committee was further concerned that the land use changes would fail to provide the desired tax relief for Wailea Point Village.

Your Committee recommended Wailea Point Village apply for an amendment to change the community plan land use designation and Change in Zoning directly with the Department of Planning.

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Your Committee voted 6-0 to recommend filing of Resolution 22-149. Committee Chair Paltin, Vice-Chair King, and members Kama, Molina, Rawlins-Fernandez, and Sinenci voted “aye.” Committee members Johnson, Lee, and Sugimura were excused.

Your Planning and Sustainable Land Use Committee RECOMMENDS that Resolution 22-149, entitled “REFERRING TO THE MAUI PLANNING COMMISSION PROPOSED BILLS TO AMEND THE KIHAI-MAKENA COMMUNITY PLAN LAND USE DESIGNATION TO MF MULTI-FAMILY AND OPEN SPACE AND CHANGE THE ZONING TO A-1 APARTMENT DISTRICT FOR REAL PROPERTY SITUATED AT KIHAI, MAUI, HAWAII, TAX MAP KEYS (2) 2-1-023:004, (2) 2-1-023:005, AND (2) 2-1-023:006 (WAILEA POINT VILLAGE),” be FILED.

This report is submitted in accordance with Rule 8 of the Rules of the Council.



TAMARA PALTIN, Chair