

PSLU Committee

From: Peter Trunk <peterthetrunk@hotmail.com>
Sent: Saturday, January 25, 2020 2:54 PM
To: Kelly King; Keani N. Rawlins; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura; County Clerk; PSLU Committee
Subject: Testimony in Support of Molokai STRH

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

RE Proposed Bill PSLU-21 CC 17-173

Dear Committee Chair Tamara Paltin and Planning and Sustainable Land Use Committee Members,

To me it looks like the county is on a "Witch Hunt". The need for low cost housing is real. But it is not fair to "punish" home owners, who depend on the income, by shutting down their genuine business. Home owners did not create the housing crunch, so be fair.

Please do the numbers and find out, if you shut down all STRHs, it would only be a drop on a hot stone.

All the Best
Peter Trunk
peterthetrunk@hotmail.com

PSLU Committee

From: Joy Nelson <westmango7@gmail.com>
Sent: Saturday, January 25, 2020 5:16 PM
To: Kelly King; Keani N. Rawlins; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura; County Clerk; PSLU Committee
Subject: Testimony in Support of Molokai STRH

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

RE Proposed Bill PSLU-21 CC 17-173

Dear Committee Chair Tamara Paltin and Planning and Sustainable Land Use Committee Members,

I am not comfortable with the idea of phasing out Legally permitted vacation rentals on Molokai or anywhere in Maui County. In the last ten years the County has worked so hard on the permitting process and we have invested in good faith to obtain legal permits. Existing permit holders should be allowed to renew.

It would be a disservice to the community to set the cap to zero. Please set the cap to allow the existing homes to remain. There is demand for a limited number of short term rental homes on Molokai.

If complaints are a problem, this body could hire a part-time inspector. And, neighbors also have the ability to have register complaints with the County. There have not been any complaints registered in 2019 on the current permit holders.

Legalization of short term rental homes has helped to meet an established need for our tourism industry, allowing a small business to flourish. The permitting process was created to regulate and limit short term rentals in the community. Phasing out the permitted operations will leave Molokai open to more illegal operations, who will not pay the higher tax rates applied to permitted operations.

We absolutely want enforcement of those operating without permits. However, revoking a permit that has never had any issues, or not letting landlords renew permits that were legally obtained should not be something that this committee is considering. It is detrimental to the community and punishing a small business operating to the best of their ability to the benefit this community.

We want the community of Molokai to thrive. We want to support the kind of tourism that the community needs. We feel that the limited Short Term Rental homes available on the island is a critical part of the community. We do not support capping them out to zero.

Thank you for considering our testimony.

Sincerely,

Joy & Don Nelson
Maui neighbors

PSLU Committee

From: Russell Evans <russelldevans@gmail.com>
Sent: Saturday, January 25, 2020 7:35 PM
To: Alice L. Lee; Keani N. Rawlins; Kelly King; Mike J. Molina; PSLU Committee; Shane M. Sinenci; Tamara A. Paltin; Yukilei Sugimura; County Clerk
Subject: Testimony in Support of Molokai STRH

Honorable Tamara Paltin, Chair Maui County Planning and Sustainable Land Use Committee Council of the County of Maui Wailuku, Hawaii 96793 RE Proposed Bill PSLU-21 CC 17-173 Dear Committee Chair Tamara Paltin and Planning and Sustainable Land Use Committee Members,

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

RE: Proposed Bill PSLU-21 CC 17-173

Dear Committee Chair Tamara Paltin and Planning and Sustainable Land Use Committee Members,

I am not comfortable with the idea of phasing out Legally permitted vacation rentals on Molokai. In the last ten years the County has worked so hard on the permitting process and many on both Maui and Molokai have invested in good faith to obtain legal permits. Existing permit holders should be allowed to renew.

It would be a disservice to the community to set the cap to zero. Please set the cap to allow the existing homes to remain.

If complaints are a problem, perhaps this body could request a part-time inspector to reside on Molokai. And, neighbors also have the ability to register complaints with the County. There have not been any complaints registered in 2019 on the current permit holders, the complaints that were registered in 2018 and earlier that involved certain permits were also addressed.

Legalization of short term rental homes has helped to meet an established need for our tourism industry, allowing many different types small business to flourish. The permitting process was created to regulate and limit short term rentals in the community. Phasing out the permitted operations will leave Molokai open to more illegal operations, who will not pay the higher tax rates applied to permitted operations.

There is demand for a limited number of short term rental homes on Molokai. Moreover there has been significant investment from the Maui County budget 2019 towards Molokai tourism.

We have gone through considerable effort and expense to be legally granted a permit. We want to work with the community and believe that we have made the best efforts to invest in tourism in Molokai through the legal process. We do not believe that we should be giving up this land use right that we have paid so much to obtain through the county's permitting process.

We absolutely want enforcement of those operating without permits or those violating the terms of their permit. However revoking our permit that has never had any issues, or not letting us renew our permit that was legally obtained should not be something that this committee is considering. It is detrimental to the community and punishing a small business operating to the best of our ability to the benefit this community that we are a part of.

We want the community of Molokai to thrive. We want to support the rural subsistence lifestyle that is here, and we want to support the kind of tourism that the community needs. We feel that the limited Short Term Rental homes available on the island is a critical part of the community. We do not support capping them out to zero.

My wife and I have had a vacation rental house on Maui since 2014. Our guests are very well behaved and we believe it is important to take the rules and regulations set by the county very seriously.

We have not had any complaints from neighbors in the 5+ years as licensed short term rental home operators.

We believe that Maui benefits from vacation rentals. Visitors come to our island and bring commerce to the community. They enjoy our island which we believe it is beneficial for all. Not everyone wants to stay in a hotel or condominium. Some guests of the island want to stay in a single-family home with his own pool and other facilities.

The county has allowed for a LIMITED number of licensed rental homes, an amount we do not believe is disruptive to the balance of housing needs for the island's residents. Frankly it is very scary to think that the county might one day decide not to allow Maui vacation rental permit holders like us to renew our licenses the way this is being considered for Molokai. We hope you will NOT vote to approve the subject ordinance on Molokai and furthermore never consider the same for Maui. Maui and Molokai needs a limited number of single family short term rental vacation homes in order to provide a complete offering to people visiting the islands.

Thank you for considering my testimony.

Sincerely,
Russell Evans
16 Holomakani Place
Lahaina HI 96761

PSLU Committee

From: Kip and Leslie Dunbar <kipandlesliedunbar@gmail.com>
Sent: Sunday, January 26, 2020 5:17 PM
To: PSLU Committee
Subject: Testimony on STRHs on Molokai (PSLU-21)
Attachments: PSLU_Testimony_2020Jan28_Dunbar.pdf

Aloha mai kakou,

Mahalo for the opportunity to share testimony on this important subject.

Attached, please find our testimony opposed to a complete ban on STRHs on Molokai.

Mahalo,
The Dunbar 'Ohana

Planning and Sustainable Land Use Committee
January 28, 2020 Meeting
Testimony on Short-term Rental Homes on Molokai (PSLU – 21)

Something must be done but a “zero short-term rentals” solution is not the answer.

If our community decides to end all vacation rentals to safeguard the integrity of Molokai’s culture, then we will of course accept it and move on. We have as much love and concern for this island as anyone. This said, we do not think an absolute ban is a reasonable solution for this community.

Short-term vacation rentals are a slippery slope as they are currently regulated. That is the case here and on other islands. But we on Molokai are still early enough in this issue that we can learn from Maui, Oahu and other islands. We can move forward with more control of our own economic destiny. We can reap the benefits and avoid the negatives.

The negative impacts of visitors to this island are clear, but so are the economic benefits. Restaurants, t-shirt designers, book and art stores, massage practitioners, tour operators, property managers, cleaners, yard maintenance businesses, grocery stores, car rentals—they all rely heavily on visitor spending. If we constrict where visitors can stay, fewer will come, and that restricts the amount of revenue our community can derive from them. The blunt sign outside of town says it all “Visit, Spend, Go Home.” We don’t get to the ‘spend’ if they aren’t first able to visit.

There is also a less obvious consequence should short-term rentals end. Our story is an example—if we did not build those rentals, we would not have been able to keep our lands in the hands of a local, Hawaiian family that has managed this property now through six generations. There are families on Molokai that have second, third or more properties, which all have expenses. Families get bigger, interests in properties get smaller, and it becomes more difficult to understand how to hold on to family land. For many, selling may be the only option. We might be able to control who can rent our properties, but it is far more difficult to control who will buy them.

In our case, not only do we employ all Molokai people around our two rentals (management, yard, carpentry, website, etc.), but many of our renters are Molokai people, and their family members from other islands. They may come for ‘staycations’ or for family reunions, weddings, baby lu’au, and so on.

Our family recognizes there is a problem in the vacation rental area, but we fear the “zero-rentals” solution being offered is too black and white. It deprives the island of income, our residents of jobs and business, and our people of options when families gather.

We have some suggestions.

One alternative is to clearly identify the problems and to develop a set of criteria for the management of a limited number of acceptable vacation rentals. This could be the task of the planning commission or some other appropriate body of our residents.

Some options:

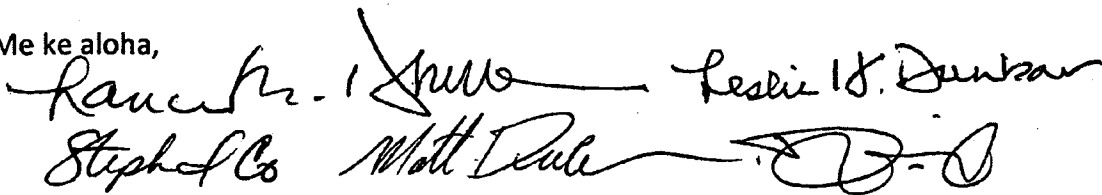
- Any vacation rentals must be owned and operated by a full-time Molokai resident. Mainland residents should not be permitted to cover their local property expenses as absentee landlords.
- The vacation rental property owner must live nearby (perhaps within the same ahupua'a or certainly moku), so that issues with their visitors can be quickly and effectively resolved.
- To avoid creating unmanageably high concentrations of visitors in limited areas, there should be a maximum number of rentals by ahupua'a, neighborhood or some other spatial unit.

To ensure these rules are followed, and in the interest of local control: Molokai full-time residents should be granted priority in obtaining permits for vacation rentals, within the guidelines; illegal rentals should be met with strict and harsh penalties, including immediate shut down and hefty fines.

There are positives from having this community discussion about criteria. It can help us rally around shared values and a strong set of clear standards. And it can help us clearly recognize and agree on the negatives as well as the positives of this small local industry.

Closing off Molokai to all short-term rentals may seem like a strong and decisive stance, but as our ancestors did, we need to look into the future to select a pono path and avoid unintended consequences down the line. In our view, a thoughtful, solution-oriented process can build Molokai people's economic self-determination. Properly managed, these rentals can help maintain, not threaten, our way of life.

Me ke aloha,



The Dunbar 'Ohana

PSLU Committee

From: Margit Tolman <home@Hookipa.com>
Sent: Sunday, January 26, 2020 10:30 PM
To: Kelly King; Keani N. Rawlins; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura; County Clerk; PSLU Committee
Subject: Testimony in Support of Molokai STRH

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

RE Proposed Bill PSLU-21 CC 17-173

Dear Committee Chair Tamara Paltin and Planning and Sustainable Land Use Committee Members,

My name is Margit Tolman, I live on Maui and operate a Travel Agency on Maui in Paia. My Agency serviced visitors from all over the world visiting the Hawaiian islands for 30 years. Many families, especially multi generation families traveling together prefer a home rather renting several hotel rooms.

Maui County worked very hard on the Short Term Rental Bill for many years with community meetings and countless public hearings. All concerns from public testimonies had great value and were considered within the law. Each district has a cap to avoid proliferation.

The last few years we experienced an increase in visitors and especially right now during our high season we all feel the impact, good and bad.

There has been times in the past due to war and other events when hotel occupancy rates went down to 20% and employees were sent home. Restaurants and shops closed. Paia town on Maui's North Shore was a little ghost town and we hoped for some windsurfers and surfers to return. And they did, staying in small guest homes and bringing some income to the community.

Diversified tourism was acknowledged to have better benefits for residents, especially in areas with little or no job opportunities.

Whatever cap the community decides on, homeowners who have been granted a license and went through considerable effort and expense should be allowed to renew their license or be grandfathered. It would be just fair and the right thing to do.

Thank you for your consideration,

Margit Tolman
Ho'okipa Haven Vacation Services, LLC
Paia

HO'OKIPA HAVEN VACATION SERVICES, LLC
Margit Tolman, Manager
P.O.Box 791658 Phone: 808-579-8282
62 Baldwin Ave. # 2A US/CAN: 800-398-6284
Paia, HI 96779 Fax: 808-579-9953
USA info@hookipa.com <http://www.hookipa.com>

Since 1990, our professional staff provides personal concierge services and is detailed oriented to create your dream vacation. Specializing throughout the Hawaiian Islands for accommodations (hotels, condos, private homes, B&B's) cars, island hopping tours plus island activities.

We are located in the little town of Paia on Maui's North Shore. Please feel welcome to stop in anytime Monday to Friday, 9 am to 5 pm.
Aloha nui loa

PSLU Committee

From: Debbie v T <debbievontempsky@gmail.com>
Sent: Monday, January 27, 2020 6:40 AM
To: Kelly King; Keani N. Rawlins; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura; County Clerk; PSLU Committee; Alexa Dudoit (sausie); Keoni Grundhauser
Cc: Bob & Karen
Subject: Testimony in Support of Molokai STRH

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

RE Proposed Bill PSLU-21 CC 17-173

Dear Committee Chair Tamara Paltin and Planning and Sustainable Land Use Committee Members, I was born and raised on Molokai, my Ohana lives there, my mother has lived on the island for 66 years.

I have a vacation rental on Molokai that was approved in 2013. When I applied for the permit. I found the terms so much more stricter than on Maui. There was no cap on the number of rentals but to get a permit was super difficult because you had to fly in inspectors. To get a permit was time consuming and costly but the family did think it would be worth it so we went ahead with the process. The biggest difference from Maui was the continuing application process along with the \$300 fee each year which is now \$375 a year. On Maui the rental owner is reviewed every 5 years and it does not cost half as much to reapply. The committee who made the rules during the Charmaine Tavares mayoral leadership was very protective of the island people many of them from the island that set the first rules. There was no cap set like the rest of Maui County but the continuous process of reapplication and review makes it very strict. I think that the process and rules need to be looked closer before any zero cap is set in stone.

I recommend not passing this bill at this time.

I also feel that Maui has a responsibility for Molokai but Molokai has to have a responsibility to Maui economical as well. Our rental employs a maid and yard person as well as a manager per the Maui County rules. There is really no income produced on Molokai for Maui County. My property tax increased on the vacation rentals has 60% perfect this year and the TAT and GE tax are collected on our property that would not be collected if there was no vacation rental. I believe vacation rentals on Molokai are controlled by car rentals which are very limited maybe 50 on the whole island.

Thanks for your consideration in the matter.

Aloha Debbie von Tempsky
Kupeke Beach House

Sent from my iPhone

PSLU Committee

From: Katherine Trotsuk <ktrotsuk@hotmail.com>
Sent: Monday, January 27, 2020 8:37 AM
To: Kelly King; Keani N. Rawlins; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura; County Clerk; PSLU Committee
Subject: Testimony in Support of Molokai STRH

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

RE Proposed Bill PSLU-21 CC 17-173

Dear Committee Chair Tamara Paltin and Planning and Sustainable Land Use Committee Members,

We are writing in disagreement of the proposal to phase out legally permitted vacation rentals on Molokai. We visit Molokai from Maui pretty regularly and it's already difficult to find a nice place to stay because there are so few condominiums and hotels. We understand that the community may want to look at the numbers of permits issued, but there is already a process in place which requires a significant effort and cost and gives the neighborhood around these homes a significant voice in whether the permit is even issued. If neighbors of those applying for a rental license don't oppose having a small number of short term rental homes in their area, why should the council feel the need to intervene?

Further, as B&B permit holders on Maui, we think it's important to note how much positive impact a legal license (unopposed by neighbors) has in the community:

- 1) Since getting our B&B license a year ago we have invested tens of thousands of dollars into our home in order to maintain its appeal for renters. This money has been paid to local roofers, electrical workers, landscapers and many other specialists. These are not minimum wage jobs. These are jobs that require expertise and which we would not have had done without the license. Allowing some number of short term vacation rentals will provide significant additional income on an island which needs to keep experts in these areas on island, for the benefit of full time residents as well as second home owners.
- 2) Taking away the licenses of those who have gone through the steps of applying for the license and who have conducted their rentals without incident is just wrong. It sends a terrible message about following the law and also kills jobs immediately for those who rely on short term rental homes for their incomes: property managers, cleaning services, maintenance people, etc. - not to mention the other money those visitors spend at local establishments during their stay.
- 3) Certain neighborhoods - ours on Maui for sure - have a significant problem with empty houses and the crime that can attract. People buy second homes and then they sit empty for 10 months of the year. A number of short term rentals in these neighborhoods means that people are present and criminals are less likely to think their activity won't be noticed. Take away short term rental licenses and the problem of vacant homes grows. The vast majority of short term licenses are not for homes which would otherwise be local housing.

Please do not pass Bill PSLU-21 CC 17-173 as written. The negative consequences for Molokai would far outweigh any short term benefits.

With aloha,
Katherine & Dean Trotsuk

PSLU Committee

From: JessRobt Haskin <jessrobt@hotmail.com>
Sent: Monday, January 27, 2020 8:49 AM
To: Kelly King; Keani N. Rawlins; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura; County Clerk; PSLU Committee
Subject: Testimony in Support of Molokai STRH

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

RE Proposed Bill PSLU-21 CC 17-173

Dear Committee Chair Tamara Paltin and Planning and Sustainable Land Use Committee Members,

I wish to express my concern at the idea of phasing out Legally permitted vacation rentals on Molokai. In the last ten years the County has worked so hard on the permitting process and we have invested in good faith to obtain and maintain legal permits. At a minimum, existing permit holders should be allowed to renew.

Legalization of short term rental homes has helped to meet an established need for our tourism industry, allowing a small business to flourish. The permitting process was created to regulate and limit short term rentals in the community. Phasing out the permitted operations will leave Molokai open to more illegal operations, who will not pay the higher tax rates applied to permitted operations.

There is demand for a limited number of short term rental homes on Molokai. Moreover there has been significant investment from the Maui County budget 2019 towards Molokai tourism. There have not been any complaints registered in 2019 on the current permit holders.

We have gone through considerable effort and expense to be legally granted a permit. We want to work with the community and believe that we have made the best efforts to invest in tourism in Molokai through the legal process. We do not believe that we should be giving up this land use right that we have paid so much to obtain through the county's permitting process.

We absolutely want enforcement of those operating without permits or those violating the terms of their permit. However revoking existing permits or not letting those legally obtained to be renewed should not be something that this committee is considering. It is detrimental to the community and punishing a small business operating to the best of our ability to the benefit this community that we are a part of.

We want the community of Molokai to thrive. We want to support the rural subsistence lifestyle that is here, and we want to support the kind of tourism that the community needs. We feel that the limited Short Term Rental homes available on the island is a critical part of the community. We do not support capping them out to zero.

Thank you very much for considering my testimony.

Respectfully,
Jessica Haskin

PSLU Committee

From: mark mcdonald <mmcdonald@hawaii.rr.com>
Sent: Monday, January 27, 2020 8:50 AM
To: Kelly King; Keani N. Rawlins; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura; County Clerk; PSLU Committee
Cc: Mvra
Subject: Testimony in Support of Molokai STRH

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

RE Proposed Bill PSLU-21 CC 17-173

Dear Committee Chair Tamara Paltin and Planning and Sustainable Land Use Committee Members,

We own a home in Lahaina that is permitted for short term vacation rentals.

We used to live full time on Maui but are no longer on island full time. We rent the home some of the time that we are not there which helps pay our expenses, provides income to our manager, cleaners, repair people and supports many local businesses with revenue generated by renting our home and by our guests. In addition Maui County receives additional tax revenue from our much higher property tax rate and shares in revenue with the State from T.A.T./ G.E.T. tax of over 13% of rents that are paid by our guests.

Our home would never be a long term rental. If it was rented long term our family would no longer be able to use the home. In addition, it's value is quite high and would not be feasible for someone to rent long term.

It would be a disservice to the community of Molokai to set the cap to zero. Please set the cap to allow the existing homes to remain.

Legalization of short term rental homes has helped to meet an established need for our tourism industry, allowing a small business to flourish. The permitting process was created to regulate and limit short term rentals in the community. Phasing out the permitted operations will leave Molokai open to more illegal operations, who will not pay the higher tax rates applied to permitted operations.

There is demand for a limited number of short term rental homes on Molokai. Moreover there has been significant investment from the Maui County budget 2019 towards Molokai tourism.

We want the community of Molokai to thrive. We want to support the rural subsistence lifestyle that is here, and we want to support the kind of tourism that the community needs. We feel that the limited Short Term Rental homes available on the island is a critical part of the community. We do not support capping them out to zero.

Thank you for considering my testimony.

Sincerely,

PSLU Committee

From: Tom Croly <TCroly@maui.net>
Sent: Monday, January 27, 2020 2:45 PM
To: PSLU Committee
Cc: Kelly King; Keani N. Rawlins; Tasha A. Kama; Riki Hokama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: Testimony for Planning and Sustainable Land use Committee item PSLU-21

Testimony for Planning and Sustainable Land use Committee item PSLU-21
Short-Term Rentals Homes on Molokai
Submitted by Thomas Croly on his on behalf

I was involved in the creation of the Bed and Breakfast and Short term rental home ordinances from 2005 thru 2012. And participated in the amendments made to these ordinances from 2014 thru 2019. These efforts sought to establish permitting processes to help regulate an already existing vacation rental industry and facilitate better enforcement of establishments that operated in violation of these ordinances and exiting land use laws.

The Short term rental home ordinance was signed into law in May of 2012 after an almost two year review process that included no fewer than five Planning Commission public hearings, eleven County Council planning committee meetings and two reading before the Maui County Council. At second and final reading of the Short Term Rental ordinance before Council, then Council Chair Danny Mateo said:

The Chair would just like to share my own opinions and comments regarding this particular bill. For myself this has been a very difficult bill to deal with. I come from a very small community and our community is just not a subdivision. Our community is the island of Molokai, which is very small and very rural. And for me, looking at imposition, or visitor accommodations in rural communities such as ours became a very difficult pill for me to swallow.

But our community does not have the Kalua Koi Resort. Our community does not have the Pau Hana Inn. These and does not have the Lodge up in Maunaloa. So we lost a lot of visitor accommodation units. We heard through various testimonies and for myself through e-mail and phone calls from operators on Molokai that this is the business, this is the opportunity for us to still provide accommodations for all of our visitors coming into Molokai because we just do not have ample hotel accommodations to take care of this specific need. So personally, I've heard our operators saying there is a need both for the visitor and the kamaaina alike who does utilize such services.

So for me a compromise is the understanding that in two years, we will revisit, we will take a look at, you know potential impacts and if there are we will adjust them. If there are none, then fine, the bill can continue as is. But I needed to be sure that there was a mechanism in place that provided us the opportunity to revisit.

*And I too would like to recognize Mr. Couch, for moving this particular bill forward and **I will close by saying that the popular thing is always the easy thing to do, the right thing is not.** So I will, I will be supporting the motion on the floor.*

Then in 2014, in accordance with code and the wishes of late Council Chair Mateo, the Planning department conducted a reviewed the short term rental ordinance and brought its report to Council who further amended the Short term rental ordinance in 2016, when stricter rules were established for enforcement, revocation and non renewal were enacted. As well as reduction in caps for Hana from 48 to 30 available permits. In 2018 additional amendments were made to the ordinance establishing a five year ownership requirement for applicants for permits and prohibiting accessory dwellings from being permitted for short term rental use. And in 2019, the cap on permits in the Paia-Haiku was reduced from 88 to 55 to match the existing number of permits and those applications in process.

Molokai Council member Stacy Crivello initiated a proposed ordinance amendment in April of 2017 to establish a cap of 40 Short term rental permits for Molokai. This proposal was well considered and included a call for spreading these permits out in the three population areas of the island. In the time since that proposal was made, only two STRH permits have been granted on Molokai and several have either been denied or withdrawn by the applicants. Also since that proposal was made, the five year ownership requirement went into effect, addressing any concern that properties would be purchased specifically for this use.

From the start, the Molokai Planning Commission has always come out against implementing this law on the island of Molokai. But it was the wisdom of Danny Mateo, recognizing that these types of businesses were necessary to serve the needs of the Molokai community and to provide economic opportunities for island residents, that provided the fifth vote necessary to establish this ordinance in 2012. And over the past 7 years, approximately 19 STRH permits have been granted on Molokai. These permits were legally granted and as long as these permit holders meet all of the conditions contained in their permits, they should be eligible to renew their permits as expressly stated in their permits. The five applicants who have STRH applications pending should have their permits processed pursuant to the laws in place when these applications were accepted by the planning department as complete.

Just as some unpermitted operators were wrong to operate short term rentals without proper permits, it would be an injustice and just as wrong to take away, or fail to renew, permits of those operators who have followed the law and legally been granted their permits. Molokai should establish a permit cap that addresses the need for these operations while protecting from this use taking up too much of Molokai's housing stock. But recognize that there will always be Short term rentals on Molokai, the question is whether they will be properly regulated and paying the correct taxes or whether they will all be illegal.

PSLU Committee

From: Jen Russo <jenrusso@mauivacationrentalassociation.org>
Sent: Monday, January 27, 2020 3:43 PM
To: Jen Russo
Subject: Testimony in Support of Molokai STRH

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

RE: Proposed Bill PSLU-21 CC 17-173

Dear Committee Chair Tamara Paltin and Planning and Sustainable Land Use Committee Members,

A component in the Molokai Community Plan adopted in 2018 is that collaboration between community, government, and landowners is needed for the future of Molokai, its people and its culture (page 23). This kind of collaboration will start with good policy.

Another important action outlined in the Molokai Community Plan is the expansion of complementary tourism markets, supporting limited growth of alternative lodging units, and support increased enforcement of the STRH ordinance. The Planning Department just started its new enforcement fines on December 22, 2019. These other two items, join several others in the list of goals for a stable, balanced, diversified, and sustainable economy, respecting cultural and natural resources, that is compatible with Moloka'i's rural island lifestyle (page 65).

I am not comfortable with the idea of phasing out legally permitted vacation rentals on Molokai, and what this committee is putting forth in this bill seems to contradict what was outlined in the community plan. In the last ten years the County has worked so hard on the permitting process for legal rentals and 18 individuals have invested in good faith to obtain legal permits on Molokai. Existing permit holders should be allowed to renew. The new enforcement fines supports the increased enforcement goal in the community plan.

Current Single Family Housing Stock on Molokai is 2632 Single Family Units (Molokai Community Plan 2018 page 86), and of the 18 permits there are 20 dwellings, this is less than 1% of the housing on the island. This is not too much. This is in line with the goals set forth in the community plan. These homes paid \$154,349 in real property taxes in 2019, an increase of nearly \$40,000 from 2018. These are important funds for the Molokai community and the county which would be lost setting the cap to zero. Median nightly rental rates for these properties range from about \$265 in Central Molokai to \$376 in East Molokai to \$613 on the West End.

It would be a disservice to the community, to the goals set forth in the community plan, to set the cap to zero. These homes have attract visitors that spend a high dollar amount while on vacation as well as providing the highest economic benefit to local residents in the way of property managers, cleaners, landscapers, and concierge services providers, as well as supporting the complementary tourism markets like fishing, hiking, and hunting tours, just to name a few. Please set the cap to allow the existing homes to remain.

If complaints are a problem, perhaps this body could request a part-time inspector to reside on Molokai. And, neighbors also have the ability to have register complaints with the County. There have not been any

complaints registered in 2019 on the current permit holders, the complaints that were registered in 2018 and earlier that involved certain permits were addressed.

Legalization of short term rental homes has helped to meet an established need for our tourism industry, allowing a small business to flourish. The permitting process was created to regulate and limit short term rentals in the community. Phasing out the permitted operations will leave Molokai open to more illegal operations, who will not pay the higher tax rates applied to permitted operations.

There is demand for a limited number of short term rental homes on Molokai. Moreover there has been significant investment from the Maui County budget 2019 towards Molokai tourism.

The individuals that have gone through considerable effort and expense to be legally granted a permit show that they want to work with the community and believe that they have made the best efforts to invest in tourism in Molokai through the legal process. They do not believe that this committee should be considering that they should be giving up this land use right that they have paid so much to obtain through the county's permitting process, as well as worked with the community to obtain.

We absolutely want enforcement of those operating without permits or those violating the terms of their permit. However revoking a permit that has never had any issues, or not letting them renew a permit that was legally obtained should not be something that this committee is supporting. It is detrimental to the community of Molokai, against the goals of the community plan and further punishing a small business operating to the best of their ability to benefit this community. It also punishes those that are currently working at the vacation rentals or the businesses that rely on the visitors that stay at them.

We want the community of Molokai to thrive. We want to support the rural subsistence lifestyle that is here, and we want to support the kind of tourism that the community needs. We feel that the limited Short Term Rental homes available on the island is a critical part of the community. We do not support capping them out to zero.

Thank you so much for considering my testimony

Sincerely,

Jen Russo
Executive Director
Maui Vacation Rental Association

PSLU Committee

From: Scott's BnB <southmauibnb@gmail.com>
Sent: Tuesday, January 28, 2020 4:34 PM
To: Kelly King; Keani N. Rawlins; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura; County Clerk; PSLU Committee; Scott Hughes
Subject: Testimony in Support of Molokai STRH

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

RE Proposed Bill PSLU-21 CC 17-173

Dear Committee Chair Tamara Paltin and Planning and Sustainable Land Use Committee Members,

I am a BnB permit holder on Maui. I'm coming up to my first anniversary of actually operating my 1BR ohana as a BnB.

I am not comfortable with the idea of phasing out legally permitted vacation rentals on Molokai. In the last ten years the County has worked so hard on the permitting process and all of us BnB and STVR permit holders have invested in good faith to obtain legal permits. Existing permit holders should be allowed to renew.

It would be a disservice to the community to set the cap to zero. Please set the cap to allow the existing homes to remain. And I certainly don't like the precedent it sets.

Legalization of short term rental homes has helped to meet an established need for our tourism industry, allowing a small business to flourish. The permitting process was created to regulate and limit short term rentals in the community. Phasing out the permitted operations will leave Molokai open to more illegal operations, who will not pay the higher tax rates applied to permitted operations.

My guests are better behaved than some of my neighbors! :) I live on the property and keep everything and everyone happy. I feel as if I am a good will ambassador for Maui when I deal with my guests, face to face. I have not had a single complaint from neighbors.

All of Maui County benefits from the small businesses of vacation rentals, the guests come, they spend money in the community and then go. Its a win win for the community.

I own and run a photography business on the south side of Maui. It's doing so so but the competition is so intense, I rely heavily on the income my BnB. I can't imagine what the people on Molokai are facing if their income source is pulled.

If the problem is the lack of housing for locals, perhaps something should be done about the 40% of home sales are to out of state buyers. And of course, the short term vacation rental laws need to be enforced.

Thank you for considering my testimony.

Sincerely,

Scott B Hughes
BBKM 2019/0002