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Good afternoon and aloha Chair and members. My name is Lawrence Carnicelli. I am the Government Affairs Director for the REALTORS Association of Maui. As with all items related to Molokai we honor the Molokai residents' opinions and their requests for self-governance. We also acknowledge that they are not completely autonomous from Maui County and decisions made there impact us all. Therefore we are not here speaking in favor of, nor in opposition to item LU-30 but would like to offer the following comments.

We understand and acknowledge that the topic of vacation rentals is controversial. Nearly every community across the country is feeling the impacts of "Airbnb". Residents are trying to protect their neighborhoods. Areas are changing. Strangers are now occupying places only locals used to be. The cry for affordable housing inventory bleeds into the discussion. As the #1 promotor of homeownership and affordable housing we feel these are important topics that need to be talked about and considered when creating policy such as this.

However, I will start where I always do anytime we discuss the vacation rental industry. I always start the conversation with ILLEGAL vacation rentals versus legal vacation rentals. Maui County does not have a vacation rental problem... we have an illegal vacation rental problem! Therefore, discussion of abuses, restrictions and remedies should always include enforcement against the illegal rentals that operate outside any law you create here in this chamber. Looking at the RFS's shows that nearly all of the complaints you hear here today are against the illegal vacation rentals in our local neighborhoods not the 19 legal ones. Until we get true enforcement no new laws or bans will have any true effect.

Ten years ago Maui was way ahead of the curve in dealing with this new shared-home travel when we adopted one of the most advanced and comprehensive vacation rental ordinances in the country. I am continuously asked to throughout the state and across the mainland about what we did and how it works. Ironically, one of the most praised and copied parts of our STRH ordinance is the implementation of community "CAPS".

The premise of caps is simple. Caps acknowledge balance is needed. We must protect our neighborhoods from being overrun and our local housing from completely disappearing. At the same time caps allow for the understanding that... prohibition does not work. All that prohibition (of anything) does is fuel underground and illegal activity. We need only look to Oahu to see banning them creates a flood of illegal rentals.

With that said we also recognize that the genie is already out of the bottle. For nearly a century the rest of the world has been staying in local homes as a means of accommodation and travel. This is now the way we travel as well. People are still going to continue to vacation this way. And people are still going to fill this need. More Maui County visitors stay in vacation rental homes and condos than in hotels. The vacation rental industry is our main economic driver.

Vacation rental homes play an important role for employment of local families and patronage of local businesses. Therefore, balanced progressive dynamic ordinances are vital to a healthy local economy. Whatever you choose here today will directly impact our local economy one way or another.

Thank you for the opportunity to testify here today.

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