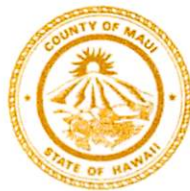


MICHAEL P. VICTORINO
Mayor
MICHELE CHOUTEAU MCLEAN, AICP
Director
JORDAN E. HART
Deputy Director



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

September 30, 2020

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

APPROVED FOR TRANSMITTAL

Michael P. Victorino 10/6/20
Mayor Date

For Transmittal to:

Honorable Alice Lee, Chair
and Members of the Maui County Council
200 South High Street
Wailuku, Hawaii 96793

Dear Council Chair Lee and Council members:

SUBJECT: A BILL FOR AN ORDINANCE AMENDING CHAPTER 19.65 OF THE MAUI COUNTY CODE, RELATING TO SHORT-TERM RENTAL HOME PERMIT LIMITS

The Department of Planning (Department) received Resolution 20-27, adopted on March 13, 2020, transmitting a proposed bill to reduce the number of short-term rental home (STRH) permits allowed in Section 19.65.030 of the Maui County Code. The proposed bill was presented to the Planning Commissions on Lanai and Maui. However, since the time the Resolution was adopted, some STRH permits have been approved and/or are in the process of review; therefore, the Department proposed to revise the proposed amended caps to a number closer to the numbers of permits that are approved and in process for each community plan district, excluding Molokai. In addition, the Department's proposal revises the caps consistently for the community plan districts. The total number of permits proposed in Resolution 20-27 is 278; the number proposed by the Department is 241.

Community Plan District	Existing Permits and Pending Applications as of June 2020	Current Limit	Proposed by Council	Proposed by Department
Hana	27	30	23	28
Kihei-Makena	50	100	100	52
Makawao-Pukalani-Kula	12	40	11	13
Paia-Haiku	47	55	55	49
Wailuku-Kahului	6	36	6	7
West Maui	69	88	63	71
Lanai	19	No limit	20	21
Total	232	349	278	241

COUNTY COMMUNICATION NO. 21-67

Honorable Michael P. Victorino, Mayor
For Transmittal to
Honorable Alice Lee,
September 30, 2020
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On June 17, 2020 the Lanai Planning Commission reviewed and voted unanimously to recommend approval of the Department of Planning's proposed revisions to the proposed bill to reduce the number of short-term rental home (STRH) permits allowed in Section 19.65.030 of the Maui County Code.

The Maui Planning Commission discussed the proposed bill on June 9, June 23, and July 14, and heard extensive testimony from the vacation rental industry. At its final meeting on this item, the Commission recommend against changing the caps as proposed, particularly in this time of economic crisis and decline of the visitor industry, and recommends that the County Council study the current demand in each community plan region and then set caps according to the demand.

Here is a summary of the planning commissions' recommendations:

<u>Planning Commission</u>	<u>Date of Vote</u>	<u>Recommendations</u>	<u>Vote Count</u>
Maui	July 14, 2020	Recommended against changing the caps	5-1
Lanai	June 17, 2020	Recommended approval	6-1

The verbatim minutes are attached, and the summary minutes of the meetings on the proposed bill are online:

- Maui Planning Commission, June 9, 2020:
<https://www.mauicounty.gov/ArchiveCenter/ViewFile/Item/27412>
- Maui Planning Commission, June 23, 2020:
<https://www.mauicounty.gov/ArchiveCenter/ViewFile/Item/27445>
- Maui Planning Commission, July 14, 2020:
<https://www.mauicounty.gov/ArchiveCenter/ViewFile/Item/27553>
- Lanai Planning Commission, June 17, 2020:
<https://www.mauicounty.gov/ArchiveCenter/ViewFile/Item/27506>

Thank you for your attention and consideration. Should further clarification be necessary, please feel free to contact me.

Sincerely,



MICHELE CHOUTEAU MCLEAN, AICP
Planning Director

Attachments

xc: MCM:JMCT

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**LANA'I PLANNING COMMISSION
PORTION OF REGULAR MEETING
AGENDA ITEMS B.1. and B.2.
JUNE 17, 2020**

A. CALL TO ORDER

The regular meeting of the Lanai Planning Commission (Commission) was called to order by Ms. Shelly Preza, Chair, at approximately 5:00 p.m., Wednesday, June 17, 2020, online via Bluejeans.

A quorum of the Commission was present (see Record of Attendance).

Ms. Shelly Preza: . . . (Inaudible) . . . Roxanne Catiel.

Ms. Roxanne Catiel: Here.

Ms. Preza: Thank you. John Delacruz?

Mr. John Delacruz: . . . (inaudible) . . .

Ms. Preza: I think he said here, but his mic . . . (inaudible) . . . So just make -- everyone, there's a button for your mute and unmute so you might talk and we might not hear you. So just make sure if you're speaking it's on unmute, so but I see John is here. Sally Kaye?

Ms. Sally Kaye: Yes, here.

Ms. Preza: Thank you. Sherry Menze?

Ms. Sherry Menze: Yes, here.

Ms. Preza: Thank you. John Ornellas. John, are you here? Leilani, did he say that he was not going to be making it today?

Ms. Leilani Ramoran-Quemado: Hi Shelly. Actually John is on, he's on the phone call. But let me unmute him.

Ms. Preza: Oh, okay. Hi John.

Mr. John Ornellas: I'm here.

Ms. Preza: Okay, thank you. And Shirley Samonte.

Ms. Ramoran-Quemado: Shelly said -- sorry -- Shirley said she is unable to attend.

Ms. Preza: Okay, sounds good. Well, thank you all for being here. Because we're on this virtual Bluejeans platform I just wanted to go over kind of how the meeting is going to run, and instructions for public testimony. Since there are 36 people on this call, it's very important that

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if you're not speaking or if you're not testifying specifically to is that you're muted so that everyone can hear what's going on, so please make sure that your mute is on.

And so public testimony will be taken at each agenda item, and testimony will be limited to three minutes each. And so I will call for testifiers to offer their testimony and if you're not offering testimony at your time just make sure you're on mute please. But you're welcome to turn on your video and unmute yourself when you're called. So if you'd like to sign up for public testimony you have to use the chat function to direct, directly chat with Leilani and just let her know that you would like to testify and on which agenda item you'd like to testify on. So she'll be keeping track of who would like to testify and then she will relay that to us when we get to the agenda items. And then for those of you calling in by phone if you would like to testify after we're done with the -- those who are present on the Bluejeans app, then I will ask if there are anyone or if there's anyone who's calling by phone who would like to testify. So, yeah.

Also it's important to note that you shouldn't try to contact the commissioners during -- with the chat function. We're not going to be looking at that. So if you have any questions or would like to sign up just direct your messages to Leilani please. Okay, great.

So agenda Item A is call to order. Sorry, I feel like we've kind of been together, but this is kind of new for all of us meeting virtually, but I hope you're all doing well and thank you all for being here and I hope we have a good meeting.

B. PUBLIC HEARING (Action to be taken after public hearing.)

1. A BILL FOR AN ORDINANCE ESTABLISHING CHAPTER 19.97, MAUI COUNTY CODE, DECLARING A MORATORIUM ON TRANSIENT ACCOMMODATION PERMITS ON LANAI

MS. MICHELE CHOUTEAU MCLEAN, AICP, Planning Director, transmitting County Council Resolution No. 20-26, referring to the Lanai Planning Commission a proposed bill to establish a moratorium on transient accommodation permits on Lanai. (J. Takakura)

The entire text of the proposed bill for ordinance is available at <https://www.mauicounty.gov/1127/Legislation---Proposed> and is summarized as follows:

Per Council Resolution No. 20-26, adopted on March 13, 2020, the Council proposes to establish a moratorium of up to one year on transient accommodation permits on Lanai.

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Ms. Preza: So the first item on the agenda is public hearing, B.1., which is a bill for an ordinance establishing Chapter 19.97, Maui County Code declaring a moratorium on transient accommodation permits on Lanai. So is there a presentation before I open public testimony Jordan or Jacky? Oh, Jacky, hi. Are you presenting?

Ms. Jacky Takakura: Good evening. I just have a short introduction. I don't have a power point for this one. Should I get started? Is that alright?

Ms. Preza: Sure. And then we'll open public testimony after you share.

Ms. Takakura: Okay. Great. Thank you. Okay, good evening everyone. Aloha from Wailuku, Maui. So as you know we have two public hearings this evening. And the first one is for a bill for ordinance to establish a moratorium on transient accommodation permits on the Island of Lanai. So this one is from the County Council. They sent us Resolution 20-26 and it proposes to create a new chapter in the Maui County Code declaring a moratorium on transient accommodation permits on Lanai until bed and breakfast homes and short-term rental home permits limits are established. The moratorium is proposed for no longer than one year. Just some background information. Currently there's 19 short-term rental home permits and zero B&B permits on Lanai. The Maui County Code does not include limits for the Maui --. I mean, excuse me, the Maui County Code does not include limits for the Lanai Community Plan district for either permit type.

Just as you know, also before you is Resolution 20-27 which we're going to discuss next. And that one proposes a limit of 20 STRH Permits for the Lanai Community Plan District. Just so you know, we're, the Department is currently reviewing one bed and breakfast permit and two short-term rental home permit applications for Lanai.

So the Lanai Planning Commission has had many discussions on vacation rentals, and previously discussed setting a limit at 25 for each permit type. So I know there was been a little bit of discussion on that just a few minutes ago, but if the Commission is ready to move forward with those limits, the Department will get the draft bills for ordinance to you as soon as we can pending the decision on Resolution 20-27 for the short-term rental home permit.

So right now, the Commission has the following options. You could recommend approval of the proposed bill to the Maui County Council, or you could recommend approval of the bill with amendments, or you could recommend denial, or you could defer. So Commission, would you care to discuss this matter and make a decision on what to recommend to the County Council? Jordan and I can answer your questions as best we can. But that's basically what you have before you is that moratorium. Are there any questions?

Ms. Preza: Thank you Jacky. Maybe before Commissioners ask questions and discuss we should open public testimony for this agenda item. So...if you recently joined the Bluejeans app, so the protocol for if you would like to testify is to directly chat, send a message to Leilani

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and she will let us know if anyone had signed up to testify. So, Leilani, has anyone messaged you thus far?

Ms. Leilani Ramoran-Quemado: Thanks Chair. No, no one has signed up to testify on this item.

Ms. Preza: Okay. We have gotten -- and thank you Leilani for sending us all the e-mails with testifiers who have e-mailed their, their letters in the past week, so we have received those. I believe we received three, three separate e-mails from you.

Okay, so if there is no one on the Bluejeans app who would like to testify are there -- is there anyone calling in by phone who would like to testify on this agenda item? Okay. So I did see in the chat to everyone that someone would like to testify. Just for future reference the chat, or the messages should go directly to Leilani instead of to everyone because we might not always be able to look at the chat. Sorry, would anyone by phone would like to testify? I don't hear anything. But I do see that Michelle Del Rosario would like to testify on this item. So please keep in mind that we're limiting testimony to three minutes. And if your mic is muted right now you can unmute and you can unmute your video if you would like to do that as well. Are you there Michelle?

Mr. Bart Baldwin: Can you hear me?

Ms. Preza: Yeah, sorry. Who is speaking?

Mr. Baldwin: My, my name is Bart Baldwin and I would love to testify on the first two topics if that's okay.

Ms. Preza: So we're just on the first agenda item now so if you could just testify on that one that would be preferable.

Mr. Baldwin: So my understanding -- and please correct me -- my understanding is the first agenda item is the moratorium.

Ms. Preza: Yes.

Mr. Baldwin: Okay. Horrible idea. Please do not do it. You've got -- the County did a five year mora --. My name is Bart Baldwin. I'm a realtor on the Island of Lanai. I've lived here 15 plus years. I really respect what you all guys do as far as Commissioners and the sacrifices that you make, but please do not do a moratorium. I think it isn't necessary. The five year ownership requirement; please allow that to shake out and see how that has changed things since it took effect, I believe late September of 2018. And the moratorium, I do not believe is necessary. And that's my main thought. I mean, ultimately if you guys are in favor of it that's your decision, but as a realtor I think it's a bad idea.

Ms. Preza: Thank you Bart. Commissioners, do you have any questions for Bart? Okay. Thank you for sharing your testimony. So, is there anyone else who would like to testify at this time? Leilani, has anyone emailed you?

Ms. Ramoran-Quemado: Thanks Chair. No, no one else signed up to testify. Michelle wanted to testify for the amphitheater so I'll call her name when the item comes on.

Ms. Preza: Okay. Thank you so much. That's why it's good that you're responsible for the chat because it's hard to look back and forth so thank you. So if there are no further testifiers on this agenda item we'll close public testimony for item D.1. So Commissioners, time for discussion, questions for the Planning Department. Please feel free to --. Maybe if you could raise your hand if you would like -- or for those of you who are on video if you would like to make comments. Yes, Sally?

Ms. Kaye: Yeah, my, my concern with this is section two that it takes in effect upon approval and shall not apply to permit applications that are complete. So right now if I read what the County has sent us there are 19 existing and two pending, and if this doesn't go into effect for several months there could be many more. So I think that section . . . (inaudible) . . . It's too ambiguous and . . . (inaudible) . . .

Ms. Preza: Thank you. Sorry, before you continue, I just want to remind everyone if you are not speaking and especially if you're not a Commissioner to please mute your microphone. We can hear some echoes and it's a little disoriented. So if you could make sure that you're muted if you're not speaking. Okay. Sally do you want to -- or is that, is that your thought? Did you want to continue? Sorry, did you have more to say?

Ms. Kaye: Just that I think that this probably came up a long time ago and hadn't been timely dealt with and probably at this point we should -- I would recommend considering recommending not to approve it and just move on to what the County is recommending.

Ms. Preza: Thank you. So you're saying don't approve this and move on to what's on the next item on the agenda.

Ms. Kaye: Yes.

Ms. Preza: Commissioners, do you have other -- do you have thoughts or questions to ask the Planning Department about this moratorium?

Mr. Delacruz: This is John Delacruz. Can you hear me?

Ms. Trevino: I have a question.

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Ms. Preza: Yes, go ahead John.

Mr. Delacruz: Do we already have the requirement that all requests, or all applications for short-term rental homes will come to the Lanai Planning Commission?

Ms. Preza: So those edits are not something that are before us right now. Jordan let us know that he is finishing up those changes. You know, so the long discussion we had, all those edits, he'll be sending out to us tomorrow, I believe, so it's not part of -- it's not in effect right now to answer your question.

Mr. Delacruz: Okay, thanks.

Ms. Preza: Sorry, Chelsea, you wanted to go?

Ms. Trevino: Yeah, I just wanted to -- some clarification, I guess, in regards to, I guess, the concern might be so the moratorium would be to, of course, to just completely stop it till things are set in stone or within the year. I guess the concern is at this point we have no cap. Correct? Right? And so we have the proposal that's being worked on that we came up with that, like you said, we're going to be getting maybe in the next day or so which still needs public testimony, correct?

Ms. Takakura: That is correct.

Ms. Trevino: Okay I just want to make sure everyone understands that number one without a moratorium just depending on how many people, but, you know, you could get people what are putting in applications and if their stuff goes through, all of these other things that we're, we're asking or that we want to establish are not yet established and so those things are not being followed at this moment. So I just want to make sure everyone's clear on understanding the pros and cons of the moratorium.

And just from my understanding, the next agenda item I guess it sounds like it's a County suggestion. Is that correct? . . . (inaudible) . . . just the cap number that we were talking about, right?

Ms. Takakura: Yes. That's a proposal from the County Council.

Ms. Trevino: Okay. So that's whatever the County is suggesting and then we have what we suggested in our own little proposal. But either way, whether, you know, the County one or our, the one that we're proposing, either way what, can you give an estimate of a time frame for enactment? Because that helps us talk about why we would or wouldn't want a moratorium.

Ms. Takakura: After the public hearings I gather the minutes of the meetings, and then I send the draft bill. We'll send our recommendation to the County Council and they would have to schedule it. And I can't estimate about when they would be seeing it. But I would probably work on getting this out depending on your decisions today, you know, by the end of the week if, if everything has been decided.

Ms. Preza: Thank you Jacky. Do you have further questions?

Ms. Trevino: So it could look like as soon a couple months possibly then where stuff is in effect?

Ms. Takakura: I think that's possible. It would really depend on when the County Council would schedule it. But they do have to -- I believe they have to go through --. You know, it might be referred to committee and then it might have to go through a first and a second reading I'm not sure. But I think a couple of months is possible, yes.

Mr. Hart: I could add some comments.

Ms. Trevino: A couple months to let's say six months? Just to -- yeah, thank you -- just for a little. I'm not asking for a definitive answer; just a gage.

Mr. Hart: I think the more relevant issue is, is the order that they're going through the process. So because these came down from Council, they came direct to you. So my ordinances we had been working with you and putting forward revisions, so I'm sending out the revisions to -- Leilani will send them to the members tomorrow. We published the notice of public hearing for the July 15th meeting. So you'll review your previous revisions on July 15th. So from my perspective adopting the moratorium, that item would go to Council a few weeks sooner than your -- assuming you pass your revisions at your next meeting -- the moratorium would go to Council a month ahead of time. So that gap before your ordinance reaches Council there would be a moratorium in effect. And then once Council passes your revised rules, the moratorium would be lifted.

With regard to pending applications, those are generally protected for an ordinance change as a standard operation. So they would be expected to be protected under the proposed Commission changes as well. That's just basically you apply under a certain existing set of rules you're going to be subject to that existing set of rules. And that's a pretty standard thing that is done with ordinance changes. I hope that clarifies those two items.

Mr. Delacruz: This John again. But the limit would apply. If we established a limit, the limit would apply.

Mr. Hart: Chair, Jordan Hart again. Yeah that's a great -- thank you for bringing that up as well. So in your proposed revisions the Commission proposes a cap. You could, you could go

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with the cap that's recommended by Council or you could recommend your own cap that is in the draft that you're going to be seeing tomorrow. So that's two -- it's basically two methods. One, the first item, the moratorium, would be a way to make sure that...that nothing happens before your ordinance is passed. There's going to be a little bit of a lag because it has to go to Council and be adopted by Council, but it will cover that little gap between your two, the two ordinances.

And then the other item is that you could put your cap into effect before your, your revisions are adopted by ordinance because if you pass this, the cap item, out to Council that's likely to be to Council and passed before your revisions which you'll review on July 15th.

Mr. Delacruz: But the moratorium would only apply to new applicants. Applicants that are in the process now could still be considered and approved before the ordinance becomes effective, correct?

Mr. Hart: Pending applications could. That's right.

Mr. Delacruz: Right. So I think it makes more sense for us to establish the limits. Because even if it only took two months for the moratorium to be approved any or all of the applications that are pending now could be approved without further action by the Lanai Planning Commission.

Ms. Preza: Can I interrupt? But the two don't need to be exclusive from each other, right? Could we establish to -- could we approve the moratorium and then also establish a cap, Jordan?

Mr. Hart: Yeah Chair, based on my previous conversations with this Commission, I would expect that you guys would recommend approval of both because the moratorium halts any changes except for pending applications which would normally be exempt from a situation like this. And then it sets a cap which you're already intending to do with the ordinance that's going to be reviewed on July 15th.

Ms. Preza: So I say that because John so it doesn't have to be one or the other. We can establish the moratorium and then also have the --. So what Jordan is saying is that we would -- it would give us the time for no other application to be able to come in and to be, you know, establish our cap. It sounds like we could even, you know, adopt the cap that is in the next agenda item but then still submit revisions for the --. Is that correct Jordan? The ones that you're -- the ones that you're sending tomorrow?

Mr. Hart: The ones that I'm sending tomorrow so one thing I will say to the Commission is that the way it was, the notice of public hearing was posted the last time, it required another visit to the, to the Lanai Planning Commission regardless of revisions. I would recommend if you guys have trusted that I've correctly reflected your changes so far that if you make additional

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revisions that you just send it to Council pending those -- like with those revisions rather than scheduling another public hearing to review the revisions that we talk about. So that's your decision. But you can make changes, you can have another public hearing, or you could adopt it as you made the revisions last time and just send it to Council. So that's, that's your decision when you review those.

Ms. Preza: Thank you Jordan. Okay, so back to this agenda item. Hi Richelle. Go ahead.

Ms. Richelle Thomson: Just one quick thing to add and maybe to ask for Jordan's clarification on this. So the moratorium looks like it will be in effect until caps on both short-term rentals and B&B's are established not only short-term rental home. So even if a cap is established on short-term rental homes, I think the moratorium would be in place for, you know, until the B&B portion of that is also enacted. So if that's, if that's anything that you wanted, if that's okay with you, you know, then you can pass it as is. Or you could recommend a change if you really more focused on a cap on short-term rental homes versus the B&B. So I just wanted to bring that up.

Ms. Preza: Thank you. I was going to mention or I was going to ask about transient accommodations that covers both STRH and B&B. So thank you for clarifying that Richelle. So Commissioners, based on, you know, our previous discussions with this, I kind of agree with Jordan that I think that establishing the moratorium makes sense for what we --. I think it's something that we kind of wanted to do a while ago, but we're told that we couldn't be the ones to establish it. So now that it's coming down to us, I think that until we are set with our caps and the, the rules that we have been discussing for the better part of the year that a moratorium would just prevent other applications from coming in. But do you, Roxanne, or Sherry, or John Ornellas, do you folks have any comments or --?

Mr. Ornellas: I don't.

Ms. Catiel: No, I don't have any comments.

Ms. Preza: Okay. Go ahead Sherry.

Ms. Menze: We've been working so hard on this that, that I was a little confused also, like, if we're going to do the next agenda item and make a cap as recommended. But I'm kind of becoming in favor of the moratorium because it will hold us, it will hold off us having to have more people apply and hurt more people's feelings when we deny, if that's the case.

Ms. Preza: Thank you.

Ms. Menze: If I'm saying that properly. I mean, if that's what Jordan was saying.

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Ms. Preza: Yeah. So I think the moratorium, it doesn't have -- it says for no longer than one year, but it can be until we establish our -- or a cap or the rules that we would like, correct, Jordan or Richelle?

Mr. Hart: Chair? Jordan Hart. Yeah, I think that this speaks to testifier's concern . . . (inaudible) . . . Your ordinances are --

Ms. Preza: Sorry, I didn't catch the last, like ten seconds, of what you just said.

Mr. Hart: No problem. Let me make sure the mics are off. So, so I was just saying that this issue speaks to the concerns of the testifiers. Because you have already been working on your ordinances and you're going to be taking it up on the 15th of July that the actual effective time of the moratorium should be pretty short because there is an ordinance for caps that you're going to see today. And then your B&B revision to the ordinance includes caps for B&B's. So I think that the actual life of the moratorium is a short period of time. But for your interest it covers that period of time while you're still working on your ordinances before Council adopts it.

Ms. Preza: Thank you Jordan. I personally think it's a good idea just because I don't think any of us or for those us who were on the Commission for the past couple of years, I don't think we anticipated our short-term rental discussion being this, you know, drawn out. And so with that being said I think having the protection of not having to have more applications, like, either they will slip through because they don't come before us before we, you know, make a decision on caps, or if they all come before the Commission I think it's personally a good idea. Would anyone like to -- or would you folks like to discuss further, or would anyone like to make a motion if you feel strongly one way?

Ms. Kaye: Can I just ask a --

Ms. Trevino: Can I recommend --

Ms. Kaye: -- a clarification?

Ms. Trevino: Go ahead.

Ms. Kaye: Chelsea you want to go? Go.

Ms. Trevino: No, I was going to make a recommendation. Go ahead, get your clarification first.

Ms. Kaye: Yeah, okay. So if I understand what Jordan was saying, then we don't need to worry about the section two being self-defeating. If you're going to get a moratorium, you're

going to get a moratorium. And then whatever you guys have worked on over the months will come within a month and then we shouldn't have to worry about it is that correct?

Ms. Preza: So you're talking about that ordinance shall not apply to permit application prior to the effective date?

Mr. Hart: No. I had, I had said -- Chair, Jordan Hart -- I had said that the applications that are pending are going, are going to be exempted.

Ms. Kaye: Right, and what I was concerned about is what if more come in to the mix that are pending by the time the moratorium is actually effective. That's why I thought that was just kind of written in a self-defeating way.

Mr. Hart: Okay, those -- if they pass the review for completeness in the time frame between your recommendation to Council and approval, of Council's approval, then they would, they would become exempted. And so let's just --

Ms. Preza: But this would go . . . (inaudible) . . .

Mr. Hart: . . . (inaudible) . . .

Ms. Preza: -- the July meeting if we make a decision today?

Mr. Hart: I couldn't tell you. That's kind of what Jacky was getting at. To be able to tell you exactly how long it will take to get Council, that's not really something that we're able to, to give you information on. Corporation Counsel may be able to, to give a comment on the process that happens after it leaves the Planning Commission before it goes to Council.

Ms. Preza: The moratorium?

Mr. Hart: Any ordinance. Yeah, the moratorium being the one we're talking about now.

Mr. Delacruz: So this is John Delacruz again. Regardless of what happens during the interim of the consideration of the moratorium if we set a limit tonight the limit applies to everybody who applied in the past and during the moratorium consideration period.

Ms. Preza: I think -- and maybe, you know, Richelle, and I know Richelle had something to say, and Jordan can correct me, but that, the cap, that's also a recommendation, right, so that would still have to go back to Council for approval correct? So that doesn't mean that it covers immediately if we decided that we want a cap of 20 for the next agenda item. Sorry, but Richelle you had a -- I think you were answering the previous question.

Ms. Thomson: I was just going to say that, you know, and Jacky said she can get, if the

recommendation is to approve or whatever action you want to take on the moratorium, recommending approval she can probably get that back, you know, transmitted back to Council pretty expeditiously, you know, within a week or so. And I would I can safely count on, you know, probably a month and a half . . . (inaudible) . . . But because this came from Council it obviously got some traction already so I would assume that they would schedule it. And it's not a detailed ordinance so I would think they would put it on frequently.

Ms. Preza: Thank you Richelle. Okay, so with that being said, do you folks have any other questions? Or the options that we have would be to recommend approval of the proposed bill, recommend approval with amendments, to recommend denial of it, or to vote to defer action. So those are our four options if anyone would like to motion or discuss further.

Ms. Trevino: I would like to make a motion to recommend approval of the proposed bill by the Maui County Council.

Ms. Preza: Thank you Chelsea. So we have a motion to recommend approval. Is there anyone who would like to second?

Mr. Delacruz: This is John. I will second.

Ms. Preza: Okay, we have second. So is there any further discussion before we go to a vote? Okay, there's no further discussion, then all those in favor of approving the proposed bill please --? Well so actually instead of raising your hand saying aye because we're not all here, I'm just going to kind of go through each person if that's okay. So, Roxanne? Richelle, is that okay if I do that because it's so difficult with this virtual platform?

Ms. Thomson: That's fine. Whatever, whatever works. Yeah.

Ms. Preza: Thank you. I figure if we all say aye I might not be able to count since we're not all sitting together. Roxanne, would you vote aye or nay?

Ms. Catiel: Aye. Aye. Aye.

Ms. Preza: Thank you. Sherry? Sherry, what's your vote?

Ms. Menze: Aye.

Ms. Preza: Aye. Chelsea?

Ms. Trevino: Chelsea, aye.

Ms. Preza: Okay. Sally?

Ms. Kaye: Sally, aye.

Ms. Preza: John Delacruz?

Mr. Delacruz: Aye.

Ms. Preza: John Ornellas?

Mr. Ornellas: Aye.

Ms. Preza: And I also vote aye. I believe we're all -- those are -- that's everyone who is present. Is there any noes or abstention? Okay, there being none, it passes unanimously. Thank you all so much.

It was moved by Ms. Chelsea Trevino, seconded by Mr. John Delacruz, then unanimously

VOTED: to recommend approval of the proposed bill by the Maui County Council.

(Assenting: R. Catiel, J. Delacruz, S. Kaye, S. Menze, J. Ornellas, S. Preza, C. Trevino)

(Excused: S. Samonte)

2. A BILL FOR AN ORDINANCE AMENDING TITLE 19.65, MAUI COUNTY CODE, RELATING TO SHORT-TERM RENTAL HOME PERMITS IN THE MAUI AND LANAI COMMUNITY PLAN AREAS

MS. MICHELE CHOUTEAU MCLEAN, AICP, Planning Director, transmitting County Council Resolution 20-27, referring to the Maui and Lanai Planning Commissions a proposed bill to amend the comprehensive zoning ordinance relating to Short-Term Rental Home Permits on Maui and Lanai. (J. Takakura)

The entire text of the proposed bill for ordinance is available at <https://www.mauicounty.gov/1127/Legislation---Proposed> and is summarized as follows:

Per Council Resolution No. 20-27, adopted on March 13, 2020, the Council proposes to amend Section 19.65.030.R. to reduce the number of short-term rental home permits in all community plan areas except for South Maui, and proposes a maximum of 20 permits for the Lanai Community Plan area.

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Ms. Preza: So we're moving on to --. Sorry, let me just look on my agenda. So we're moving on to Item B.2., which is a bill for an ordinance amending Title 19.65, Maui County Code, relating to Short-Term Rental Home Permits in the Maui and Lanai community plan areas. I believe Jacky your thing. Or are you, are you doing a presentation? Okay, so for those of you who are sitting and testifying on this item we'll open public testimony after the presentation. Okay, go ahead Jacky. Thank you.

Ms. Takakura: Okay, thank you Chair Preza? So I'm going to share my screen. And I have a short presentation with some information for you. So I'm just going to do it. And then if you can see it, if you can just give me a thumbs up because I can see you in little boxes. That way I know that you're staring, you're seeing the right thing and then I'll get started. Okay so I'm going to share my screen now.

Ms. Preza: And everyone, please make sure that your mic is off if you're not Jacky, please. Thank you.

Ms. Takakura: Thank you. Okay, so can you all see this blue screen that says Resolution 20-27?

Ms. Trevino: Yes.

Ms. Takakura: Thank you. Okay, so this is Resolution 20-27 from the County Council regarding short-term rental home permits which is included in Chapter 19.65 of the Maui County Code.

The Resolution includes a Bill for Ordinance to revise the maximum number of short-term rental home permits in the community plan regions on the Islands of Lanai and Maui. Just as a refresher short-term rental home permits, or STRH's, are single-family dwellings usually in residential neighborhoods that are rented out for less than 180-days. Unlike bed and breakfast homes the owner doesn't have to be there. So what this means is that this resolution is not about condominiums in the apartment district that have building permits or approvals prior to 1989. It's not about hotels. It's not about vacation rentals that were approved by an ordinance, or have a conditional permit, or a grandfather, or part of a Planned Development. It's only about the short-term rental home permit that you -- that's part of Chapter 19.65.

The bill proposes to reduce the short-term rental home caps to approximately the existing number of permits with the exception of the Kihei-Makena Community Plan region. Per Council Member Kelly King's request to leave the number where it is for that region which 100 permits. She wanted to get more feedback from the community before she made a decision. That's why, that's why when you look at this the Kihei-Makena one looks a little odd because that one doesn't have a change.

The chart that you see here it includes the current limits in the Code, the current cap; the current number of existing permit; and the Council's proposed revisions.

Just a little background information about the short-term rental home permits. At the end of last year, we had 229 permits issued. And of those 118 property owners have addresses in Hawaii, and that's 105 on Maui County and 13 from the neighbor islands of Oahu, Big Island or Kauai. 111 property owners have mainland or international addresses. Short-term rental home use was not prohibited until 1991, and that's why there are a few residential properties out there that are grandfathered because they were actually conducting this use before 1991 when the rules changed. And so they can be used as a vacation rental without a permit, but they have to comply with our chapter on non-conforming uses. The regulations in Chapter 19.65 for short-term rental home permits was adopted in 2012.

So vacation rentals are allowed in other zoning districts like Hotel; the business districts of B2, B3, BR which is Business Resort; some of the Planned Developments like Puamana; some older properties in the Apartment District; and as you know, Bed and Breakfast Homes. We have 157 permits, bed and breakfast right now.

Just FYI, on Lanai, there are 20 short-term rental home permits. Eight have owners with mainland addresses, five have owners with Oahu addresses, four are Maui island owners, and three are owned by Lanai Island addresses.

Ms. Preza: Sorry Jacky, could you repeat those numbers again?

Ms. Takakura: Yeah.

Ms. Preza: And you said, 19 or 20?

Ms. Takakura: I said 20. That's based on the information I have from the March 31st list, I believe.

Ms. Preza: . . . (inaudible) . . . have 19 on -- or even on this ordinance, it says existing permits is 19.

Ms. Takakura: So, yeah, I'm sorry, I'll double check that. But I'm looking at 20, and eight owners --. You know, maybe this was the December 31st information. Maybe one gave up their permit. But I'll verify this. But eight were owners with mainland addresses, five owners have Oahu addresses, four owners have Maui island addresses, and three owners have Lanai island addresses.

Ms. Preza: Thank you.

Ms. Takakura: And so just a little bit of data about the properties, and this is from the County's real property tax website. So on the left-hand side is just numbers based on the property as a whole. Like for example the average value of all STRH properties in all districts is \$1.7 million. And then on the side in italics I have numbers for the Lanai properties. So the average value of that short-term rental home properties on Lanai is \$442,000. Median value for all properties in Maui County is one million. For the island of Lanai it's \$446,600. And there is quite a range of value, the most expensive one being 12 million. That one happens to be on Maui. And then the lowest is in the 200. The tax revenue estimated from these properties if you were to calculate it at the short-term rental home tax class is about \$3.9 million. For the Lanai properties, the tax revenue would be about \$97,900. And that's just the real property tax.

So now I want to take a look at the long term planning documents for Maui and Lanai. The Maui Island Plan notes in Chapter four that the Hawaii Tourism Authority's report regarding Maui County Tourism Strategic Plan states that among the four counties, Maui is the most reliant on tourism. Of Maui County's gross county product, 39 percent is attributed to tourism, versus a range of 19 to 29 percent for the other counties. This report also notes that a large portion of jobs in Maui County are low wage jobs, many of them tourist related. Diversifying Maui's economy has been a key long standing County goal. A move towards a more diversified economy will create more resilience, reduce Maui's reliance on tourism and reduce our vulnerability to other external economic conditions. Diversification may also reduce the island's dependence on construction for the visitor and off island housing market, thereby reducing demand on the island's natural resources. Economic diversification will provide a broader spectrum of job opportunities including high skilled and higher paying jobs, thereby increasing jobs that pay a living.

From the Maui Island Plan there is this policy, Policy No. 4.2.3.a which states "promote a desirable island population by striving not to exceed an island wide visitor population of roughly 33 percent of the resident population." The Lanai Community Plan doesn't have a specific ratio like that. In the Lanai Community Plan, the goal is support the growth of permitted bed and breakfasts, small inns, guest houses, and other alternative lodging.

This is from The Maui News back in February, and this is for Maui Island. According to the Hawaii Tourism Authority, they reported that for Maui Island in the year 2019, on average we had 66,414 visitors per day. So let's take a look at those numbers of visitors versus the resident ratios. And what I'm looking at here on the left side is the numbers as a whole for Maui County. And then you can see in italics on the right side the breakdown for the island of Lanai. So for Maui, Molokai, and Lanai, the average visitors per day was 67,952. Those were mostly on Maui like the previous slide showed it was 66,414. For the Island of Lanai the number was 747. The population for Maui County is 154,834. For Lanai, it's 3,135. And so if we look at that policy goal that the number of tourists wouldn't exceed 33 percent of the resident population, 33 percent of the resident population in 51,095. So if we take those two numbers and compare, the number of visitors that are actually coming, the 67,952 is 44

percent of the resident population. It's much higher. It's 11 percent higher over the goal of 33 percent of the resident population. For the island of Lanai the ratio is 24 percent. And that could be because I don't know if some of the houses were under construction in 2019, but, anyways, that's the data for 2019. They can see for the County we are over that goal, at least for what the goal of the Maui Island Plan.

So these numbers here, they kind of tie the long-term, the long range planning goals and policies with the actual numbers. And just FYI, so Lanai you can see 24 percent. The island of Molokai is about 11 percent. The island of Maui is at 46 percent for this ratio of visitors to residents.

So in this time of profound change we're seeing the effect of our county economy being so reliant on tourism. And this is an ideal time to assess where we are as an island economy and what we want this county to look like for our resident and for our visitors in the future. We're seeing that dependence on tourism in neither sustainable nor resilient. And we hear these words, sustainable and resilient, quite a bit, but what do they actually mean? And this is from the Brundtland Report which is a -- it's actually an international conference that was held in 1987 -- "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs." And there's three components to consider, and that is the economy, and also the environment and social equity. Resilience, the ability a system to cope with shocks and keep functioning in much of the same way. So it's important to think about these two concepts as we plan forward.

Earlier this year, the Department conducted several outreach activities on Maui to obtain public input on phasing out short-term rental homes altogether because of the negative feedbacks received from residents who oppose the impacts that these operations on neighborhoods and the community, and to encourage long-term occupancy of dwellings.

Meetings were held with various interest groups such as the Maui Vacation Rental Association, the Realtors Association of Maui, the Alliance of Maui Community Associations, and the Maui Hotel and Lodging Association among others. There was both opposition and support for this proposal from these groups. On March 6th, 2020, the Department held a public meeting to gather feedback from the broader community, from the audience, consisting largely of STRH owners and operators who were strongly opposed to the idea of any form. Some of the options that were discussed are a phase out which could mean that existing operations are allowed to continue until their permits expire at which time they could not renew. An alternative could be an attrition approach where permits are capped at current numbers like the proposed bill; permits remain valid and can be renewed; or when a permit is closed, revoked or expired it cannot be replaced. And the cap in that region is reduced by one. Any phase out should be accompanied by a loosening and broadening of the regulations regarding bed and breakfast homes, and make these more available to Maui County residents. There's much greater acceptance of bed and breakfast because they have a long-term owner or operator onsite who's known by the neighbors. Where the Department does

not intend to pursue a phase out of short-term rental home permits as a standalone initiative even though many of these dwellings could be used for long-term housing.

The Department of Planning recommends revising the numbers to accommodate current existing permit and submitted permit applications for all districts, but excluding Molokai, which I believe is the Council's intent. So in this context the Department supports the Council's proposal to limit the number of short-term rental home permits to the existing number with minor revisions to accommodate permits currently being processed and to be consistent with revising the numbers for all the community plan districts. Our proposed caps are shown here and they, compared to the memo that was sent out, I did make one revision to West Maui because there are -- there's actually eight pending applications. And the memo that had gone out previously in May had six, so there's one revision there. You can see the asterisk for West Maui. And so the Department is proposing a total of 232. And that takes into consideration the pending applications that are in the works at this time. And the list of those is in the last page of that memo that was sent out to you folks.

So Commission, we're at a cross roads and this is a rare opportunity to look at where we've been and where we want to go. Tourism will return and when it does we hope to be in a place where tourists have a good experience, residents have a sense of place that this is our home, and we're in compliance with the long-term plans developed by our community forum. We'd like to hear from you about the Council's resolution, the Department's proposal, additional measures that can be taken like the conversation you folks have been having about short-term rental home numbers for your community plan area. So that as we move toward the new normal in our community we'll be in a place where we want to be. So we can discuss this and then decide what you'd like to recommend to the County Council.

So that's the presentation. I'm going to stop sharing, but I can always bring up the screen if you have any particular questions about anything that I've shared. So that's the presentation. Thank you.

Ms. Preza: Thank you Jacky so much. So Commissioners, before we have our discussion I'm going to open public testimony on this agenda item. Leilani, has anyone messaged you that they would like to testify on this item?

Ms. Ramoran-Quemado: Thanks Chair. No one signed up to testify on this item.

Mr. Baldwin: I'm still on the phone. I'd love to testify.

Ms. Preza: Okay, sorry. One moment, we're going to move to phone calls in a second. But in case anyone else has joined us via Bluejeans and they would like to testify, please direct your messages to Leilani and she'll let us know. But at this time if there's no Bluejeans application users who would like to testify then we'll move on to phone calls. So I believe we heard

someone who would like to testify if you could state your name please. And you have three minutes.

Mr. Baldwin: Again, my name is Bart Baldwin, a realtor on Lanai. I know several of you. Very disappointed by your initial on the moratorium, but I'll move forward on the cap. Assuming the nice person who gave us her presentation for the County notified us that we're below 24 percent of the goal of 33 percent, and yet we have either 19 or 20 homes that have gone through the process of the short-term rental homes. They're paying higher real property taxes. They have higher expenses. And you guys are considering capping it at that amount. I, I, I plead with you, please if you want to cap it, I respect doing a cap, but I think as I've mentioned in previous meetings, consider 40. Consider something reasonable. At 20, assuming it's a three bedrooms, and not all of those 20 unit homes -- excuse me -- are three bedrooms. But if it's a three bedrooms you're talking about, you know, maybe 60 people. That still doesn't bring us up to the 33. If you raise it to 40 which still somebody who buys a home has to wait for five years to apply. 40 is 120 rooms -- sorry not a 120 people -- but 120 rooms.

I used to work at Hotel Lanai. Room rates were from \$95 to \$195 during the last recession. Now I believe the lowest room rate is \$250. These short-term rental homes are an opportunity for people to come and enjoy what the rest of us enjoy. They're also an opportunity -- the National Guard is currently staying in a short-term rental home. And hotels are closed on Lanai, so they could not stay there, but they're able to stay in a short-term rental home. Local, island residents from the other islands are now able to come, and stay, and enjoy these short-term rental homes, and the hotels are still closed until July 1st. Please, consider a higher number. I really respect you all even if I disagree with your decision. Thank you for allowing me to speak.

Ms. Preza: Thank you. So Commissioners, do you have questions for Bart? Okay. There being none, is there anyone else via phone who would like to testify? I don't hear anyone. Leilani, have you gotten any other messages for people who would like to testify on this item?

Ms. Ramoran-Quemado: No, I haven't received any other messages.

Ms. Preza: Thank you Leilani. So at this time I will close public testimony, and Commissioners, we can begin discussions. If you folks have questions for Jacky, or the Department, or if you just have general comments you'd like to share. John, are you still with us? Maybe not. Commissioners, or Sally, would you like to share?

Ms. Kaye: Yeah. I just have a question for Jacky. I'm really surprised at the number of off island owners of these short-term rentals. Are any of them duplicates? Are there --. Let me put it this way, are these all discrete owners, or is there any owner that own more than one property?

Ms. Takakura: Thank you Chair. And I'm looking at my spreadsheet and I can explain the discrepancy between the 19 and the 20. Sorry about that. The data I was looking at earlier this year was as of December 31st, 2019, and I believe at that time there were 20. But then on the March 31st, there were 19. That list is updated quarterly and so that's why there's a difference of that 19 versus 20. Sorry about that. But in terms of the owners...I believe you can't own more than one. They are all different addresses and owners.

Ms. Kaye: Okay, thank you.

Ms. Preza: Thank you. Richelle, did you have a comment?

Ms. Thomson: I was just going to comment that you can only own one. So it's basically one human, one permit, unless a property is over a certain value threshold. I think it's 3.2 million.

Ms. Preza: Thank you Richelle.

Ms. Ramoran-Quemado: Hi Shelly. I have a question.

Ms. Preza: Hello?

Ms. Ramoran: Hi. It's Leilani. Alberta just put into the message area that she wants to testify on this short-rental, and she's asking if it's too late to testify. I know you closed the public testimony portion of it.

Ms. Preza: Richelle, I am allowed to re-open it? Is that correct?

Ms. Thomson: Yeah, you can re-open it. And always do another call, you know, to make sure there's no one else . . . (inaudible) . . . on this agenda.

Ms. Preza: Commissioners, are we okay with that? Okay. So I'll re-open public testimony and Alberta, you have three minutes if you'd like to share. Alberta, are you there? Maybe make sure that your mic is unmuted and your video is on. Still here?

Ms. Alberta de Jetley: Okay, can you hear me now?

Ms. Preza: Yes. And if you would like to turn on your video, you can do that as well.

Ms. De Jetley: Okay. I, I think it's not the number of vacation rentals that we have on Lanai that matters. It's their location. Because so many of us have small lots, and what has been happening is we have clusters of vacation houses, one in particular, right off Lanai Avenue where there's four or five vacation houses right clustered within a 500 feet of each other. So I think that's what you also need to consider rather than just saying yes we're going to have

a cap. Because if all of the houses are right next to each other, they are a problem. That's just my own personal opinion. Thank you.

Ms. Preza: Thank you Alberta. And I can kind of respond to that. So in previous discussions for the edits that Jordan Hart is writing up for us we did take into account density and we were recommending, I think in our previous meeting a while ago, was, I think, a 300-foot radius density for B&B's and STRH's combined. So thank you for your comment. We have been thinking about it. But, I think because we're going to take care of it in a separate, in our other edits, maybe, I'm not sure if we want to add it into this. But thank you for your testimony. Commissioners, do you have questions for Alberta? Okay, if not, then is there anyone else who is present on Bluejeans who would like to testify at this time? Okay, I don't think there are. And anyone else on the phone? Okay, there being none, I'm going to reclose public testimony again. Oops, I actually muted myself; sorry. Commissioners, do you have questions or discussions?

I think that and so feel free you know you folks can chime in, Commissioners, when you'd like to. But I think, you know, the reason --. And I really liked Jacky's presentation because I think COVID-19 has really shown us how unsustainable an economy that is dominated by tourism is. And I think this is a sentiment that we brought up in previous meetings, but the reasons why that -- the reason why a lot of live on Lanai is because we care about this community, we like how close knitted it is, and personally someone who has grown up on Lanai, the ability to grow up in a neighborhood where you know everyone, is something that really makes Lanai what it is, you know. And so I think our concerns with short-term rental homes have, have -- I mean, obviously the density, the number -- but that it was, you know, they were destroying the integrity of our neighborhood if you have a commercial operation, you have strangers coming in on the weekends when you're trying to raise a family. I feel like those are lots of concerns that I've heard from the community just about how, like, maybe they don't want . . . (inaudible) . . . in residential areas. And so I think that, that concern has been echoed as Jacky has presented in, you know, throughout Maui County. And I'll just bring up too that Molokai put a zero cap on, on short-term rentals which means that they don't even, they don't want any of them. They have none because that is what they have chosen for their community, and so I think that's just like something important to keep in mind. And I think also if we've been keeping up with the news and hearing about, like, you know, strangers going into residential area in Hilo, and you know, maybe they're a part of something so good and that was right next to like a lot of families happening. I think that's like a real concern that's been brought up in the interim since we've last discussed this. And so that's just something. I mean, I'm just trying to situate us back into kind of what we were discussing prior to this.

Also, I think I have question maybe for Jacky or Jordan which is, you know, the . . . (inaudible) . . . by Council for fewer -- like in a couple of instances they proposed fewer, fewer short-term rental home permits than the existing. So that means that some of the -- or a couple of the permits would just be phased out once they expire? Is that correct? Yeah, Jacky.

Ms. Takakura: Thank you Chair. I believe the numbers might be a little off because there were probably basing it on December 31st permit numbers. And then, you know, now it's June, so there could be, you know, some that have been approved since then that's why, yeah, some of the numbers that they're proposing is less than what is actual out there. For example, like Hana, the Council is proposing 23, but there's actually 25 because back in December there was 23, but since then two more have gotten approved.

Ms. Preza: Thank you Jacky. So, but is it possible to do --? I guess my question is, is it possible to propose a number that's fewer than the existing? I know that this has been kind of a contentious subject in the past because I know some commission members felt that it was important to not propose fewer than our existing. But my question is if that's possible? Maybe Jordan could answer.

Mr. Hart: Chair? Yeah, this Jordan Hart. So on Molokai the cap is zero. And there was language in the ordinance of how the conclusion of those permits would be handled.

Ms. Preza: Thank you. And I ask that because I've just been thinking about this a lot, and my --. And I know we all care about the community deeply that's why we're a part of this volunteer, you know, commission to, you know, talk about the direction that we would like our community to be in. And I understand the concern of, you know, potential --. I mean, not that this is what is being proposed, but you know, the concern previously with proposing fewer, a cap of fewer than what is existing is that we, you know, I guess people wanted to protect the, the permit applicants who went through the trouble of making their home permissible for STRH's. But when I thought about it more, I think that we should really be trying maybe to protect less of like the business interest of commercial operations. Because when people, you know, want to open an STRH, that's a business risk in my opinion. And, like their permits are for a certain amount of time with not a guarantee that it's going to be continued indefinitely. And I think we should be really thinking about our community, and what we would like for our future neighborhoods to look like. And I think that should be priority. So that being said, commission members, do you have comments or would you like to share opinions? John, would you like to share opinion or --? John Ornellas on the phone.

Mr. Ornellas: Oh, you're talking to me.

Mr. Preza: Sorry, I forgot we have two Johns now.

Mr. Ornellas: Between me and Sally, we've been talking about this crap for 25 year, and it's still not done yet. In fact, I'll -- I mean, 25, 25 is -- I think 25 would be good for the short-term, and maybe five for the bed and breakfast. But that --. I understand what you were saying Shelly, but we have to have some sort of a balance. And having a balance could be, I think, that --. And you don't want to, you don't want to dip into all these short-term rentals, and take away possible revenue from people who, who rent these units out to hunters. I think the number was counted about two decades and . . . (inaudible) . . . a million dollars a season

when...that community received, our business community receives from the inbound hunters. So we -- a balance is probably what I'm asking for and 25 short-term and maybe five bed and breakfast because nobody is doing the bed and breakfast so --

Ms. Preza: I will say I agree a balance is needed. Just to address, I think, Bart Baldwin's comment earlier about oh we're not even asking for 33 percent. My understanding was that what Jacky shared was that is the max number of people that we would like coming to our island in a given, not that's the goal. And I agree. I mean, I think we all live here for a reason. I understand the business that gave breathe or guests who come bring but I don't think we're trying, you know, up our numbers necessarily via short-term rental homes. But that's just my opinion.

But, oh, I will say also that --. So what we're -- just to clarify -- we're speaking on just short-term rental homes. I know John Ornellas you commented on bed and breakfast, but that's not included technically in this proposed ordinance. And in previous discussions I think we, we voiced, and kind of similar to what Jacky was saying that other communities around Maui County voiced more of a, I guess, positive connotation with B&B's because the people who are there need to be on property and so they're actively a part of the neighborhood as opposed to being an absentee owner who just rents out. But, sorry, that's just for clarification. Yes, Sherry, would you like to share your thoughts?

Ms. Menze: Yes. Not to belabor this point to the death as we have for the last year. On page 16 of the power point, the Department proposed 21 of the short-term rentals, the Council recommended 20. Right now we do have 21 that are, that also includes the people on the list for them. And I kind of recommend going with the 21.

Ms. Preza: Thanks. So that's your thoughts.

Ms. Menze: That's my thought on that is going with the Department's recommendation.

Ms. Preza: Okay. I will say that --. But the pending applications, they haven't been approved yet and so those aren't necessarily --. Sorry, I know where you're going with that.

Ms. Menze: That's why we have the moratorium now. We're going to get the moratorium.

Ms. Preza: Oh, the moratorium won't cover the . . . (inaudible) . . .

Ms. Menze: They can't be, they can't be accepted on the list to be pending.

Ms. Preza: I -- so I think the moratorium won't -- sorry, Sherry, to interrupt you -- I think the moratorium won't cover those that are already like pending if they get approved.

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Ms. Menze: No. Not the ones that are existing, but it will stop others from applying. And then if we can --

Ms. Preza: New ones.

Ms. Menze: New ones. And then if we can do a cap, and that includes the people that are already on the list. We kind of cover what we have in motion right now. And I don't recommend 25. I recommend -- I personally feel that the 21 would be perfect because that includes the people on the list so that we don't have to kick them off. And it just -- but again, I address Sally's issue, you know, of them being all in one little area -- I think that was Sally who said that -- each little area. But we still do have that 500 foot radius.

Ms. Preza: Thank you. I think it was Alberta who mentioned density. And think when we get our revisions from Jordan -- no, no worries -- I think when we get our revisions from Jordan, I think we had discussed like a 300 foot density. But I think we'll wait to see what that's like. Sorry, Sally, you raised your hand too right?

Ms. Kaye: Right. I just have a question. I'm confused. Clearly you guys have had discussions for a long time and something coming out that I am unaware of I haven't seen yet. And I'm wondering if, if it's possible -- and this is just a question to you guys or Jordan -- if it's possible to recommend to the Council that the caps for other areas are as they recommend because that's what they're asking. They're asking for all of them not just to us. But, but to leave us out because what's coming from Jordan will address that? That's my question. Otherwise I agree with Sherry.

Mr. Hart: Chair? Jordan Hart. So to respond to that issue, you could do, you could recommend whatever you want to Council. If your goal is to recommend caps in either of the two ordinances that you're going to review on July 15th, then you would get a timing benefit by recommending a cap in this.

Ms. Kaye: Okay.

Mr. Hart: Anyway.

Ms. Kaye: Got it.

Ms. Preza: Thank you. So...wait, sorry Jordan, while you're on, so we can recommend a cap now but then also recommend a cap when we review our revisions?

Mr. Hart: My recommendation is that if you recommend -- a lot of recommendations. If you recommend a cap in this ordinance that you're reviewing now that you match that cap to the ordinance that you review on July 15th.

Ms. Preza: Thank you. And I think we had thrown around 25 in our previous one. You know given the time and more of the time that I've had to think, I personally think 20 the Council recommendation is what I would prefer. But I don't know other – Chelsea, maybe if you could give an opinion?

Ms. Trevino: I just -- that's what I wasn't clear on as well as was if we say we went with this, then, then when we finalize ours would ours override it or would we bring ours in alignment with it? That's where I was a little unclear. But it sounds like what he's suggesting is if we go with what the County is suggesting then we are going to adjust ours to match it? Or that would make the most sense?

Ms. Preza: Yeah, I think . . . (inaudible) . . . Sorry, go ahead Jordan.

Mr. Hart: Chair, it's Jordan Hart. So they would be -- so the Council is basically --. Because of the timing of all this they're basically proposing to thinker with the ordinance a couple of times in a row. And so, this one, the Council is, is proposing so they're getting input from the Commission. The other one that you're reviewing on July 15th was requested to be initiated by the Department to present to the Planning Commission for your referral to the Council.

Ms. Preza: Chelsea, does that clarify kind of what you're asking?

Ms. Trevino: . . . (inaudible) . . . No. I'm sorry. I don't know if I'm . . . (inaudible) . . . I'm feeling like, I'm feeling like we would just approve this and then when ours come we ask for ours. Because this would be immediate or sooner than ours. But that's why I was, that's why I was asking for clarity on these numbers because their numbers are different than ours. So, would we just say we go with this for now and then change it or is that weird or redundant or I don't know? I'm just thinking about time and that's why I kept asking about how much time in between things. Because it sounds like because the County is proposing this, it's a priority for them. So this will come to them. They'll be working on this immediately or sooner. Versus ours that has to come and people have to hear it. And we have to get this and that which of course we still want to move forward with ours because have those specific density issues that we're addressing in ours which these, you know, which are not being addressed here. So in my mind I'm thinking we're really just looking at the cap number and are we just going to go with what they say now so we can get that cap in and then work from there.

Ms. Preza: Thank you Chelsea. Richelle, I think you had some clarification to offer.

Ms. Thomson: I just wanted to kind of support what Jordan was saying. Because you're planning on submitting your own, you know, tailored to the local news legislation probably by next month. I would also encourage you if you have a cap in mind I would go ahead and suggest that, you know rather than --. You know, if it matches what the Department's proposed or the Council's proposed, you know, either way or a different number. But I would,

I would kind of go with what you want because it's harder to change something than it is, you know, to just go in with a suggestion now.

Ms. Preza: Thank you. So just so everyone's on the same page, I think --. So we're discussing if we would like to, you know, through this with, you know, as is or with amendments, or deny, or defer it. But I think --. So primarily we're discussing the cap and that is not separate from what we might propose next month. And Jordan is suggesting that we would probably match our revisions to whatever cap we decide on tonight. And then we can still submit, you now, our recommendations with regarding density and that kind of, that kind of thing that we discussed previously. Is that correct Jordan?

Mr. Hart: The only thing I would want to clarify is I'm not trying to say that whatever you say tonight you have to stick to. Like if you, if you say something tonight to Council and then you review the ordinances on July 15th and you make a different decision you should do that. I was, I was just saying that say whatever -- if you already know what you want tell the Council now and get that plugged in because -- and then you would just match whatever number you want in your ordinances that you're reviewing on the 15th.

Ms. Preza: I see. Thank you.

Ms. Trevino: So Jordan, can you remind us what number we chose for the STRH cap?

Mr. Hart: 25 for both.

Ms. Trevino: What did we --? We said 25 and 25, yeah?

Mr. Hart: Correct.

Ms. Trevino: Okay. So my, my consultation on this is in regards to -- I understand people wanting to have this lower number. I totally understand it. However I feel as though the density issues that we're addressing with the other things that we're going to have in it would -- if people are on the line of just not having it. I'm thinking we just stay with the numbers we picked because we picked those numbers for a reason. And we addressed the density issue with creating a smaller circle as far as how many in area, right? Or we made the circle bigger. Whatever we did. We did something so that, you know, you couldn't have as many in an area as are now. So I just -- I don't know. I'm feeling like...sticking with that. And I don't know that I agree with decreasing the B&B numbers because if we want to encourage -- like if that is something we want more, then I don't know that I would necessarily bring it down. But that's just my input.

Ms. Preza: Thank you Chelsea. Commissioners, do you have thoughts or....comments? Or would anyone like to -- just feels strongly and would like to make a --. Oh, sorry, Jordan, do you have a comment?

Mr. Hart: Yeah, I just wanted to clarify. So the language that you're going to see in the two draft ordinances says that no more than one bed and breakfast or single -- short-term rental home or bed and breakfast home can exist within 300 foot radius. So just to clarify. It's for both types within the same 300 foot radius.

Ms. Preza: Thank you.

Ms. Trevino: Yeah, thanks. Because I think we were really diligent in making sure that it's not one or the other. It's both, yeah, in that 300 radius. So it's not like one is being treated separately from the others that are in that sense. But I just, I just am feeling like whatever decision we make we want to make sure that we're going to be consistent instead of the back and forth thing. So not to keep hashing out numbers again which we've done so long, but to really -- because we're going to be making a recommendation tonight on a number, it sounds like.

Ms. Preza: Thank you Chelsea. Commissioners, do you have other thoughts? Or would anyone -- does anyone feel strongly about a number and would like to make a recommendation or --?

Mr. Delacruz: This is John Delacruz. I think we should pick a number tonight be it 19, 20, 21 or 25. And you know if we don't do the 300 foot thing, in the future, we're just going to cut everything in half anyway.

Ms. Preza: Thank you. I think my, I think, you know, I understand we had talked about 25 before. I think my rationale was maybe just, you know, going with the Council's proposal of 20. Because I've been thinking more about, you know, yes, we're almost at that cap for STRH's, but then also thinking about the density, how it's including B&B and STRH's. I feel like B&B's might be the direction we want to move in. And so like if we put a slightly lower cap on STRH's then maybe it will -- I'm not sure if it will make more room for B&B's or not. I guess that's my thought. I prefer 20 but I understand where everyone is coming from with the other numbers we discussed so. Sherry, did you --?

Ms. Trevino: I think that also --.

Ms. Preza: Go ahead Chelsea.

Ms. Trevino: Sorry. Alright go ahead. No, Sherry, go ahead.

Ms. Menze: I like the 21 because it just takes care of our existing people that we have for the short-term rentals, the ones on the application, and then we're kind of done with it, you know. And we don't have to worry about the one who didn't get it or the two who have applied and spent their money to do that. And it just makes me feel really a lot more comfortable. It's one

more just to take care of the people that are already there and then we don't have to come back and address ever again or think about them and feel sorry for them.

Ms. Preza: Thanks Sherry. Chelsea, did you want to share?

Ms. Trevino: No, I just was going to say I believe that when we were discussing the density cap that we were creating, you know, that even if we had set our number at 25, I think when we were looking at we were told that with the space, you know, distance of even the town, I don't think we could even hit 25 was the, was what we were told with the 300 foot...things. I'm just saying that if even if we made it 25 with our other restrictions it wouldn't reach that. And I think that's why we even talked how if there was growth then we would already have accommodations for that, you know, let's just say if there were more larger space of houses added or whatever. Just throwing that out there.

Ms. Preza: Thank you.

Ms. Kaye: I have a question.

Ms. Preza: Yes.

Ms. Kaye: Okay. So I understand that the issue between the 20 and the 22 for the two that are on the list. But if you next, if we next month agree on some density restrictions that would apply to those two, then they don't have any invested interest in this process at this point anyways, right? That's a question.

Ms. Preza: I'm not sure if someone else -- Jordan?

Ms. Kaye: That would be Jordan, I think, or Richelle?

Mr. Hart: Chair, Jordan Hart. So I had kind of been corresponding with Richelle about some of the other revisions that the Commission had requested. And the general line of conversation on that subject was if there's going to be an issue where somebody is going to be affected or uncertain that it should be written into the ordinance. So whether the Commission's proposal is that --. Well, how do I put this? Okay, so if they, if they were to be --. If there was a way for them to be approved before any changes in the ordinance they would be subject to the current ordinance. If they were to exist and a density change occurs, then you would want to write into the ordinance how attrition would work or something like that. I don't, I don't --. Your Counsel may have comment on this. I don't think there is an equitable way to select who is the, is the loser in this situation. So I think attrition is the only practical way and you would probably want to write that into the ordinance.

Ms. Preza: Thank you Jordan. Richelle, did you have a comment on that?

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Ms. Thomson: I, I agree. And Jordan and I have talked about this a bit. You know that if, if you're looking to, you know, set the bar lower and to, you know, anticipate basically the permit would not be renewed, we could write that into, you know, into the suggested and changes in the amendment, you know, that upon renewal, you know, permits cannot be renewed if they require the caps to be exceeded, you know. Which means that an existing doesn't -- it might not be renewed.

Ms. Preza: Thank you Richelle for that. And just so the Commissioners are on the same page. So that would be for our, for the revisions that are coming to us tomorrow, not on this particular document. But just to keep that in mind as we're making our decision tonight. Sally, did that kind of answer your question or --?

Ms. Kaye: Actually that was really, really helpful. Thank you, but no, it didn't. I think Sherry's concern were the two that are pending that haven't been approved yet. And, and, you know to cover them so that, as she said, we don't have to feel sorry for them. But if they're pending and then these revisions that density would impact their application, then what happens? They just don't get approved?

Mr. Hart: Chair, this is Jordan Hart. That's what I was trying to say. I can't -- I don't know the details of those applications well enough to tell you a certain answer right now. But if, because they are going to be exempt from the moratorium, if there's a way for them to be approved then, then may get approved in this interim time period. If they have to come to the Planning Commission, then they would come to the Planning Commission. And that would be, you know, your decision on whether or not that they should be approved. But, you know, that's a little bit of an unknown and a gap in all of these things that are going on.

Ms. Preza: Thanks Jordan. I don't know if you folks want to discuss further or if anyone would like to recommend something.

Mr. Delacruz: This is John Delacruz. I, I would go with the thinking what Sherry's talking about. And the way I, I think the way Jordan and Richelle have been talking if, if the 300 foot thing doesn't come to being during the time frame that the two that are left out, if they meet all the other requirements, then they will be approved. Then after the 300 foot thing is approved, anyone who reapplies or anyone who applies will be subject to the 300 foot thing. And that's going to wipe out about half of the existing short-term rental homes. Because there's only so many blocks on Lanai, and the blocks are 300 foot long, and 150 feet, a 150 feet wide. So I recommend that we go with 21 for the limits for Lanai.

Ms. Preza: So we have a motion to --. So this would be recommending approval with amendment, right. So changing the number to 21? John, is that what you're --?

Mr. Delacruz: Yes, 21.

Ms. Preza: Thank you. So that's on the table. Would there -- is there anyone else who would like to second that?

Ms. Menze: I second.

Ms. Preza: Okay, so we have a second. Is there any further discussion on this agenda item? Okay, so we'll go to a vote. So same as last time, I'll go through each Commission member and then you can -- so we'll go through the ayes first or you tell me what you voted, and I'll write it down. Roxanne?

Ms. Catiel: Aye.

Ms. Preza: Aye. Sherry?

Ms. Menze: Aye.

Ms. Preza: John Delacruz?

Mr. Delacruz: Aye.

Ms. Preza: Sally Kaye?

Ms. Kaye: Aye.

Ms. Preza: Chelsea?

Ms. Trevino: No.

Ms. Preza: John Ornellas?

Mr. Ornellas: Aye.

It was moved by Mr. John Delacruz, seconded by Ms. Sherry Menze, then

VOTED: to recommend approval, with the amendments as discussed, of the proposed bill by the Maui County Council.

(Assenting: R. Catiel, J. Delacruz, S. Kaye, S. Menze, J. Ornellas, S. Preza)

(Dissenting: C. Trevino)

(Excused: S. Samonte)

Ms. Preza: And I vote yes as well. So there's no abstentions, and this recommendation passes with six ayes. Okay, so thank you all very much. I know this -- we've talked so much about this. But I appreciate everyone's input, and I hope we're moving towards, you know, a future that we would to see for our community so thank you very much. And thank you for everyone

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who's participating and waiting on the chat. I think I'm going to recommend that we have a short break. I'm sorry, I'm not trying to draw this out any longer, but I know what's coming up. There's a presentation it sounds like. And just to give particularly Commission members, you know, if you just need a quick break. If we could return within five minutes. So 6:35 p.m., does that sound okay with everyone? Okay.

(The Lanai Planning Commission recessed at 6:29 p.m., and reconvened at 6:36 p.m.)

E. ADJOURNMENT

There being no further discussion brought forward to the Commission, the meeting was adjourned at 7:43 p.m.

Respectfully submitted by,

LEILANI A. RAMORAN-QUEMADO
Secretary to Boards and Commissions II

RECORD OF ATTENDANCE

PRESENT:

Roxanne Catiel
John Delacruz
Sally Kaye
Sherry Menze
John Ornellas
Shelly Preza, Chair
Chelsea Trevino, Vice-Chair

EXCUSED:

Shirley Samonte

OTHERS:

Jordan Hart, Deputy Planning Director
Jacky Takakura, Administrative Planning Officer
Richelle Thomson, Deputy Corporation Counsel

**MAUI PLANNING COMMISSION
PORTION OF REGULAR MINUTES
ITEM B.1
JUNE 9, 2020**

Ms. McLean: Okay, thank you Chair. There are two public hearing items today. The first one is from myself transmitting County Council Resolution 20-27 referring to this Commission and the Lanai Planning Commission a proposed bill to amend the Comprehensive Zoning Ordinance relating Short-Term Rental Home Permits on Maui and Lanai.

Before we get into that Chair, I just want to make a few comments. There's some apparent misinformation and misunderstanding about this item. First this is a Council initiated proposal. Under the Charter it has to be reviewed by the Planning Commissions. That's the Department's role here. Second, to reduce the caps of STRHs to the current number of permits and applications in process. It does not repeal the STRH Ordinance or phase out STRHs. Third, it has no effect whatsoever on vacation rental condos, including Puamana that are Minatoya properties. This misinformation does a great disservice to everyone from owners and operators who are panicked about changes, to our Staff who field the questions, the Commission who has to review the testimony and to those who join today who probably are not affected by the bill after all. These are important issues and being open, and honest, and truthful is the only way to have meaningful dialogue especially in these uncertain times.

And it, yes earlier this year the Department conducted outreach on the idea of phasing out STRHs and I stand behind that effort because for such an important policy issue input from stakeholders has to be obtained and that's what we did. The Department has taken no action since then except to process these bills that the Council initiated. And as I've said repeatedly if we resume any discussion on that issue it will include continue outreach to stakeholders and will be public and transparent. Thank you Chair for letting me make those comments. Unless there are any questions from the Commission on that, I will turn it over to Jacky Takakura, our Administrative Planning Officer to ...(inaudible)... the bill that was sent to you from the Council.

Mr. Carnicelli: Okay, we may have questions obviously along the way, but Jacky.

B. PUBLIC HEARINGS (Action to be taken after each public hearing.)

1. **MS. MICHELE CHOUTEAU MCLEAN, AICP, Planning Director, transmitting County Council Resolution 20-27 referring to the Maui Planning Commissions a Proposed Bill to Amend the Comprehensive Zoning Ordinance Relating to Short-Term Rental Home Permits on Maui and Lanai. (J. Takakura)**

The entire text of the proposed bill for ordinance is available at <https://www.mauicounty.gov/1127/Legislation---Proposed> and is summarized as follows:

Section 19.65.030.R. is proposed to be amended to reduce the number of short-term rental home permits per community plan area, with the exception of the Kihei-Makena community plan area for which no change is proposed.

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1 Ms. Jacky Takakura: Good morning, Chair Carnicelli and Commission Members. So I'm going
2 to share my screen. I just have a few slides to show you so that you don't have to...(inaudible)...it
3 covers a lot of the information in the memo that was distributed earlier. So bear with me while I
4 share screen. You can give me a thumbs up if you can see it okay, and I'll just continue once I
5 see that it's okay with you. So I'm gonna share screen. Okay, so can you see the blue screen
6 that has the resolution?

7
8 Mr. Carnicelli: Yes.
9

10 Ms. Takakura: Thank you. So today we're discussion Resolution 20-27 from the County Council
11 regarding short-term rental home permits which is included in Chapter 19.65 of the Maui County
12 Code. This resolution includes a Bill for Ordinance to revise the maximum number of short-term
13 rental home permits in the community plan regions. And just as a refresher, short-term rental
14 homes are single-family dwellings, usually in residential neighborhoods that are rented out for
15 less than 180 days. Unlike bed and breakfast homes the owner doesn't have to be there. As
16 Michele stated, this resolution is not about condominiums in the Apartment District that have
17 building permits or approvals prior to 1989. It's not about hotels. It's not about vacation rentals
18 that were approved by ordinance or have a Conditional Permit, grandfathered or a part of a
19 Planned Development. This is only regarding short-term rental homes, Short-Term Rental Home
20 Permits. That's what we're talking about today.
21

22 So the bill proposes to reduce the STRH caps to approximately the existing number of permits
23 with the exception of Kihei-Makena, the Kihei-Makena Community Plan Region which
24 Councilmember Kelly King had requested to leave the number where it is for that region which is
25 at 100 permits.
26

27 What you're seeing here in this chart is the current limits in the Code. The current number of
28 permits, existing permits as of May 26th or so and the Council's proposal.
29

30 Just a little background information about short-term rental home permits. At the end of last year
31 we had 229 permits issued and of those, 118 property owners have Hawaii addresses and that's
32 a 105 in Maui County and 13 on the neighbor islands, and a 111 property owners have mainland
33 or international addresses. Short-term rental home use was not prohibited until 1991 so some
34 residential properties are grandfathered and can be used as vacation rental without a permit, but
35 they must comply with the non-conforming uses part of the Code, Chapter 19.500.110C. The
36 current Chapter regarding STRH permits, Chapter 19.65 was adopted in 2012.
37

38 So transient vacation rentals are permitted in the following zoning districts, Hotel, B-2 Community
39 Business, B-3 Central Business, Resort Commercial, some Planned Development like Puamana,
40 older properties in the Apartment Districts, these are the condos, 5, 575 units at last count, and
41 then ...(inaudible)...bed and breakfast homes, there's 157 of those permits out there.
42

43 Just a little bit of data from the County's Real Property Tax page, on average the value of these
44 properties is 1.7 million, the median one million and the range is quite vast as you can see the
45 lowest value being 243,000 and the highest value 12 million. The tax revenue is estimated from

1 these short-term rental homes at about \$3.9 million. This is about 1.9 million in real property tax
2 revenue more than if they were taxed at the residential rates.

3
4 Let's take a turn and look at the long-term planning documents for the County of Maui starting
5 with the 2012 Maui Island Plan. The Maui Island Plan notes in Chapter 4, Economic Development
6 that the Hawaii Tourism Authority's report, Maui County Tourism states that among the four
7 counties Maui is the most reliant on tourism. Of Maui County's gross county product, 39 percent
8 is attributed to tourism versus a range of 19 to 29 percent for the other counties. This report also
9 notes that a large proportion in Maui County are low wage jobs and many of them are tourism
10 related.

11
12 Diversifying Maui's economy has been a long-standing County goal. A move toward a more
13 diversified economy will create more resilience, reduce Maui's reliance on tourism, and reduce
14 our vulnerability to other external economic conditions. Diversification may also reduce the
15 island's dependence on construction for the visitor and off-island housing market thereby reducing
16 demand on the island's natural resources. Economic diversification will provide a broader
17 spectrum of job opportunities including high skill and higher paying jobs, thereby increasing jobs
18 that pay a living wage.

19
20 The Maui Island Plan also includes policy 4.2.3A which states, promote a desirable island
21 population by striving not to exceed an island wide visitor population of roughly 33 percent the
22 resident population.

23
24 Here's some data about tourism as of last year. According to the Hawaii Tourism Authority as
25 reported by the Maui News in February visitor numbers reached an average of 66,414 per day on
26 Maui in 2019, so this far exceeds the 33 percent of our resident population which the 2018 Data
27 Book cites as 154,834, look at the map. 2019 we had 66,414 per day, the resident population is
28 154,834. That Maui Island Plan policy is the goal is 33 percent of the resident population. So 33
29 percent of the resident population is 51,095. However, the visitors that are coming, the 66,414
30 visitors per day is 43 percent of the resident population so that's...you know the goal is 33 percent
31 but we're at 43 percent so that's 10 percent over what the goal is and that's 15,319 visitors more
32 per day from what the goal is. So that kinda ties the long range planning goals and policies with
33 the numbers as of last year. And in this time of profound change we're seeing the effect of our
34 County's economy being so completely reliant on tourism and now is an ideal time to assess
35 where we are as an island economy and what we want this County to look like for our residents
36 and our visitors in the future. We're seeing that dependence on tourism is neither sustainable
37 nor resilient. Sustainable and resilient those are two words that are used quite a bit, what do they
38 mean? Going to take a look at them a little bit more closely. When you talk about sustainability.
39 It means sustainable development that is...that it meets the needs of the present without
40 compromising the ability of future generations to meet their own needs. There's the three
41 components of sustainability which are economy, environment and social equity. Resilience, the
42 ability of a system to cope with shocks and keep functioning in much of the same kind of way. So
43 sustainability and resilience these are two important concepts as we plan forward.

44
45 As Michele had mentioned earlier this year the Department conducted several outreach activities
46 to obtain public input on phasing out STRHs altogether because of the negative feedback from

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1 residents who oppose the impact that these operations have on their neighborhoods and
2 community and to encourage long-term occupancy of dwellings.

3
4 Meetings were held with various interest groups such as the Maui Vacation Rental Association,
5 the Realtors Association of Maui, the Alliance of Maui Community Associations, and the Maui
6 Hotel and Lodging Association among others and there was both opposition and support for this
7 proposal from these groups. On March 6th, the Department held a public meeting to gather
8 feedback from the broader community and the audience consisting largely of STRH owners and
9 operators were strongly opposed to the idea of any form.

10
11 Some of the options discussed were a phase out which could mean that existing operations are
12 allowed to continue until their permits expire at which time they could not renew. An alternative
13 could be a attrition approach or where permits are capped at current numbers like the proposed
14 bill and permits remain valid and can be renewed but when a permit is closed or revoked or
15 expires it cannot be replaced and the cap in that region is reduced by one.

16
17 Any phase out should be accompanied by a loosening and broadening of regulations regarding
18 bed and breakfast homes make these available to Maui County residents. There's much greater
19 acceptance of B&Bs because they have a long term owner operator on site who is known by the
20 neighbors. However, the Department does not intend to pursue a phase out of STRH permits as
21 a standalone initiative even though many of these of dwellings could be used for long-term. The
22 Department of Planning recommends revising the numbers to accommodate current existing
23 permits and submitted permit applications for all districts excluding Molokai and this is what the
24 Department believes is the Council's intent.

25
26 So this is what the Department would be proposing and as you can see it has the current cap, the
27 number of existing permits and pending applications and so we would be taking those two
28 numbers and adding them together and that would be what the Department's proposal is, and in
29 this context we...the Department supports the County Council's proposal to limit the number of
30 STR permits, STRH permits to the existing number, but like I mentioned with minor revisions to
31 accommodate permits currently being processed and to be consistent with revising the numbers
32 for all the community plan districts so you can see there is a number proposed here. But I'd like
33 to add however that since the memo was prepared and this presentation was prepared two
34 additional permits for West Maui are in the works so we would want to propose that the number
35 for West Maui to be 69 instead of 67 to accommodate these two additional permits that are in the
36 works.

37
38 So Commission, we would like to hear from you about the Council's resolution, the Department's
39 proposal and any additional measures that could be taken as we move toward a
40 ...(inaudible)...and then you can decide what you'd like to recommend to the County Council.
41 Thank you, and that's the presentation. I'm gonna stop sharing the screen and we can go back.
42 If you have any questions or need to, want to look at a slide I can always go back to any of them.

43
44 Mr. Carnicelli: Thank you, Jacky. And again, for everybody that's listening the way it works we'll
45 go to public testimony then we'll come back and the Commission will have Q & A and discussion
46 and then make a recommendation, but before we do that, before we go to...I need some

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1 clarification before we move to public testimony because the Director did a good job of being clear
2 about what it is that we're discussing today and not which is caps. We're not talking about phase
3 out, we're not talking about...and then in your presentation you talk about all that stuff, so it's a
4 little bit confusing I think for people and the fact that the whereas, there's a whereas in the bill, in
5 the resolution that addresses that, you know the second whereas addresses, you know these
6 other things so it's a little bit, it's a little bit kooky what we're doing here. We're saying hey listen
7 we're only talking about caps, but then we're not talking about caps in the presentation. I'm just
8 having a hard time with this cause the other part is we...is everything that you presented was pre-
9 Covid. You know, Councilmember Tamara Paltin came to me back in January, February
10 something like that and said, hey listen she wanted to try to expedite this bill during budget so
11 after budget we could do that, I was like you know what let's do it. Whether you agree with the
12 concept or not, you know we were cranking at 90 percent occupancy and the ...(inaudible)...was
13 good, but you talked about assessing the situation, we're now...we have the highest
14 unemployment in the country, in the country, what assessment have we done prior to this now?
15 What assessment do we have is my question before we take testimony, before we open this up
16 for a public hearing?

17
18 Ms. Takakura: In answer to your question about what's being proposed it is the caps that we
19 have in the memo on Page, I believe it's Page 3, and I had it in the second to last slide with the
20 one revision for West Maui to be 69 instead of the proposed 67. However, I think it's good for the
21 Commission to discuss the various options of what you might want to do regarding short-term
22 rental home permits if you would want to consider an attrition approach or some other approach...

23
24 Mr. Carnicelli: No, no, no, that's not in this resolution.

25
26 Ms. Takakura: ...you know that's a good thing to discuss, but—

27
28 Mr. Carnicelli: No, that's not in this resolution Jacky, I think—

29
30 Ms. Takakura: Okay, yeah so what I'm proposing right now is—

31
32 Mr. Carnicelli: The resolution is some substantiating changes and then the only substantive
33 changes are the caps, that's it, even the Director said we're not talking about that because I want
34 to get this clear before we start taking testimony cause I don't want to say hey, listen we're just
35 talking about the caps and I don't want to hear testimony about attrition and then we start talking
36 about attrition that's not fair to the public. The resolution is clear. This is moving the caps, and
37 your presentation wasn't that, so we're...you know one hand tell them this and the other hand
38 would tell this, you know what are we telling the public right now? We got hundred and some odd
39 people, we got more people on this call than we've ever had at a planning commission meeting
40 and they need to be really, really clear with what it is that they're here discussing.

41
42 Ms. McLean: Chair, I'll jump in here. If the presentation had talked only about the caps, then I
43 would imagine that at least one commissioner would say, how can you talk just about the caps
44 and not talk about the bigger issue and the outreach that you did earlier this year that was resulted
45 in a meeting where the meeting room was packed full of people, you know, you shouldn't look at
46 this issue in a vacuum, and so the reason that I gave those introductory comments is because I

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1 knew the content of Jacky's presentation. I wanted to be clear about what the Commission has
2 in front of it today, but we also have to be mindful that there are much bigger issues and much
3 bigger questions out there. So I appreciate your remarks Chair and you're spot on because the
4 public does need to know what's on the table but it's not an issue as simple of that because of
5 the crisis that we're in, the economy, the impacts on tourism, you know we wouldn't be doing our
6 jobs if we didn't say hey, let's look at the big picture even though what's before you is this, you
7 have to be mindful of the big picture. So there's—
8

9 Mr. Carnicelli: No, I agree with you, I agree with you, Director.

10
11 Ms. McLean: Okay.
12

13 Mr. Carnicelli: I mean, that's, that's my point, I mean you're...I think we're saying the same thing
14 from different directions, I just wish that, you know, I mean you can't rewind history. Jacky did a
15 great job of...oh, shoot my phone is not charging for some reason, if I die, that's gonna be bad,
16 so it kind of was blended together is all that I'm saying is I agree that there is this bigger picture
17 that needs to be discussed and quite honestly bigger than what was even presented because
18 everything you did prior is out the window. That was pre-Covid. You know we've got 40 percent
19 unemployment of private sector people, 15 percent of our people are public servants so we've
20 got like two-thirds of our population is unemployed right now and we're marching forward as
21 though this is a pre—pre-Covid is the same as post-Covid. So you're there is this bigger picture,
22 but that's also why I think that it's important that if we start talking about this, cause I mean, what
23 we received dozens, and dozens, and dozens of people talking about the phase out and if we're
24 gonna, you know if we're gonna discuss that and if that's gonna be part of this bigger picture
25 discussion then I want to be able to take testimony on phase out. But as we've done in the past
26 the reso's the reso, and you when you look at what's underlined is what's proposed being changed
27 and not...and so anyways I'm just a little confused as to what it is we're doing because if we're
28 not gonna talk...if we are going to talk about phase outs then we need to include that and we
29 need to talk about it, we need to talk about Minatoya and Puamana and all that other stuff, we
30 need to talk about that if we're gonna talk about this bigger picture, and if not, then we need a
31 new reso that specifically says, okay we're gonna talk about phase out so then we can talk about
32 phase out. I just think that that's fair to everybody.
33

34 Ms. McLean: I agree Chair, like you said we're saying the same thing but from different directions,
35 but yes, what is in front of you today, what you discussion needs to focus on and hopefully what
36 testimony is focused on the Council proposal to reduce the caps to the current number of permits
37 and those that are in process.
38

39 Mr. Carnicelli: Okay, so that being said, so then we'll just get some clarity for everybody that's
40 lined up to testify. If you read the resolution that is before you there's some nonsubstantive
41 changes, you know, shalls, the musts, things of that nature and then specifically is moving the
42 caps based on Jacky's presentation and then what's here in the resolution from the County
43 Council. That is what we're gonna be discussing today. Again, we've got hundred plus people
44 lined up, I don't know if everybody is here to testify on that, but if you're going to testify I'm going
45 to ask that you testify specifically on this, what is before us which is moving the caps to basically
46 current rates plus whatever's in the pipeline. So that's what we're gonna go ahead and discuss

1 today, that's what then before us, so everybody's clear. So then what we're gonna do is if you
2 haven't done already, if you would like to testify please chat with Director Michele McLean and
3 she will call people's names, we will unmute your video and your audio, you can testify, you may
4 have questions from us or not, if not, then you know we will go onto the next person. We'll try to
5 get through this as best we can, as quick as we can. And by the way everybody, you get up to
6 three minutes, you don't have to take your three minutes but you get up to three minutes to testify.
7 So with that being said, Director we'll go ahead and take testimony on this particular item.

8
9 Ms. McLean: Thank you, Chair. First, before we get into public testimony, I just want to
10 acknowledge that the Commission received three different sets of emails from Commission
11 Secretary Carolyn Takayama-Corden with written testimony. I have a long list written up that I
12 can screen share at the end of the end of the verbal testimony just it lists all of the individuals who
13 submitted written testimony, so looks like there probably about a hundred written testimonies that
14 have been provided to you so I wanted to make sure we establish that on the record.

15
16 Mr. Carnicelli: Commissioner Freitas.

17
18 Mr. Freitas: Before public testimony, can I ask a question to Jacky about the presentation?

19
20 Mr. Carnicelli: Yeah, we're gonna have Q & A at the end, is it appropriate to do it before or do
21 you want to wait till after.

22
23 Mr. Freitas: I think it's important before, and it's a quick question.

24
25 Mr. Carnicelli: Okay, go ahead.

26
27 Mr. Freitas: Do you know the reason why South Kihei number did not change yet every other
28 region it got adjusted down?

29
30 Ms. Takakura: This is Jacky. Commission Member Freitas, I read the March minutes from that
31 meeting and it appeared that Councilmember King wanted to get more feedback from her
32 community before changing the numbers, so she had asked if that cap of 100 not be changed at
33 that time. That was all I could get out of the minutes from that March meeting.

34
35 Mr. Freitas: Thank you, Jacky.

36
37 Mr. Carnicelli: Commissioner Freitas. So I guess, Director at this time, we'll go ahead and start
38 public testimony.

39
40 Ms. McLean: Okay, Chair. Thank you. The first person to testify is Rebecca Filopovic. I
41 apologize if I mispronounced your name, and she'll be followed by Greg Mebel.

42
43 Mr. Carnicelli: Hi Rebecca.

44
45 Ms. Rebecca Filopovic: Hello Chair. Can you all hear me?
46

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1 Mr. Carnicelli: We can hear you. Do you promise to...oh, I don't have to swear you in. You have
2 up to three minutes.

3
4 Ms. Filipovic: Great. Thank you, Director for the introduction. My name is Rebecca Filipovic,
5 I'm an attorney with McKeon, Sheldon, Mayling. Our firm represents Mr. Allan Zachariah, he's
6 the applicant of Short-Term Rental Permit STWM T2019/0009. I submitted written testimony on
7 Mr. Zachariah's behalf in advance of today's meeting but I wanted to supplement the record with
8 oral testimony today. In short, I wanted to confirm that we did receive a formal letter from the
9 Department of Planning, it's dated June 4th which confirms that Mr. Zachariah's application was
10 improperly closed but has since been reopened. So, we understand the Department's
11 recommendation for the reduced number of short-term rental permits being based on the number
12 of existing permits plus applications already pending and from Ms. Takakura's presentation I hear
13 that two applications in the West Maui area were added to the Department's recommendation so
14 I wanted to ensure that the record reflects at minimum that the number of permits considered for
15 the West Maui area include Mr. Zachariah's application.

16
17 I also wanted to take this moment to say a few additional words in Mr. Zachariah's behalf against
18 reducing the number of Short Term Rental Home Permits in the West Maui area and particularly
19 as they relates to homes with tax assess values that exceed say \$5 million. I have read the
20 minutes from the Council meetings during the enactment of Chapter 19.65 of the Maui County
21 Code and it does appear that the Council recognizes the benefit that these higher value properties
22 have in terms of the types of visitors that they attract and the contributions to Maui's economy
23 that these types of visitors provide.

24
25 These properties, Mr. Zachariah's included all well beyond the means of almost all full-time Maui
26 residents looking for long-term residential housing. So allowing these properties to be rented on
27 a short-term basis doesn't in our view take away from the number of long-term residential housing
28 options available to Maui residents. So for that reason Mr. Zachariah opposes a reduction in the
29 number of short-term rental permits particularly in the West Maui area. That's all that I have today,
30 so thank you for the opportunity to provide this supplemental testimony.

31
32 Mr. Carnicelli: Thank you Ms. Filipovic. Any questions for the testifier? Happy Birthday to Baby
33 Caris.

34
35 Ms. Filipovic: Thank you.

36
37 Mr. Carnicelli: Director, next testifier.

38
39 Ms. McLean: Thank you, Chair. The next testifier is Greg Mebel and he'll be followed by Patrick
40 Borge. Greg, go ahead and unmute yourself.

41
42 Mr. Greg Mebel: Okay, I think I'm unmuted. Can you hear me Michele? Okay, good. I'm Greg
43 Mebel and I'm a short-term rental permitholder actually. I think I had the third one in Paia, but
44 ...(inaudible)...down here to say that the caps, that we should lower caps or have more caps
45 'cause ...(inaudible)...better for my business, but I'm not. I think that this program is actually the
46 best that we have in the state and a lot of other counties actually look to this program. So the

1 genesis of this, our program was that there was no program and we had a little bit of a wild west
2 and there was no regulation, there was vacation rental running wild. So what are we talking about
3 with the short-term rental program? There's only 256, 256 short-term rental homes so I think
4 there...according to the Census there's 54,000 households on Maui so short-term rental homes,
5 I think the object of the proposal was to address complaints about changing neighborhoods and
6 to talk about possibly more long-term rentals being available. So I just, I have a graphic here I
7 don't know if you can...you'll be able to see it, but this you can see up in that corner that little
8 orange guy that's one of the vacation rental homes looks like in the neighborhood, okay, that's
9 one in 200. There's actually one in 256. So what we're saying is that legal vacation rentals are
10 affecting these big changes, but I'm saying that's really impossible. Okay, the legal vacation
11 rentals are not affecting affordable housing, you can see mathematically that would be impossible
12 or not necessarily even changing, I think there may be some confusion over what legal vacation
13 rental houses are. They're not that number of houses cannot change the feeling of a
14 neighborhood. I haven't seen any data that talks about how legal vacation rental home is
15 changing neighborhoods. I do know a lot of neighbors who have sold their homes to second
16 homeowners. In fact, there's about 11,000 second homeowners on Maui. So that would be one
17 in five. Here's that difference. The guy with his hand up, that's a second homeowner. That could
18 change a neighborhood a good bit if all of a sudden there are more second homeowners in every
19 fifth house. So I just want to narrow our conversation a little bit to say okay, we've heard about
20 these big things that everybody needs to deal with(inaudible)...major issues, but it's over
21 tourism or changing neighborhoods.

22
23 Ms. Takayama-Corden: Three minutes.

24
25 Mr. Mebel: I'm done?

26
27 Ms. Takayama-Corden: Three minutes.

28
29 Mr. Carnicelli: That's your three minutes, Mr. Mebel.

30
31 Mr. Mebel: ...(inaudible)...things, but I just don't think the short-term rental, the legal short-term
32 rentals, all 200 of them are doing that, and so I think we should allow the program to work as it
33 does. Thank you.

34
35 Mr. Carnicelli: Thank you for your testimony and your high-tech graphics, that was great. Any
36 questions for the testifier? Seeing none, thank you very much. Appreciate it.

37
38 Mr. Mebel: Did P. D. have a question?

39
40 Mr. Carnicelli: Oh, P. D. did you have a question or not?

41
42 Ms. McLean: Ms. La Costa, did you have a question/

43
44 Mr. Carnicelli: I can't hear you. You're gonna have to unmute your mic, not just in BlueJeans.
45 Probably on your computer, the mic on your computer. Try again.
46

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1 Ms. La Costa: Can you hear me?

2
3 Mr. Carnicelli: Yes.

4
5 Ms. La Costa: I just wanted to thank Greg. I just wanted to thank Greg for his graphics and I did
6 double-check the statistics and they're correct, so thank you.

7
8 Mr. Mebel: Thank you.

9
10 Mr. Carnicelli: Thank you, Mr. Mebel. Director.

11
12 Ms. McLean: Thank you, Chair. The next testifier is Patrick Borge and will be followed by
13 Sue Johnson.

14
15 Mr. Patrick Borge: You guys can hear me?

16
17 Ms. McLean: Yes.

18
19 Mr. Carnicelli: Yes.

20
21 Mr. Borge: Yeah, my name's Pat Borge. Yeah, first of all I wanna thank Jacky for her great
22 presentation there at the beginning of the meeting here. I do support the Resolution 20-27. As a
23 local resident here, born and raised, as far as I'm concerned short-term rentals and B&Bs destroy
24 this island. It's all about a zoning issue. The only people are making money out of this most
25 people are not even from here and they just ruin my neighborhood. I have one up in my
26 neighborhood for 20 years. When I grew up on Maui worked construction. The whole idea of
27 Wailea and Kaanapali that's where the tourists was supposed to go. We gave us the best
28 beaches on this island for the tourists and that's where they supposed go. They do not belong in
29 our neighborhoods. I'm sorry, the people are making money on this is the
30 realtors...(inaudible)...you know I don't have graphics but you know I have here my heart, that's
31 my graphic and my grandkids and my friends who can't afford a house, that my nieces and my
32 nephews are still living with their parents because they cannot afford a house and you know why,
33 the short-term rentals and the B&Bs that's why, and I stated from day one when this B&B and
34 short-term rentals came to up with the County, I was there on day one to protest this B&Bs and
35 short-term rentals and I told the Council years ago that someday this thing is gonna bite 'em in
36 the butt and sure enough here were are today, you look, look around Maui, yeah how many
37 homeless we have, how many locals don't have a place to stay. Right in my neighborhood, for
38 20 years I get one up, that lady making a killing now from a short-term rental, she's gonna it into
39 a B&B, now she turns around and sells it to another person as a B&B where she goes and get a
40 permit. How's that, it's bullshit, you know. You guys better wake up and I'm for the cap, if that's
41 a process that we're gonna go through to slow down this thing, God bless the Planning
42 Department and the Maui County Council and I hope you guys on the Planning Commission look
43 at the people that born and raised here and how we are living today, and like I said, it starts from
44 the heart not a piece of paper or not dollars. You know, me I get frustrated when I see tourists
45 coming down my road. The pandemic, two people, two tourists come out of the B&B and they
46 board the Maui Bus. They supposed to be 14-day quarantine, how's that? They didn't need to

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1 rent a car, they went on the Maui Bus. To me, you guys gotta wake up man, this B&Bs and short-
2 term rentals are not good for this island, period. And God bless Molokai for putting a limit on
3 everything, you know, well anyway, thank you for listening to me. I had to vent you guys a little
4 bit this morning, but God bless all you guys and you guys have a good day. Thank you.

5
6 Mr. Carnicelli: Thank you, Mr. Borge. Any questions for testifier? Seeing none, thank you very
7 much. Commissioner Freitas, hang on Mr. Borge.

8
9 Mr. Borge: You're welcome.

10
11 Mr. Carnicelli: Mr. Borge, we have a question for you.

12
13 Mr. Freitas: Good morning, Mr. Borge. Thank you for your testimony this morning and I also want
14 to thank you for sending in a letter in opposition of this Resolution. Where you're located and in
15 your situation I mean first of all, I'm kinda leaning towards the cap just wanna let you know, but in
16 sometimes there are local families that wanna come and visit Maui and cannot afford the very
17 expensive hotels and they look for these short-term rentals in areas like yours and I think that is
18 a great thing to have, but it's sounding to me like they're more visitors staying at the one that live
19 near you is that what you're saying, more visitors?

20
21 Mr. Borge: Yeah, there's more visitors that come into my neighborhood. You know as far as
22 locals coming from the different islands, you know that's why we approved the Maui Coast Hotel,
23 not the Maui Coast but the one near the airport, Maui Palms want to rebuild and that was all
24 supposed to be for the local families, but in even in the condos in Kihei that was all supposed to
25 be for the locals and I used to work construction during the development and everybody was all
26 stoked that it was going to be, you know for the locals and all of a sudden became all these B&B,
27 Airbnbs and all we have is all these tourists. I mean, you just look around you can see the different
28 in the people, the local people how we feel about this you know. It's...like I said, you know I speak
29 from the heart, you know.

30
31 Mr. Freitas: Okay, thank you so much.

32
33 Mr. Borge: And thank you for supporting the cap. I appreciate it.

34
35 Mr. Freitas: Thank you. Have a good day.

36
37 Mr. Borge: You too. Thank you.

38
39 Mr. Carnicelli: Commissioner...hang on, Mr. Borge, Commissioner La Costa has a question for
40 you as well.

41
42 Mr. Borge: Yeah. I cannot hear her.

43
44 Mr. Carnicelli: We can't hear you P. D.

45

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1 Ms. La Costa: Sorry, I'm having trouble with my ...(inaudible)...When you saw the people getting
2 on the bus, and you saw them breaking quarantine did you contact—

3
4 Mr. Borge: I cannot understand you.

5
6 Mr. Carnicelli: Cannot understand you, there's way too much feedback.

7
8 Ms. La Costa: Okay, give me a second, can I grab another set of headphones.

9
10 Mr. Carnicelli: Okay.

11
12 Ms. La Costa: Is that better?

13
14 Mr. Carnicelli: It's still an echo but go ahead. Did you report the people getting on the Maui Bus
15 as breaking quarantine?

16
17 Mr. Borge: I sure did. I report it to the Mayor's Office. They said they'll investigate it. Never
18 heard anything about it and you know, in fact there were two guys and for couple days I seen 'em
19 up there and they would walk down the road and right there is Maui Bus, Maui Bus right there
20 they would get on the Maui Bus. You know I deal with tourist I'm in the tourist business and I
21 know a tourist when I see one, I mean, I don't have to, you know, they came out of that B&B,
22 yeah, but I did call the Mayor's Office.

23
24 Ms. La Costa: Okay. I've been accused of being a tourist a lot and I've been here 30 years, so...

25
26 Mr. Borge: Even me I Portagee, we all look like tourist, eh.

27
28 Ms. La Costa: Thanks so much for writing your letter as Kawika said and take good care. I'm
29 going to run get another headset.

30
31 Mr. Borge: Yeah, thank you.

32
33 Mr. Carnicelli: Keep your sound on so you can hear us. Commissioner Castro do you have a
34 question? Did you raise a finger there?

35
36 Mr. Castro: Just a comment to Mr. Borge. Thank you for wearing your cap and thank you for
37 your service.

38
39 Mr. Borge: Thank you. Thumbs up.

40
41 Mr. Carnicelli: Thank you Mr. Borge. Director, approximately how many people do we have
42 signed up to testify on this item?

43
44 Ms. McLean: About 16 or 17.

45
46 Mr. Carnicelli: Okay, thank you.

1
2 Ms. McLean: The next testifier is Sue Johnson and she'll be followed by Michael Feit Dugan.
3 Sue you can unmute your audio and video. Sue Johnson, we can come back to Sue.

4
5 Mr. Carnicelli: Okay.

6
7 Ms. McLean: So next would be Michael Feit Dugan. Michael you can unmute your audio and
8 your video.

9
10 Mr. Michael Feit Dugan: Aloha Council Members can you hear me?

11
12 Mr. Carnicelli: We can hear you and see you. Good morning Michael.

13
14 Mr. Dugan: Outstanding.

15
16 Mr. Carnicelli: You have up to three minutes.

17
18 Mr. Dugan: Thank you, I'll try to be quick and brief. To begin with I object to holding this hearing
19 where you are dependent upon technology in order to testify or hear testimony. It disenfranchises
20 the poor, it disenfranchises people with no internet access, it disenfranchises people without
21 computer access. This makes up half of my staff. Half of my staff cannot be here to hear this
22 testimony because it is limited to the internet. Strenuously object and I hope that we can return
23 this hearing, I'm sorry I'm hearing feedback, I'm hoping we can return to public hearings as soon
24 as possible.

25
26 Now in respect to Resolution 20-27, I agree that there are many larger issues at stake and again,
27 I apologize I'm hearing my voice delayed. So to begin with, boy this is vexing, again, I really
28 strenuously object to have to do this by internet, I can barely testify. Yes, there's a much larger
29 issue at stake here. The idea of limiting caps and limiting short-term rentals is very much like
30 telling somebody who has a heart condition who needs to change their diet to stop eating until
31 they can find a better diet. In other words, we are not taking into account all the people who are
32 going to be losing jobs, and losing houses, and losing businesses because of an end to short-
33 term rentals or even a cap. First, there should be opportunity for other jobs, for better paying jobs,
34 so that short-term rentals can be abandoned without there being an economic toll. Before COVID
35 I had two full-time workers and three part-time. After COVID, zero. I took everything myself.
36 Before COVID my workers made \$3,500 a month which is triple minimum wage, after COVID,
37 nothing. The idea of tackling this issue without talking about jobs and opportunities is ludicrous.
38 I'm gonna keep going. The idea of putting the burden of changing the economy and what was
39 the other word, it was based on, and social equity without also addressing hotels and all other
40 short-term or tourism related housing is also ludicrous. It puts the burden on only one sector. Do
41 you eliminate that sector?

42
43 Ms. Takayama-Corden: Three minutes.

44
45 Mr. Dugan: Then you go after another small sector.
46

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1 Ms. Takayama-Corden: Three minutes.

2
3 Mr. Carnicelli: Michael—

4
5 Mr. Dugan: I'm so sorry, I can barely hear myself speak.

6
7 Mr. Carnicelli: That was your three minutes, Michael.

8
9 Mr. Dugan: Thank you very much.

10
11 Mr. Carnicelli: Thank you. Is there any questions for the testifier? Seeing none, thank you very
12 much...oh, Commissioner Freitas.

13
14 Mr. Freitas: Hello, good morning Michael. Thank you for your testimony.

15
16 Mr. Dugan: Thank you for recognizing me.

17
18 Mr. Freitas: I just wanna say that your comment about this technology thing is a bad thing. I just
19 want to say I think we're doing the best that we can with this BlueJeans system and also that I
20 think it is also given more people an opportunity to speak versus coming down to the Planning
21 Office. So I kinda wish you can understand that and accept what we are doing as best as we can
22 under the situation that we have. Thank you.

23
24 Mr. Dugan: I very much respect your comment, however, I could barely testify because of the
25 feedback that's going over and over in my head. I'm hearing myself three times over. That's an
26 example of the technology preventing testimony instead of expanding it. I can't speak properly
27 that's not right. My workers can't show up that's not right. We've had people who have said that
28 they were unable to log on by telephone, that's not right. All of this is restricting testimony which
29 does not add to the Sunshine policy of being able to have public hearings, and again, thank you.

30
31 Mr. Carnicelli: Thank you, Michael. We appreciate, we appreciate your comments and you know,
32 what it is that you have to say about that I think that there's some validity. Again, like
33 Commissioner Freitas says, we are trying to do the best we can and I think in the future I'd like to
34 see integrating this into our regular public hearings that are face to face. I think that that would
35 be great. I mean the fact that we have nearly a 150 people on this call is outstanding, but yes,
36 and we acknowledge and appreciate your comments about the difficulties that come with trying
37 to do this way so there's pluses and minuses, but again, thank you Michael.

38
39 Mr. Dugan: Thank you very much.

40
41 Mr. Carnicelli: Next testifier.

42
43 Ms. McLean: Thank you, Chair. The next testifier is Tamara Paltin and she will be followed by
44 Deborah. I did not get Deborah's last name.

45
46 Mr. Carnicelli: Hang on a second Council Member, hang on a second please. Mr. Hopper?

1
2 Mr. Hopper: Yes?
3

4 Mr. Carnicelli: So, Ms. Paltin is a decisionmaker on this, and she wants to testify to the body with
5 which is making a recommendation. Seems a little bit out of sorts that the decisionmaker would
6 try to influence the recommendation, I don't...is this allowed?
7

8 Mr. Hopper: Yeah, I don't know of any—
9

10 Mr. Carnicelli: I'm a little bit—
11

12 Mr. Hopper: I don't know of any ethics issues or anything that would prevent that. I mean it's
13 generally for the member to review that and everything before testifying but in general I mean,
14 public testimony is open. The concern would be if there's more than a few Council Members, any
15 sort of need to post an agenda or anything like that, but I mean, testimony has happened before,
16 but I don't know if there's...I don't see anything that would prohibit that in this situation.
17

18 Mr. Carnicelli: Okay. It's not—
19

20 Mr. Hopper: And you're just making a recommendation as well, so...
21

22 Mr. Carnicelli: No, I understand that, it just seems, it seems a little bit cart and horse to have the
23 person that's making the decision wanting to influence what the recommendation is, so anyways,
24 it's not personal to you Council Member, it just seemed, I'm just a little bit thrown off, but it would
25 be done this way, so anyways you have up to three minutes.
26

27 Ms. Tamara Paltin: Thank you for the opportunity to testify. My name is Tamara Paltin, I'm
28 testifying as a resident of Napili. I did send a updated written testimony given the presentation. I
29 feel the need to provide context and clarify what this legislation does and does not do because
30 I've gotten some misled testimony as well. I'll just briefly go through things so that I don't repeat
31 any of the presentation but during my time in office we've had many discussions about tourism,
32 management and short-term rentals. The current Code allows for 369 permits. You know, I
33 believe this is an important conversation that we, as a County need to have. The discussion is
34 deeper than whether or not you support or oppose short-term rentals. I think we need to fully
35 understand the total number and the mechanisms there are. The presentation went over it, the
36 Planning Department does not actually track individual TVR uses allowed by zoning or
37 grandfathering. Nevertheless, the 2018 Maui County Data Book estimates there are total of
38 21,592 TVR use throughout the County.
39

40 Resolution 20-27 is a result of my gaining a greater understanding of the sheer volume of lawful
41 vacation rentals in Maui County and public sentiment that housing for locals in the priority.
42 Resolution 20-27 reduces the number of available short-term rental home permits by 71 from 349
43 permits to 278 permits. While 17 fewer short-term rental homes may not seem like much when
44 we are discussing tens of thousands, last year the County created only 30 affordable homes for
45 comparison. Initially I was looking at reducing the number of short-term rental home permits only
46 in West Maui based in Council action in February of this year and September of last year in

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1 Molokai and Paia-Haiku so I considered pursuing similar legislation for West Maui. While I was
2 drafting legislation, Councilmember Sinenci requested that Hana be included in the legislation
3 and that it bring the number of permits in East Maui down to the current number of permits in use.
4 Also, Councilmember Hokama was already in the process of writing legislation that would
5 establish a cap of 20 permits for Lanai. Since Hana and Lanai represent representatives
6 expressed similar concerns and Paia and Molokai had already been addressed, I amended my
7 resolution to include all remaining districts. Councilmember Molina, Sugimura, Lee, and Kama
8 did not express any objection to reducing the number of permits to those currently in use for their
9 expected community plan areas. However, Councilmember King did not wish to include South
10 Maui in this legislation. If you feel that it is important you may wish to include South Maui in the
11 discussion.

12
13 Ms. Takayama-Corden: Three minutes.

14
15 Ms. Paltin: You can read the rest of my testimony.

16
17 Mr. Carnicelli: Thank you.

18
19 Ms. Paltin: It's submitted.

20
21 Mr. Carnicelli: Any questions for the testifier? Commissioner La Costa.

22
23 Ms. La Costa: Thank you, Chair. Can you hear me okay now?

24
25 Ms. Paltin: I can totally.

26
27 Mr. Carnicelli: Yeah.

28
29 Ms. La Costa: Thank you, okay. Thanks very much Councilmember. You mentioned 369, but
30 our report said 349 unless I misheard you in the beginning of your testimony.

31
32 Ms. Paltin: Yeah, our research was 369 permits are available. If I'm incorrect, I apologize. Yeah,
33 349, sorry my bad.

34
35 Ms. La Costa: No worries, I just wanted to know where the discrepancy was. And being that
36 Councilmember King's district was not included, as a Councilmember and I hope I'm not
37 overstepping the bounds that we're talking about here, how is that equitable for the other districts?
38 Like don't touch mine, touch yours, but don't touch mine.

39
40 Ms. Paltin: Yeah, I don't have an answer for that as we're all elected at large, so I mean, you
41 know the entire county elects each council member. The only thing I can offer is we're coming to
42 you for your recommendation and then we'll hear it again, the process is that once you give us
43 what your recommendation is it will then be referred to my committee where we'll discuss it
44 thoroughly and then if it should move out of committee it will have a first and second reading. I'm
45 sure whatever your recommendation is, once we take it up in my committee, we'll get a huge
46 amount of testimony again, hopefully everybody understand what it is the action that we're taking.

1 There's no talk about attrition, phasing out, simply short-term rental home permit caps hopefully
2 that's made clear but I'm sure that we'll hear more input and we'll take all of that into consideration
3 your recommendation and the testimony we receive as well throughout each stage of the process.
4

5 Mr. Carnicelli: Go ahead Commissioner La Costa. I think she had another question for you,
6 Councilmember.
7

8 Ms. La Costa: Thank you, Chair. So we're talking about a difference of 71 units Councilwoman.
9

10 Ms. Paltin: Yes.
11

12 Ms. La Costa: If you talk about families being able to rent they range in price, assessed value
13 from 243 to 12 million, and if you take four persons per 71 household that about 248 people, 284
14 people. So I'm just thinking about the numbers and about the revenue involved and what
15 difference a 71 household short-term rental versus putting it into the general population.
16 Lawrence you look like I'm not making sense.
17

18 Mr. Carnicelli: I'm not following your numbers but it doesn't matter the question is not for me.
19

20 Ms. La Costa: Okay, so okay, so maybe sometimes I think ahead, so if we're looking at a
21 difference from what is currently approved at 349 and what the 20-27 proposes there are 71
22 homes different, okay.
23

24 Ms. Paltin: So—
25

26 Ms. La Costa: The revenue, what is, what is the revenue difference between short-term rental
27 and if it were second home or long-term rental to the County.
28

29 Ms. Paltin: So that would change year to year, it would depend on, one, what the assessed value
30 of the short-term rental home permit is, what the rate that is set for either owner-occupied,
31 nonowner-occupied or short-term rental. So it's a moving target on the rate...the income, it
32 depends on about three different factors.
33

34 Ms. La Costa: But the short-term rental...I'm sorry, the short-term rental is taxed at much higher
35 rate than second home so I'm looking at the discrepancy there and it's pretty common knowledge
36 that it's very expensive to rent here so those houses that are in the below million might be
37 accessible to locals to rent, but above a million, you know unless you have two or three families I
38 don't understand why the 71 homes makes a big difference 'cause you know, it's just me, so I just
39 needed some clarification as far as revenue and what difference it would make.
40

41 Ms. Paltin: I do explain that in my second to last paragraph in written testimony.
42

43 Ms. La Costa: I haven't seen that. Yeah, sorry I haven't seen that I've been on here, okay, thanks.
44

45 Mr. Carnicelli: Is, is, Councilmember then is I'd like to hear it 'cause...I mean, there's some
46 questions that I had. I'm actually glad that you're here 'cause I had some questions for the

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1 Department that I think are more appropriate for you to answer, so if you want to address...is I'm
2 gonna ask you a question, kinda similar to what Commissioner La Costa is trying to get but I'm
3 gonna ask it in a different way is what's the median home price of an STRH home, a permitted
4 STRH home. What's the median home price?

5
6 Ms. Paltin: Oh, I don't have that figure readily available. I have seen—
7

8 Mr. Carnicelli: I mean, have we, have we done that research, have we done that research where
9 we know, oh okay, 'cause I mean, if the median price of an STRH home is 700,000 as
10 Commissioner La Costa said, we really are talking about homes for families. If the median
11 income...or the median assessed value of an STRH home is 3 million then the chances of these,
12 you know the cap changing, we're not adding to long-term inventory, we're just adding to second
13 home inventory, so that's where I'm just...is if you've done that analysis, I mean, that I think would
14 be extremely helpful to know, in trying to assess the caps.
15

16 Ms. Paltin: Yeah, obviously that number varies widely by district. For me, in light of the tens of
17 thousands of lawful vacation rentals available throughout the County, I felt compelled to reduce
18 the number of permits available at this time. Housing for local people is a priority now and we
19 have limited amount of land space here on Maui County. There are many options for people who
20 want to invest in short-term rental properties outside of permitting a home. Personally, I do not
21 want to encourage the building of more luxury home investment properties that would need to be
22 subsidized through short-term rental home permits.
23

24 Mr. Carnicelli: Okay, but you know we have a five-year moratorium, right?
25

26 Ms. Paltin: I am aware of that.
27

28 Mr. Carnicelli: It's like...if a home's—
29

30 Ms. Paltin: You don't need to invest in a short-term rental home. You can buy a Minatoya property
31 or a planned development property and you know have your short-term rental home right away.
32 So there's all sorts of different—
33

34 Mr. Carnicelli: But those are condos.
35

36 Ms. Paltin: --pieces, yeah, or multi-family, townhomes, ordinance the—
37

38 Mr. Carnicelli: Yeah, STRHs, but the bill before us is for STRHs which is—
39

40 Ms. Paltin: Correct.
41

42 Mr. Carnicelli: --totally single-family residence, yeah.
43

44 Ms. Paltin: Correct.
45

1 Mr. Carnicelli: You know, before, before I go to somebody else to question, the one thing that I
2 did want to say to you is I appreciate the fact that you're one of the few Councilmembers that
3 actually reads our recommendation so thank you for that. I appreciate that.

4
5 Ms. Paltin: Well, thank you for listening to all the testimony and making the recommendation. It's
6 many hours and a thankless job.

7
8 Mr. Carnicelli: Some people go like, ah you know what I've never even heard this or seen this
9 before and Planning Commission sent you something. Is there any other questions for the
10 testifier? Then seeing none, I have a couple other one, again this is gonna be going to the
11 Department but this is your Reso, so I think it's actually...you know as I kinda said in the beginning
12 and you know, you and I talked about this bill months and it was pre-COVID and one of the
13 problems that I have just in, in the County in general is we don't have a CFO, we don't have a
14 Chief Financial Officer. Right, we don't have anybody at the County whose task is to say, here's
15 what future projections are, here's what the economy is doing, if we pull this string then this thing
16 over there is gonna happen. If we pull that string this is the thing that's gonna happen. You know
17 so as far as like economic outlook and you know I know it's really sensitive when start talking
18 about vacation rentals to start talking about money, because local people are say on one hand,
19 going like, hey listen we want to save our neighborhoods, right? We don't want to be overrun,
20 and yet when we have almost two-thirds of our population unemployed right now in the private
21 sector, it just seems as though we need some kind of analysis. You know pre-COVID this bill
22 make a lot of sense to me, post-Covid I'm kinda going what we are...I'm not saying it's bad or
23 good, I just want to know like what's the analysis been and where are we headed if we start
24 tinkering with the ...(inaudible)...in the middle of the highest unemployment rate in the country,
25 so I mean, what's the analysis that you guys have done, and I'll be honest I haven't paid attention
26 to your budget meetings, and so I don't know where you guys have gone with this, but I mean,
27 how is this gonna affect our economy, we got so many unemployed people.

28
29 Ms. Paltin: Economically speaking what my perspective is we have existing short-term rental
30 home permits and we have those in the pipes, and we have a diminishing...right now a diminishing
31 amount of tourists coming, so to assist the existing short-term rental home permits by putting on
32 more and more short-term rentals, it's adding onto the number of short-term rentals available and
33 spreading the amount of incoming tourists that we currently thinner and thinner. We have hotels
34 that are at like two percent occupancy. I received testimony from short-term rental owners like
35 nonstop about them not having people, that currently being shut down. I received testimony from
36 folks that aren't getting refunded from their short-term rental purchases, not getting vouchers for
37 future stays, all kinds of things. I think at this time, this is good legislation because it would help
38 shore up the existing permit numbers and I'm not saying that in some time in the future when we
39 get a handle on this economic outlook that you're speaking of that it wouldn't be...we can always
40 bring it up again if we feel that we wanna change the numbers, expand it in certain areas,
41 decrease it in other areas, but at this time, this is sound legislation because we're spreading the
42 small amount of tourists we have right now, the small amount of tourists we're projecting six years
43 into the future to a wider base and making it harder for any one permitholder to make a go at it.

44
45 Mr. Carnicelli: Okay, one other thing that I guess is, I'll get you Commissioner Thompson, I'm
46 gonna just do a couple of follow ups is then diversification, right I mean, we all know that we need

1 to diversify away from tourism, right. We can't be so dependent. You know, why did we get hit
2 harder than Kauai, why did we get hit harder than the Big Island? You know, Oahu is a different
3 animal. But I remember one time Riki Hokama, Councilmember Riki Hokama told me, you know
4 before we...you're know we're in a boat traveling and we've got you know tourism and say ag,
5 and we throttle back ag before we throttle back tourism, we gotta have a new engine. So what is
6 that? Everybody says we're gonna diversify, but I haven't heard any, say like okay well this is
7 what it is, this is what's gonna replace tourism, and, and I mean, you and can have this
8 conversation for hours and I don't want to take up a lot of time with the Commission here, but at
9 least if you could give us some highlights or what it is that's gonna take the place of tourism then?
10 If we're saying, hey listen we don't...we're gonna stop STRHs, we're gonna put them in the hotels,
11 then what?
12

13 Ms. Paltin: Thank you for the question. Just to clarify, I have no intention or desire to stop STRHs.
14 We're talking about the caps.
15

16 Mr. Carnicelli: Right, right, right. I'm sorry—
17

18 Ms. Paltin: --talking about attrition.
19

20 Mr. Carnicelli: --that's my fault. I shouldn't have said that.
21

22 Ms. Paltin: Yeah. So just clarifying we're talking about 71 permits.
23

24 Mr. Carnicelli: All done.
25

26 Ms. Paltin: And I think that tourism is still gonna be a big industry, we just need to shift how we
27 manage it, you know. So besides tourism like you said, you didn't follow the budget season, we
28 invested 2.5 million in small grants to farmers to expand food production. This isn't necessarily
29 like flowers or things like that, this is, you know I'm sure we've all seen the Young Brothers are
30 trying to reduce shipping to the islands and how dependent we are, we invested a lot of money in
31 giving small grants farmers with small farmers, what they need to expand food production. Recent
32 talk in Member Hokama's Healthy Families and Communities Committee was about how
33 dependent we used to be on traveling nurses and even at the beginning of this COVID we had to
34 bring in medical staff from the continent and so you know we really do need to diversify and there's
35 areas that we need workers currently. Healthcare is one, education is one, farming is one,
36 engineers, the County has a significant need for engineers, and tourism we still need people but
37 we just need to manage it better, and like you said, I could go on for a long time about that, but
38 I—
39

40 Mr. Carnicelli: No, no, and I apologize to everybody on the call right now because I have
41 completely taken us off the rails away from caps, so I apologize, but I do enjoy having these
42 conversations with you, Councilmember. So to get us back on track, I'm going to go ahead and
43 defer to Commissioner Thompson.
44

45 Mr. Thompson: Thank you, Chair. Quick question, Tamara two things, one is can we get Kelly
46 King on board? I mean, Kihei is not its own island, and so it should definitely be part of the rest

1 of it. It would be silly for it not to. And second is, are you open to any kind of compromise, in
2 other words if we added 30 and so we took off 70 instead of a hundred. Would that be something
3 you would entertain?
4

5 Ms. Paltin: Sure thing. I'm totally open to compromise, and you know Member King is one of
6 nine and I think as Ms. Takakura's interpretation of the minutes was she wanted more feedback
7 from her community. I hope that she is getting that feedback from her community. I've been
8 contacted by some members of her community that were upset that Kihei was left out of it,
9 and...so you know, we're...the way I see it, we're still very early in the process and I'm sure that
10 you know when it comes back to committee there will be more testimony. You may hear more
11 testimony or things like that. I don't think there's any problem with any of you reaching out to
12 Councilmember King yourself and ask her to reach out to her community and get that feedback
13 that she desired. There is a lot going on, so sometimes things fall by the wayside. So you know,
14 a little nudge just to make sure that she's following up with her community on how they feel about
15 this.
16

17 Mr. Carnicelli: If could just interject real quick? I believe part of the reason why and I don't want
18 to put words into her mouth, but part of the reason why she objected and she voted no was
19 because the resolution didn't...normally as the Councilmember talked about there's a step where
20 which something goes, and typically it goes from Council to Committee to us, they skipped a step
21 to go to committee and I think that that was what if I remember Councilmember King wanted to
22 go to committee so they could discuss it and vet it a little bit before it came to us, so...and I don't
23 wanna put words into her mouth but I think that that was part of what it is. So the vote no wasn't
24 necessarily she's against this, it's I think that she just was wanting to promote more conversation
25 which is what she always likes. She always wants more community engagement. So anything
26 else for the Councilmember? Thank you very much. We appreciate your input. Thank you for
27 being here.
28

29 Ms. Paltin: Thank you.
30

31 Mr. Carnicelli: Director, next testifier.
32

33 Ms. McLean: Thank you, Chair. The next testifier is Deborah. I don't know Deborah's last name
34 so Deborah if you could unmute yourself and provide us your last name, and you'll be followed
35 by Sue Johnson. We're gonna give Sue Johnson another try.
36

37 Mr. Carnicelli: Okay, good morning, Deborah. You have three minutes.
38

39 Ms. Deborah Ross: Good morning, my name is Deborah Ross and I just wanted to thank you
40 folks for having this meeting this morning so we could share our support of the short-term rental
41 properties in Maui County. We just wanted to share with you our personal thoughts on the positive
42 points of having the vacation rentals for ourselves being in the process, we wanted to let you
43 know what we would be doing. Maui is our home and we are intending to invite people to come
44 to our home to enjoy Maui when we're not at home. We need the flexibility to be able to come
45 back to Maui after we've gone and taken care of our elderly parents and visit our children and our

1 grandchildren and we don't want to leave vacant just due to the property crime that folks do incur
2 when their properties are left vacant.
3

4 Another good point is everybody who has the permit that have been issued by the Planning Board,
5 we have all been vetted. Our houses have up to date permits and they're all up to Code. We
6 also intend and do this on the consistent basis making sure that the folks that come to ours they
7 are vetted and since COVID has happened, the big wording that we keep hearing is having
8 qualified visitors. These folks want to come, they enjoy the home. We have several in our
9 surrounding area and we can testify to you that we have had no problems from our neighbors
10 who do the vacation rentals. We watch grandma and grandpa sit at the house and enjoy the
11 surroundings and then we see, most of them walking in the Kihei area, taking their beach chairs
12 going down to the beach. We just want to be able to say that our guests are always vetted. We
13 all take a lot of pride in our homes and we just want to show our support.
14

15 Another thing that I was listening to the previous testimony and being so much unemployment
16 right now, with what they're saying in the stance that we could possibly lose up to 30 percent of
17 residents. These folks will be leaving our island to seek jobs elsewhere and at that point in time
18 then we are going to have more affordable housing over and above what the short-term rentals
19 do not provide in there, that short amount of number of the homes that are vacation rental will see
20 more—
21

22 Ms. Takayama-Corden: Three minutes.
23

24 Ms. Ross: —long-term rentals come up.
25

26 Ms. Takayama-Corden: Three minutes.
27

28 Mr. Carnicelli: Thank you very much. Are there any questions for the testifier? Seeing none,
29 thank you very much Deborah, we appreciate your input.
30

31 Ms. Ross: Thank you.
32

33 Mr. Carnicelli: Director.
34

35 Ms. McLean: Chair, the next person to testify is Sue Johnson and Carolyn...okay, I think we've
36 got here and she will be followed by Mark McDonald.
37

38 Ms. Sue Johnson: Okay, good morning Council, good morning Chair. I'm enjoying hearing all
39 the testimony today. I'm testifying, I do appreciate the understanding of the cap and that you
40 don't expect to phase out short-term, but I am testifying because of similar legislation I know in
41 Molokai resulted in ending of the STRs and I'm also concerned because this year my husband
42 and I our permit is up, and I'm concerned about renewing it. So I want to say that we are part-
43 time residents of Maui, you have us listed I'm sure as a mainland address, but we spend many
44 months here. We active members at Keawalai Church, we're donors to ...(inaudible)..., we give
45 money to Maui Foodbank, ...(inaudible)...and that's the reason we're able to...my parents bought
46 the land that we live in and operate in the 50's. They built in 69. They were pioneers in Makena.

1 I want to say that we...I want to raise your awareness of how much money a property like ours
2 brings in, even now when we can't rent, our property taxes are \$72,000 annually, they're projected
3 to go to 80,000 after your vote at the budget meeting. Last year we paid 25,000 in GCE...GET
4 and TAT. We employ about ten part-time people and we...spent about \$45,000 to them last year.
5

6 After my folks death, we rented our home long-term for 14 years, and we were barely able to rent,
7 barely able to break even, even then the property taxes were very high in Makena, even though
8 we have a small, 50-year-old home, and we started short-term so we could pay our taxes and
9 now we're in the kind of loop where our taxes go up and up and up and we have to continue to
10 rent, and it does also allow us to come.

11
12 Referring to COVID, I want to say that I think that it is a diversity in the way STRs compared to
13 hotels and it can be a very valuable one. I think since a family home like ours is affordable to
14 many guests, and we live by, by Wailea Hotel and one night at those hotels, one room, one night,
15 cost more than our three-bedroom, three-bathroom home cost. And the families that come here
16 can't afford three bedrooms at the hotel, you know, so they have more natural self-isolation here
17 than they have t the hotel. They don't have to pass through crowded lobbies and eat all the time
18 at crowded restaurants. We have never had any complaints regarding our home and I just think
19 that...(inaudible)...homes like our is important now. So the...also, I think the impact of what I
20 have understood it, 229 short-term rentals on Maui is minimal compared to the impacts of the
21 8,000 homes that are occupied part-time by the mainlanders on the absentee basis. Those are
22 the people, those are people that are down—
23

24 Ms. Takayama-Corden: Three minutes.

25
26 Ms. Johnson: —closing up the beaches. Thank you very much for your time.
27

28 Mr. Carnicelli: Thank you, Ms. Johnson. Is there any questions for the testifier? Seeing none,
29 thank you very much for your testimony. We really appreciate it. Director.
30

31 Ms. McLean: Thank you, Chair. The next testifier is Mark McDonald who's already up on the
32 screen and he will be followed by Rann Watamull.
33

34 Mr. Carnicelli: Good morning, Mr. McDonald. You have three minutes.
35

36 Ms. Mark McDonald: Good morning, Commissioners. Thank you for allowing me to testify. My
37 name is Mark McDonald. We own a home in Lahaina that we built 16 years ago and it's a licensed
38 short-term rental home. We bought our first home on Maui about 30 years ago. We used the
39 home ourselves and then rented when we weren't using it. After that we became full-time
40 residents for many years, our kids graduated from Lahainaluna High School. We're now part-
41 time residents again, and had a permit since they started issuing permits. Like most short-term
42 rentals our house makes a very positive impact on Maui's economy. It contributes to the livelihood
43 of many Maui residents. It would never be a long-term rental and it's not affordable housing if we
44 sold it. As people said earlier the COVID situation shut down everything and that's gonna take a
45 while to come back and taking away people's choices and reducing people's choices of how and
46 where they want to stay I don't think it's a good thing. In 2018 we paid over \$24,000 in property

1 taxes, over \$48,000 in GET and TAT, over \$88,000 in operating expenses above and beyond the
2 taxes, a total of 161,000 over that. 2017 survey that was done says the average visitor to Hawaii
3 spends \$106, per person, per day. So from our rentals that brought in \$134,000 into Maui's
4 economy from restaurants, activities, that sort of thing. We and our children and our grandchildren
5 all use our house so renting it long-term isn't an option. If we sold it, someone bought it would
6 probably be a second home because it doesn't make any economic sense to rent long term. And
7 the new owner wouldn't be able to use the house themselves either. So to try and put it into
8 perspective, there's I think 212 licensed properties right now and in the big picture I'm told, I think
9 there's 45,000 housing units on Maui, someone else said 54,000, I don't know which is correct,
10 but it's less than one-half of one percent of housing on Maui. Reports that I saw from 2004 said
11 there were over 18,000 hotel units on Maui so the short-term rentals are just over one percent of
12 those rooms. The families who stayed in our house all cherish being together in a nice, well-
13 maintained house and being able to stay together, renting two or three hotel rooms. Couple of
14 quotes from...we have 55 five-star listings on our, on our website, people who have stayed at the
15 house. One of the comments are things like, this vacation included our grand family so the home
16 we were looking for need to have at least four bedrooms, this home was perfect location, the
17 accommodations, access to the beach and a quick walk into town, having a washer/dryer units
18 on both floors made it so easy, when have you gone on vacation and come home with clean
19 clothes.

20
21 Ms. Takayama-Corden: Three minutes.

22
23 Mr. McDonald: Okay, thank you. I thank you for my input and just hope that you'll keep the
24 vacation rentals going and it's mutually beneficial for all the stakeholders I believe. Thank you
25 very much.

26
27 Mr. Carnicelli: Thank you, Mr. McDonald. Any questions for the testifier? Seeing none, Director
28 how many more do we have?

29
30 Ms. McLean: There are 12 more signed up to testify at this time.

31
32 Mr. Carnicelli: So just so everybody knows the way that the recording goes, it's a little bit difficult
33 to take a break in the middle because it starts a whole new video. So I think what we're gonna
34 do is we're gonna just power through these next 12 or however many other people get to...and
35 we're just gonna keep moving.

36
37 Mr. Takayama-Corden: Mr. Chair, it's okay to take a break. It's fine, fine. No problem.

38
39 Mr. Carnicelli: Okay. I tell you, let's do it at the top of the hour then. We'll take a couple more
40 testifiers and then we'll take a break at the top of the hour and everybody give their booties a rest,
41 so Director.

42
43 Ms. McLean: Thank you, Chair. Rann Watamull is the next testifier and he will be followed by
44 Heather Loughridge-Buono. I apologize if I mispronounced your name.

1 Mr. Rann Watamull: Good morning, Commissioners and Director McLean, my name is Rann
2 Watamull and I'm the Trustee to the Oaks Family Trust. Nine months ago, I submitted an STRH
3 Permit application for West Maui in behalf of this family trust. My application is one of 14 pending,
4 chart says, six but I understand it is 14 so we would be negatively affected by the reduction to the
5 number of permits available. But first, let me share that this property has been Oaks family home
6 for 35 years. It's been the center for the family birthdays, holidays, anniversaries and gatherings
7 which include their children, grandchildren, great grandchildren. After the deaths of Al Oaks in
8 2013, and Ann Oaks in 2016, their adult children have continued to enjoy the home, but in order
9 to afford the upkeep and property taxes which has risen from 9,000 annually to 28,000 they desire
10 to obtain an STRH Permit to offset these expenses. More importantly, they need the permit to be
11 able to keep the home in the family for use by themselves, their children, and grandchildren. The
12 Oaks children are the only beneficiaries of this family trust. They are not real estate speculators
13 or developers and do not own any other property on Maui. One son is a teamster driver, the
14 daughter is a homemaker and widow, the other son is a retired teacher. They are ordinary people
15 who just want to be able to keep their family home and their fond memories of it intact. I made
16 application nine months ago, if the caps are reduced, then space should be left to allow my permit
17 to be granted. In order to qualify for a permit, the family has already spent a considerable amount
18 of effort and money to install handrails, upgrade safety systems, safely landscape the yard, it
19 would be unfair if the caps be reduced when they had already spent this money to qualify for the
20 permit. So if a permit is no longer available for the Oaks family, they will be forced to sell the
21 family home rather than rent it out long-term to an island family. Due to the cost of the home
22 would most likely be sold to mainland investors as a second home, seeking another oceanfront
23 home, it would not help West Maui's rental housing market. The Oaks family desires to legally
24 obtain this permit rather than illegally renting out like so many others, and over the past 35 years
25 they have been good tax paying members of the community who have supported many local
26 charities including churches, Maui whale research, rescue missions, and volunteer beach
27 cleanups. If allowed to keep their family home, the Oaks' intent to continue supporting their family.
28 And you know, as trustees, Gina and I are also supporters of local community. Most recently, we
29 donated the use of our film, You May Not Kiss the Bride to be shown three times last week, free
30 of charge, on KGMB, K5, and KHNL as a benefit for the family of Willie K. The Oaks family helped
31 to finance this film and was so excited to use it to help Debbie Kahaialii and her family. Gina's
32 family has lived for four generations in Hana, she comes from the Cerizo and Chang family. Her
33 great grandfather started one of the first Chinese restaurants in Hana when it was a whaling town.
34 Her grandfather was the police chief of Hana, her father was born and raised there, and we still
35 have family in Hana, so we are local members of the community and committed to helping this
36 community. So thank you so much for allowing me to support, to testify in support of keeping the
37 STRH cap in the same and this will allow the Oaks to keep the family home. Thanks so much.

38
39 Mr. Carnicelli: Thank you much, Rann. Any questions for the testifier? Seeing none, thank you
40 very much. Director.

41
42 Ms. McLean: Chair, the next testifier is Heather Loughridge-Buono, she will be followed by Amy
43 Bond. Heather, you can unmute your video and audio.

44
45 Ms. Heather Loughridge-Buono: I don't have any audio, can you hear me yet?
46

1 Mr. Carnicelli: We can hear you, but we can't see you, so you don't have the video, so yes, you
2 have up to three minutes, go ahead.
3

4 Ms. Loughridge-Buono: That's fine. Okay, first of all, I did want to address a little bit about the
5 March 6th meeting and the format for this meeting, I know we are doing all, all of us are doing the
6 best that we can to deal with what we have in front of us, but I do have to say at the March 6th
7 meeting it's been said here that that meeting was for feedback, we were allowed to ask questions,
8 but no one was allowed to testify at that meeting, the facility was too small, it didn't fit everyone.
9 So if that opportunity becomes available that would be nice. Also, I don't know if you guys have
10 noticed, but people are being kicked off and having to find a way back to BlueJean on a consistent
11 basis I've been kicked off three times since we started. Otherwise, back to the testimony, about
12 this piece of, of this resolution. I do want to say that everyone on Maui is affected by this in some
13 way or fashion, and we're all a part of the community.
14

15 STRHs and short-term rentals on Maui have a created a micro economic cell of their own and
16 COVID has done one thing for this community that is actually really needed it has illustrated in a
17 very profound way that we need to diversify our economy. I contend that in order to be able to
18 do that concentrating on this very small microcosm of the economy might not be the best way to
19 do it, but to concentrate on how to make businesses a little more or Maui County in particular
20 more business friendly would be a much better way to do that.
21

22 I also wanted to talk about within that microcosm, there are...I have been involved with...I have
23 many clients and have been involved with the hospitality industry here for over ten years and I
24 have to say that the people that I use, the businesses that I use, most of those people are born
25 and raised on Maui, all of them are paid a living wage, all of them. I make sure they are. I paid
26 the cleaners \$40.00 plus an hour, our maintenance people make really good money, landscaping
27 same thing, my assistants, they get paid very well. They get paid better than if they had worked
28 for a resort. STRHs lands somewhere between renting a traditional short-term rental or B&B and
29 going to one of the larger resorts.
30

31 Ms. Takayama-Corden: Three minutes. Three minutes.
32

33 Ms. Loughridge-Buono: Thank you so much for time. We'll call it. Thank you.
34

35 Mr. Carnicelli: Thank you, Heather. I appreciate it. Any questions for the testifier? Seeing none,
36 thank you very much.
37

38 Ms. Loughridge-Buono: Thank you.
39

40 Mr. Carnicelli: Director.
41

42 Ms. McLean: Chair, the next testifier is Amy Bond, and she will be followed by Tom Croly.
43

44 Mr. Carnicelli: I tell you what we're gonna do is we're gonna go ahead and pause at Amy Bond,
45 and then we'll take Mr. Croly after the break. So, Ms. Bond you have up to two minutes...three
46 minutes, sorry. Didn't mean to cut you short.

1
2 Ms. Amy Bond: That's okay. Thank you, can you hear me?

3
4 Mr. Carnicelli: Yes.

5
6 Ms. Bond: Okay, great. Thank you, Commissioners, and everyone listening, I think this is a
7 passionate issue for me considering I am one of the 118 on-island resident permitholders that
8 worked very hard to permit my home myself and it supports my family of five and many cleaners,
9 my landscaper, all the people associated with my property. I am totally against lowering the caps
10 at this time. I do believe what Greg said, what Greg Mebel said, that we, with this law have...we're
11 really the best in the state in actually creating a business basis for these kind of businesses. I
12 feel like we stood out in a crowd and that is really kind of precedent for other communities, even
13 on the mainland for trying to do permitting for their property, you know, for their states and such
14 and so forth. People work so hard to create this legislation for to have people to have these kind
15 of businesses and they're all small businesses, they all support other people and small
16 businesses on this island which is really important. I feel like small businesses are the heartbeat
17 of Maui, and any place for that matter but small businesses is where you get the most meaningful
18 people working hard to create something that's enjoyable for everybody. I feel the hotels and the
19 resorts of course have their place but I also feel that this is a really big issue with our tourism and
20 to just deal with this as a microcosm and lowering the amount of small businesses that can be
21 available to other people in the future on this island is not the answer. I mean, I looked at the
22 Andaz for example, with them they're building a new four-story, you know, building with three-
23 bedroom units, four on each floor, and they're gonna be probably be bringing in, you know, \$12
24 million or more just from, just from that new addition to their hotel and they already have 301
25 rooms and their tax is only \$350,000 for the whole property. So I feel like if we're gonna look at
26 tourism and we're going to look at deconstructing and taking apart lives that we really need to
27 look at things across the board and most importantly stop building new hotels and new timeshares
28 or giving permits to new additions for those properties.

29
30 Ms. Takayama-Corden: Three minutes. Three minutes.

31
32 Ms. Bond: That's it. Appreciate your time for listening, here, here, stand for small businesses.

33
34 Mr. Carnicelli: Thank you, Ms. Bond. Any questions for the testifier? Seeing none, thank you
35 very much.

36
37 Ms. Bond: Thank you.

38
39 Mr. Carnicelli: So I think what we'll do here, it's the top of the hour, we'll go ahead and take
40 a...let's take a 15-minute recess and just so everybody on the call is aware what we're gonna do
41 here is we'll come back, we will finish testimony. We're gonna have discussion even though we're
42 gonna recess this item due to the telephone issues and things like that, I think that it's fair for the
43 150 people that are here of which I think a large majority are probably here to hear this is I think
44 we should have at least some discussion today, and then when we take it up again, we'll have
45 additional discussion at that time, but since you guys took the time to be with us today I think that
46 it's fair that we'll have at least some conversation even though we won't come out with our

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1 recommendation today that we'll have to, you know, push this item back, but just so you guys
2 know that that's sort of the...how, how I think that we should have the ball bounce. So as of 11
3 o'clock right now, Maui Planning Commission is in recess until 11:15. Thank you everyone.

4
5 A recess was called at 11:00 a.m., and the meeting was reconvened at 11:15 a.m.

6
7 Mr. Carnicelli: So, it is 11:15, and we are calling the Maui Planning Commission of June 9, 2020
8 back into session. Director.

9
10 Ms. McLean: Thank you, Chair. Tom Croly is the next testifier and he will be followed by
11 Mike McNeill.

12
13 Mr. Carnicelli: Mr. Croly are you gonna be doing screen share at all or no?

14
15 Mr. Tom Croly: No, no, I don't have any screen share.

16
17 Mr. Carnicelli: Okay, you have three minutes.

18
19 Mr. Croly: Aloha, Commission, thank you for your extended patience here in this long testimony
20 and so forth. I'm Tom Croly, I'm testifying solely on my own behalf. I've been involved in this
21 issue for going on 15 years now and I may be the only person who's still involved in this issue
22 who was around when the caps were first formed and so forth and I can give you some history on
23 that if you'd like. I would like to know if the Commissioners did receive the written testimony that
24 I sent in last week and have had a chance to review it, just a head nod would help if you did, okay,
25 cause that helps me in, in terms of what I'm about to testify. I don't want to read it to you, it would
26 take too long to do that.

27
28 It's most importantly, I think that we have to answer a whole bunch of questions before we can
29 say whether or not it's appropriate to change the caps that we have. A lot of thought and effort
30 and consideration went into setting the caps at where they are today. The caps have already
31 been modified in three different districts on Maui and I don't know if it's appropriate for us to
32 recommend modifying them again unless we can answer some of these very important questions
33 like how many single family homes are in each of the community plan districts because these
34 permits only apply to single family homes, they don't apply in any way, shape or form to the
35 condos that are often referenced as the short-term rentals. And how many of these homes are
36 used as full-time residence of their owners and how many are second homes, and how many of
37 those second homes are long-term rentals and how many just sit as second homes? These are
38 really important questions to understand before we can say what the appropriate cap number
39 would be because one of the things that I want everyone to grasp is just how manini the number
40 of short-term rentals is compared to the much bigger number that we have of second homes that
41 are not permitted short-term rentals that are simply used as second homes and the use of these
42 properties as second homes is part of our visitor count. Okay, so keep in that mind when people
43 start citing that our visitor count has gone up. Many of those visitors, a lot of those visitors are
44 simply part-time residents using their second homes. Most of these short-term rentals that you
45 see go, go before you, and that people are seeking permits for are second homes initially because
46 they have to own them for five years before they can even make an application to you, and if a

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1 permit is turned down in most cases they remain second homes, and they remain visitors coming
2 to the island but not paying TAT, not paying GET, not, you know, the services that are involved
3 in that. So please keep that in mind.
4

5 The total number of permits that we currently have in the caps represent less than one percent of
6 the housing that we have on island and I don't think that in any way, shape or form anyone could
7 say that they are impacting in any way, shape or form, the availability of housing from a broader
8 sense on the island. Now, 20,000 homes are second homes, 20,000 properties on Maui are
9 people's second homes.
10

11 Ms. Takayama-Corden: Three minutes.
12

13 Mr. Croly: And that's where I want you to look more closely. I'll wrap up. I have lot more in my
14 testimony but I'll wrap up just by saying I would like to see the Planning Commission recommend
15 that the Planning Department or that someone do a thorough analysis of the existing short-term
16 rental homes that are out there, the number of illegally operating second homes that are out there
17 and take a look at are we meeting the actual demand of the visiting public. Thank you, Chair I'll
18 leave it at that.
19

20 Mr. Carnicelli: Thank you, Mr. Croly. Questions for the testifier? I...or go ahead
21 Commissioner Freitas.
22

23 Mr. Freitas: Good morning, Mr. Croly.
24

25 Mr. Croly: Good morning.
26

27 Mr. Freitas: Thank you for first of all your letter that you sent which I read, I had to read it on my
28 computer, I don't see it as a hard copy, but I did read it and I was gonna mention your letter had
29 you not called in today. You know, I testified at a recent affordable housing committee meeting
30 with the County Council and in that...when I testified I shared that according Frank DeRego from
31 the Maui Economic Board he stated that in the next years we need 14,000 homes to meet the
32 need of housing on Maui, and I'm not sure if that was Maui County or Maui but that is a lot. Any
33 help that we can, I feel, we should be doing our best. So I thank you for your information and
34 your request for those valuable information, but I still think that a cap is a good thing, but thanks
35 for your testimony today.
36

37 Mr. Croly: Thank you, Commissioner. And again, I'm not advocating against the cap in any way,
38 shape or form, I'm just saying the cap numbers that have, have taken into account a lot of different
39 factors including what their effect would be on the availability of housing on the islands. Now
40 whether we should review those or not is another question and here we are, and we're reviewing
41 those, but I don't think we should just blindly say, well kapu, no more, because I think there could
42 be negative effects to that, to doing that.
43

44 Mr. Carnicelli: So, Mr. Croly, I have a couple of questions. Since you're the class, you're always
45 the class historian especially on items like this, you said that the caps were made for a reason or
46 like the numbers were picked for a reason, A) I guess what's the reason, and B) you know,

1 has...the line has to have shifted. Whatever that measure was back in, what is it, '08 the line has
2 had to have moved so I just, you know, like you said, we should address it, so what are we
3 addressing in your mind based on how we picked the caps back when this whole thing started.
4

5 Mr. Croly: You know I think it's interesting, we need to know whether the line has changed or not
6 and we haven't done a study to determine that but what the caps were based on was a study that
7 was done back in 2005, now agreed, that's 15 years ago, but when that study was done, what
8 they tried to accomplish the Kauaian Institute, a third party did this study, and what they tried to
9 accomplish was identifying all of the operating short-term rentals at that time and they identified
10 in 2005, 800 of these properties and that they were offering a total of 1,069 individual units. Now,
11 they identified where they were around the island so we could proportionally how many are in
12 each specific community plan district, then when the Bed and Breakfast Ordinance was first
13 enacted, the then Planning Director did make an arbitrary call at that point where he said, let's
14 make half of those bed and breakfast even though we kinda knew that half weren't owner-
15 occupied bed and breakfasts but that's what we did, and they were distributed as such. Later
16 when the Short-Term Rental Ordinance came around they said, we're gonna take care of that
17 other half and that's where the 400 came from. Since that 400 came about, we have since
18 reduced the cap from 48 to 30 in Hana and we reduced the cap from 88 to 55 in Paia-Haiku. Now
19 both of those were done, again, without taking another look at how many operations are out there,
20 but I think the Planning Director might be able to give you some indication of that based on how
21 many people have been cited for operating without a permit. So if we artificially set the cap too
22 low, we know that we will continue to have these operations that will try to fill the demand of the
23 traveling public illegally. I don't support that in any way, shape or form, I want everyone to be on
24 a fair playing field and be properly permitted if they do that, but I recognize that in 2005 when we
25 studied it, nobody could get a permit and all these were operating, and today, people can get
26 permits and at least half of the people that are operating, are operating with the proper permits.
27 But there is this other population that is filling up the caps as well, the number of permits right
28 now, that's a big of a problem.
29

30 We also had a little bit of discussion about Kelly King's reason for leaving the cap alone and Chair,
31 you correctly stated that she wanted this type of analysis done. She was not necessarily
32 advocating that the caps should stay a hundred in Kihei-Makena, but she said, I don't know, I
33 have no data in front of me to say what the right number should be, and I don't know that in this
34 meeting we're gonna have that correct number either, but the study that was done in 2005, was
35 a least some basis for, for why the caps were set the way, the way that they did. Thank you,
36 Chair.
37

38 Mr. Carnicelli: One other just quick follow up 'cause I know you're a numbers guy. I asked
39 Councilmember Paltin about the number, the median number of these homes to try to see like
40 okay, if...are we really getting more housing by lowing these caps?
41

42 Mr. Croly: The median value of each of the properties, and oh, oh, Chair just dropped out, I don't
43 know if his battery died. Oh, he's back.
44

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1 Mr. Carnicelli: No, I got a phone call, and it's like ah...So anyways, my question is, do you have
2 the median number 'cause I just know you're a numbers guy and you like to, you know, call data,
3 so do you know what the median?

4
5 Mr. Croly: Right. About three years ago, I did an analysis of the permits that had been given out
6 at that time and I believe I came up with a median value that was about 1.5 million, half of the
7 properties worth more than 1.5 million, half the properties worth less than 1.5 million. I saw in the
8 presentation that was given today, they said the median was one million. I do want to point out
9 because I do sit as the Chair of the Real Property Tax Appeal Board, using the assessed value
10 is not always the market value of some of these homes. I'm aware that some of these homes
11 have an assessed value of a million dollars and would easily sell today for \$2 million, so
12 that's...what I can say though is most of the short-term rental permits that are out there are high
13 value properties that would not otherwise be in the affordable rental range for sure.

14
15 Mr. Carnicelli: Thank you very much. Any other questions for the testifier? Awesome. Thank
16 you, Mr. Croly as always, very informative.

17
18 Mr. Croly: Thank you.

19
20 Mr. Carnicelli: Director.

21
22 Ms. McLean: Chair, the next testifier is Mike McNeill, and he will be followed by Fritz Schneider
23 who I think may have left the meeting which means the testifier after that will be Steven Gatchell.
24 So, we have Mike McNeill, Fritz Schneider, and Steven Gatchell.

25
26 Mr. Mike McNeill: Hi there, my name is Mike McNeill and thank you council for the work that you
27 do, I appreciate it. My reason for being on this call was really as a reaction to what happened on
28 Molokai and I think that's where there's a fear involved and there's an uncertainty and it's hard to
29 plan, and it's hard to figure out what my future is and things like that and so it's very important to
30 protect what we have if we can do that and that's the reason I'm here. If possible, I'd like to share
31 my screen so that I can...I have a presentation that will make things go quicker if that's all right.
32 Of course, it's not gonna do...let me do that automatically, okay, so I'm gonna skip that, anyhow,
33 the thing I wanted to mention was that recently you know we're talking about, I think short-term
34 rental homes actually improve the Maui experience. Recently the Mayor of Maui was on a
35 YouTube video and in that interview he mentioned that when the tourism comes back he'd like to
36 see Maui tourism return to what it once was which was a more experience driven, higher quality,
37 more exclusive experience, and I also believe that short-term rental homes offer that. Short-term
38 rental homes offer the best of Maui. Our guests are often multi-generational families looking for
39 that Maui experience. They aren't busloads of tourist overwhelming popular snorkeling or hiking
40 or other special sites and are high density hotels really the best representation of the Maui
41 experience, I would argue that the short-term rental homes actually offer a better experience to
42 the Maui visitors, and again, short-term rentals as another benefit they do support small business
43 owners, we have higher paying independent jobs of landscapers, cleaning companies, pool
44 services, maintenance, plumbers, HVAC, general contractors of which most of those I continue
45 to pay even though I am completely shut down and not able to do anything with my property.

1 Local property management companies also offer good paying jobs and are supporting our
2 business.

3
4 You know, one of the things I wanted to share was that I had done a lot of research with the
5 assessors values of the homes and the some of the information for instance, the average home
6 on the west side I came up with \$2.6 million as the value of a short-term rental home. Those over
7 60 homes there are only...there were five...I'm sorry, there are only two under 500k. The average
8 home price in Kihei was 2.88 million, after home price in Paia was 1.247 million, the average
9 home price in Wailuku and Kahului is 2.41 million, the average price in Lanai was 448, so 448,000
10 and then the average home price in Hana was 748,000 so, again for the most part, I think in the
11 west side there were 13 homes under a million. All of the remaining homes which are probably
12 47 to 50 homes were above a million dollars in value just to give you some, some data.

13
14 And then lastly, you know the short-term rental homes are so heavily regulated.

15
16 Ms. Takayama-Corden: Three minutes.

17
18 Mr. McNeill: ...(inaudible)...long term rentals, might have. There's no parking on the street, no
19 parties or large gatherings, and you've got someone to call 24/7 to remedy any possible issues,
20 so...

21
22 Mr. Carnicelli: Thank you, Mr. McNeill, I appreciate that.

23
24 Mr. McNeill: Thank you.

25
26 Mr. Carnicelli: Yeah, any questions for the testifier? Seeing none, thank you very much for your
27 patience and hanging in there, and oh, Commissioner Freitas has a question for you.

28
29 Mr. Freitas: Mr. McNeill, thank you for those figures that you gave it gives a lot of perspective, I
30 know some of it was shared earlier but the way you broke it down was great. I appreciate it.

31
32 Mr. McNeill: You're welcome. Thank you. Thank you for your support.

33
34 Mr. Carnicelli: Thank you, Mr. McNeill. Director.

35
36 Ms. McLean: Thank you, Chair. The next testifier is Fritz Schneider, who I believe left the
37 meeting, but just in case. Then we have Steven Gatchell. Steven Gatchell, can you unmute
38 yourself and provide your testimony.

39
40 Mr. Carnicelli: Is he still there in the...if you look at him, is he in the list?

41
42 Ms. Takayama-Corden: He is there.

43
44 Ms. McLean: Yes, he's still there. Maybe Carolyn can assist with unmuting him.

45
46 Ms. Takayama-Corden: I can't. I've trying and it won't unmute.

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1
2 Mr. Steven Gatchell: I'm here, I'm here, I'm here. Thank you.

3
4 Ms. McLean: Oh, okay. There he is.

5
6 Mr. Gatchell: Thank you, Council members, the Planning Commissioners, thank you for my
7 testimony today. I heard at the beginning of this meeting that it's the Planning Commission,
8 Department objective is to cap the number of visitors to 33 percent of the population of Maui.
9 Maui's population is currently I think about a 167,000 this means that the ideal number of visitors
10 coming to Maui on a daily basis would be 55,110 and I believe you said we had 67 some odd
11 thousand. In other words, to meet the objective of the Planning Commission we have lose 11,300
12 visitors per day. We have some 200 vacation rentals on Maui. If you average five persons per
13 household at a hundred percent occupancy per day it comes to about a thousand visitors, but the
14 reality is we're at about 80 percent and so that probably means 800 visitors a day. So how do we
15 lose 10,500 more visitors per day? Do we lose 200 vacation rentals, do we lose all the Minatoya
16 List, do we close hotels down? I grew up on Oahu and moved to Maui in 1984. At that time, there
17 were approximately 75,000 residents on Maui. It has grown to nearly three times that since I
18 moved here. Why? Because hotels have been built, and built, and built. And whether or you like
19 it or not, whether we all like it or not, that is our bread and butter, that is how we make a money,
20 that's how most of us are employed here. The Planning Commission's objective to reduce the
21 amount of visitors necessitates the loss of condo rooms, vacation rooms or hotel rooms plain and
22 simply unless there's some plan to create some new industry that would bring thousands of new
23 residents to Maui. Thousands of new residents to Maui to meet that criteria and is that what we're
24 really looking for? Are we looking to increase Maui by another 100,000? Diversification is
25 obviously very necessary and it's a huge undertaking that will take many years, it's not automatic.
26 We all saw how the Tech Park turned out. Much thought and much time must go into it. It seems
27 odd that we are discussing and taking so much time about limiting a couple hundred vacation
28 rentals when the problem is so huge, and diversification is needed.

29
30 The Planning Commission continues to grant permits for more and more hotels, Kaanapali right
31 now is slated for hundreds of new hotel rooms and that's where I really see the problem. Maui
32 continues to grow with hotel rooms.

33
34 Mr. Carnicelli pointed out something very important at the beginning of this meeting, he
35 discussed—

36
37 Ms. Takayama-Corden: Three minutes.

38
39 Mr. Gatchell: We do have a problem, the University of Hawaii, Department of Economics has
40 said that as many as 30,000 residents will be moving away from...in the hospitality will be moving
41 away from Hawaii in the next—

42
43 Ms. Takayama-Corden: Three minutes.

44
45 Mr. Gatchell: Thank you.

46

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1 Mr. Carnicelli: Thank you, Mr. Gatchell. I'm sorry you got cut off when you were telling me I said
2 something smart. Any questions for the testifier? Commissioner Thompson.

3
4 Mr. Thompson: Steve, how do you feel about the cap being changed for the short-term rentals?
5

6 Mr. Gatchell: I think one gentleman, I think one gentleman said it best, it's the, it's the I got mine
7 mentality. I got mine, so if you limit it I do better. You know, it's the same thing that people
8 discuss about the housing growing. No more houses, well no more houses now that we have
9 170,000 residents and I live here so no more now because I got mine. I'm not a got mine guy, if
10 that answers your question.

11
12 Mr. Thompson: Thank you and ...(inaudible)...

13
14 Mr. Carnicelli: Any other questions? Thank you, Mr. Gatchell. Appreciate it.

15
16 Mr. Gatchell: Thank you.

17
18 Mr. Carnicelli: Director.

19
20 Ms. McLean: Chair, the next testifier is Russell Evans and he will be followed by Clint Hansen.
21 Russell you can unmute yourself and give your testimony.

22
23 Mr. Carnicelli: Russell?

24
25 Ms. McLean: Russell Evans.

26
27 Mr. Carnicelli: Russell Evans.

28
29 Ms. McLean: Russell Evans is still on the call. Carolyn, maybe you can assist.

30
31 Ms. Takayama-Corden: I can't, I can't do it, it's on his side.

32
33 Ms. McLean: Okay.

34
35 Mr. Thompson: I miss our old meetings.

36
37 Ms. McLean: We can come back to Russell. Clint Hansen. Clint, are you able to unmute yourself
38 and provide your testimony?

39
40 Mr. Clint Hansen: Oh, there we go. Can you hear me?

41
42 Mr. Carnicelli: We can.

43
44 Mr. Hansen: Sorry, about that I tried to unmute and instead I turned off. So this is Clint Hansen
45 I wanted to testify. I understand the idea in a cap is to compromise between both sides of the
46 community and you guys have a very hard job. I appreciate all the time that you're putting forward

1 today to help us come to a resolution and that you have done your best to hear you know, both
2 sides of the argument. I, you know, glad that you've clarified that this is not about attrition or
3 phasing out of the rentals because we do need a tool in order to prevent you know illegal vacation
4 rentals. If you're just not going to allow it people are gonna do what they want, but if there's a
5 means and an ability to get things done through a legal means, they'll take that opportunity.
6 Obviously there will always be people who are doing illegal vacation rentals and I want to focus,
7 you know, the County's attention on going after those in the communities that are affected and
8 you know people continue to online complain about neighbors and things of that nature and
9 they're unaware of what's available and who to talk to and where to report. So, having more
10 outreach to the people of Maui is probably the better avenue to take. I think that further to creating
11 a more high-end realtor...I more high-end visitor on the island that comes here, you're gonna
12 want to focus on the single-family homes that are you know, high-end. As Mike was saying earlier
13 most of the properties are not in the affordable range, they are one and averaging two and a half
14 million dollars. So, I think that if you wanted to actually increase the volume of affordable housing
15 and approve through fast track processes please do, we do need more housing but limiting
16 people's ability to rent their homes after all the hard work that they've put in is not a good idea.
17 Thank you.

18
19 Mr. Carnicelli: Any questions for the testifier? Clint, I have a question for you 'cause I know that
20 you're a real estate broker and you do a lot of volume, so I'm actually just curious how many...I
21 know there's gotta be people that show up that say I want to buy a property and a B&B...I'm sorry,
22 Airbnb, right, like the VRBO or whatever euphemism they use, right so there's that buyer that
23 comes here and you go, okay, nope can't do that, you gotta wait five years, so that's just not an
24 option here on Maui. How many of those folks are still saying hey, listen I want a second home.
25 Okay, I can't do the vacation rental but I'm still gonna buy a second home? I mean, I'm just
26 curious. I don't know what...and you're just one guy, but I'm just sort of fascinated to hear how
27 much of that is impacting--

28
29 Mr. Hansen: It's about mixed,

30
31 Mr. Carnicelli: Five-year ban.

32
33 Mr. Hansen: Most people that are coming here that want to do vacation rentals they are steering
34 more towards the condominiums and Minatoya properties or looking for one where there are
35 allowances. Yes, they do say, hey, well we can do a vacation rentable license, and I'm like, well,
36 no, not unless you're gonna live in the property and you know, be a part of the community, that's
37 just not gonna happen. You got own the property for five years, of course, this is the way it was
38 before you apply for the license and then that usually just completely deters them. I mean, most
39 people that purchase a property specifically for the purpose of making and becoming a vacation
40 rental they get discouraged the fact that it takes that long, so they're gonna go more towards a
41 high-end condo to start with, they're not really buying those investment properties to hold onto to
42 that period of time. So, yeah, no, it's...it used to be something that we would see quite commonly
43 but I rarely get that and most of the time I see is from the ignorance of the other agent you know,
44 showing a listing of mine saying hey, you know this is a great property you could do a rental and
45 then I have to explain the process to them that they would have to go through and they don't want
46 to hear about it.

1
2 Mr. Carnicelli: Thank you, Mr. Hansen. Any other questions? Seeing none, thank you, appreciate
3 it. Director.

4
5 Mr. Hansen: You bet. Aloha.

6
7 Ms. McLean: Chair, the next testifier is Michael Russell and he will be followed by Michael Baskin.

8
9 Mr. Carnicelli: Aloha, Mr. Russell.

10
11 Mr. Michael Russell: Hi there, thank you. I want to start by saying that I am a short-term rental
12 owner-operator here in the west side of Maui and I guess part of my reason for paying so close
13 attention to this is, you know, there is some, some concern that this is just the start. There's a
14 slippery slope. I know that Director McLean addressed this in the beginning but I have to imagine
15 that there's a lot of other attendees that you know have these underlying fears that this is just the
16 beginning of us losing the right to continue to operate our short-term rentals. So, you know part
17 of my concern is in context that that is, that is, that is the direction where we're headed. You
18 know, if that were not the direction you know I could say, easily say, yeah, well great I have mine
19 so you know that's great for me, but I do think that there's a broader issue than just besides my
20 own self-interest. I think that short-term rental homes need to be recognized for the value that
21 they bring to the community at large. You know, I want to empathize with the residents that are
22 concerned about the affordability of housing and if Mr. Borge is any indication of how others feel,
23 I mean, I can understand why the Planning Commission wants to take a step to make some
24 improvements to the affordability of housing. I just believe that it is completely misguided to try
25 to do so by limiting the number of short-term rentals by I believe I heard that it was around 70
26 additional short-term rentals island wide could be added. I want it to be noted that you know,
27 these are small business owners, in fact the majority of short-term rental homeowners reside on
28 Maui so the idea that these are just off-island investors that are coming here and jacking up the
29 prices I think we need to recognize that myself and others, we live here, we're small business
30 owners and we provide jobs. I mean, I can, I can go through the list of people that I employ but I
31 send out about 15 1099s last year to you know, my local bookkeeper, landscaper, carpet cleaner,
32 housecleaner, gutter cleaner, maintenance people, HVAC, handyman, window cleaners, these
33 are all people that are not just relying on me, but they are employed by many other short-term
34 rental home owners. And so, I think we have to look at identify the problem is affordability of
35 housing and we need to address that, but I also think that it's two-sided that affordability of housing
36 is not just based on availability it's also based on jobs and income and in a post-COVID world all
37 of the data that was presented previously in the slide deck I think may have been important but
38 at this point I believe it's irrelevant because right now more than anything we need jobs, and two-
39 thirds of our population is currently or private employment forces ...(inaudible due to
40 feedback)...currently unemployed. We need to do everything we can to provide jobs.

41
42 Ms. Takayama-Corden: Three minutes.

43
44 Mr. Russell: I just...I'll end there. I think that, just the last little thing I'll say it's like an analogy of
45 we are on a ship and I can see the Planning Commission sees a storm ahead which is shortage
46 of housing so they pull the wheel and turn the other direction as fast as they can but not realizing

1 that we're headed directly into a unexposed reef and we're going to sink the ship and there's a
2 gonna be a huge hole. If we can provide more jobs, the better everyone will be. We have to look
3 at this in context of post COVID and I think that the 70 or so extra homes that would turn into
4 short-term rental homes—

5
6 Mr. Carnicelli: Thank you, Mr. Russell.

7
8 Mr. Russell: ...(inaudible)...I just feel like we're doing ourselves injustice.

9
10 Mr. Carnicelli: Thank you. Appreciate it. Any questions for the testifier. Thank you, Mr. Russell,
11 appreciate it, and thank you for your testimony. Director.

12
13 Ms. McLean: Chair, the next testifier is Michael Baskin and he will be followed by Russell Evans.
14 We'll give Russell Evans another shot at joining. So Michael Baskin you can unmute yourself and
15 provide your testimony.

16
17 Mr. Michael Baskin: Good afternoon, Michael Baskin, how are you all today. Thank you so much
18 for your work. I'm a 40-year resident.

19
20 Unidentified Speaker: Good morning Mr. Baskin.

21
22 Mr. Baskin: Good morning. I'm also a ...(inaudible)...and I think it's important that we all kind of
23 wake up here and look at the reality of the COVID right now. So there's gonna be massive layoffs,
24 the island is very reliant upon tourism. There's no question about that. We're trying to figure out
25 ways to diversify but the reality is tourism is our business right now, so why we would consider
26 curtailing, phasing out or limiting vacation rentals at this time to me seems obviously the wrong
27 timing to consider that. There's gonna be massive layoffs, why would we do that? So, to me, I
28 think we need to really focus on a whole different thing which is to make sure that that we are
29 welcoming tourism, to send a message to the tourist we are here to welcome you, come to Maui,
30 we have a variety of vacation rentals, hotels and different accommodations, we're a diversified
31 economy. There's a lot of local jobs that are relying upon this like the previous testifier. Even Mr.
32 Borge who testified that he doesn't want to have vacation rentals he also stated that he works in
33 tourism so I think a lot of us need to understand that the tourism dollars are what are keeping
34 Maui afloat. It's what keeping our economy afloat. In Paia, for example, we are very reliant upon
35 it. It's a very good possibility 30 percent of the stores don't reopen in Paia, restaurants don't
36 reopen and a lot of jobs are lost to think about phasing this out, to think about curtailing or limiting
37 at this time.

38
39 The other thing I would like to do is respect the Council people back in 2012 who voted on this.
40 They vetted it as Tom Croly mentioned, this is going back many, many years. People like Don
41 Couch, people Gladys Baisa, people like Councilman Victorino who's now our Mayor who we
42 voted in, they were all in support of these caps, okay because it was vetted. Each community
43 had an opportunity to come out, I was there, and I saw. Why would we now go back in time and
44 not support the Councilman who voted on this, I think that's wrong of us to do. So I think that we
45 should focus on promoting tourism, do everything we can as a community to do that, and these
46 few make no sense to limit at this time. Keep the caps as they are, Maui Vacation Rental

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1 Association is in support of not lowering the caps, we want to keep the caps where they are, we
2 want to support and be fair to everyone who wants to come out and be legal to have that
3 opportunity to do so. Thank you.

4
5 Mr. Carnicelli: Thank you, Mr. Baskin. Any questions for the testifier? Seeing none, thank you,
6 Mr. Baskin.

7
8 Mr. Baskin: Aloha.

9
10 Mr. Carnicelli: Director.

11
12 Ms. McLean: Chair, we'll give Russell Evans another chance to offer testimony. He will be
13 followed by Colleen Medeiros. Russell Evans can you unmute yourself?

14
15 Mr. Russell Evans: I can hear you.

16
17 Mr. Carnicelli: There he is, Russell.

18
19 Mr. Evans: Thank you, I had two other calls since this one's started, so I've been off for a while
20 and not really what's been said, but thank you for opportunity to participate, thank you to the
21 Council...to the Commission, the Planning Commission. My history with Maui goes back to about
22 1984. My wife and I visit the island every year for 25 years, and our goal was to retire on the
23 island and spend most of our year on the Island of Maui. And one day we walked into a real
24 estate store and the...we saw...we started talking about houses and then we couldn't really afford
25 that, and the guy said, well you know, you could get a permit and do a short-term rental, and we
26 thought, well that sounds pretty good. So we went into this sort of with a good faith approach that
27 this would be a way for us to lock in our retirement residence and you know defer some of the
28 costs. Originally I thought there were 400 permits authorized and I noticed on the presentation
29 earlier that it said around 350. I was wondering about the discrepancy, maybe somebody can
30 correct me later, and I also was unclear about there's like two numbers on the chart. It said the
31 Department and the Council had two different numbers like one was advocating 230 and one was
32 advocating 278, and I was unclear about what those...what the difference was in the number like
33 is this Commission advocating a lower number than the County Council, that was kinda the
34 impression I got. But that, I think that was referred to as the recommendation so those are a
35 couple questions I had.

36
37 And the other thing was, I noticed that like in that presentation that the tourism goal was around
38 thirty sum percent of the residents so there are you know a 150,000 residents looking to get
39 50,000 daily average tourist and that we actually got 40 percent, was that a good thing or a bad
40 thing because it sounds like business was good, we exceeded the goals, so when the original
41 plan was put in place was the idea to cap the number of people that visited or to have a robust
42 visitor industry. I was just curious about that. And I understand we're only talking about putting
43 a cap not rescinding licenses, not eliminating permits, but it seems like since 2012, so the
44 ordinance came into pass in 2012, I call it an ordinance, I'm never sure if I have the right
45 terminology, but there's been...and we got our permit in 2014, we bought our house in '13, applied
46 for the permit, got it in '14, and it just feels like there's been a gradual chipping away at this...at

1 the business of owning a short-term rental home. The five-year rule came into place, like it's
2 discouraging people from having this business despite all the benefits that the business brings to
3 the island. I know there are some negatives. The lack of sending out renewal notifications, I
4 know two people that lost their—

5
6 Ms. Takayama-Corden: Three minutes.

7
8 Mr. Evans: --permits because they never got a renewal notification. Is there any other permit or
9 license that's issued on the State...in the Island of Maui where they don't send –

10
11 Ms. Takayama-Corden: Three minutes.

12
13 Mr. Evans: --you a renewal notice. Thank you. Appreciate it.

14
15 Mr. Carnicelli: Thank you, Mr. Evans. Any questions for the testifier? Seeing none, thank you
16 for your testimony, we really appreciate it. Director.

17
18 Ms. McLean: Chair, the next testifier—

19
20 Mr. Carnicelli: Oh, wait, wait, wait, I'm sorry, Ms. La Costa, I didn't see you raise your hand there.
21 Ms. La Costa has a question for you Mr. Evans.

22
23 Mr. Evans: Thank you. She's on mute, I can't hear her.

24
25 Mr. Carnicelli: Yeah, we can't hear you P. D.

26
27 Ms. La Costa: Still nothing?

28
29 Mr. Evans: There we go. I hear you.

30
31 Mr. Carnicelli: Gotcha.

32
33 Ms. La Costa: Okay, thank you. This is more for the Director in reference to your question sir
34 about the renewal forms. Are the permit holders notified mail, email, whatever, prior to the
35 expiration or is it up to them to keep it on their calendar, thanks.

36
37 Ms. McLean: We do not give holders of any kind of permit a heads up before their permit expires.
38 When they get their permit approval letter it states clearly when the expiration date is and when
39 the permits have to be renewed.

40
41 Ms. La Costa: Thank you.

42
43 Mr. Carnicelli: Commissioner Freitas.

44
45 Mr. Freitas: Mr. Russell Evans, thank you for your testimony. My question is actually for the
46 Director. In these testimony usually people state their opinion but Mr. Evans had a lot of

1 questions, are we supposed to or is someone supposed to be answering those questions or do
2 we just move a long? He asked I think three questions, and does someone answer him?
3 Mr. Evans, was your question to the Director or to the Commission.
4

5 Mr. Evans: Yeah, I'm sorry I took too much time asking my question and I didn't get to my opinion.
6 That's my fault for not timing things.
7

8 Mr. Freitas: Real quick, what's your opinion then?
9

10 Mr. Carnicelli: Give us a thumbs up or thumbs down.
11

12 Mr. Evans: Oh, do not reduce the caps, instead...actually I have more than just do not reduce
13 the cap, do not reduce the cap, instead be more selective about who you give the permits to, by
14 do more investigating about the neighborhood and try to find out like where my house in
15 Kaanapali, in Kaanapali Vista, there's you know half a dozen short-term rentals, it doesn't affect
16 the neighbors in a negative way at all, so maybe I rarely hear about anybody applying for a permit
17 getting turned down.
18

19 Mr. Carnicelli: You haven't been in any meetings here then.
20

21 Ms. La Costa: That's a fact.
22

23 Mr. Carnicelli: I appreciate your...actually Ms. La Costa if you could mute yourself again, 'cause
24 I think we're getting feedback from you. But Mr. Evans I'll address the asking of questions is
25 unfortunately there are oftentimes people that have a lot of questions when they show up, but this
26 a time where we provide testimony and not ask questions. And so, you know, otherwise people
27 would come up and start grilling us and wanting to ask us a bunch of questions about things, and
28 so that's oftentimes where we have presentation at the beginning and then we'll discussion
29 afterwards.
30

31 Mr. Evans: Okay, my apologies.
32

33 Mr. Carnicelli: I think you bring up some good points. No, you know, you don't know, I mean, it's
34 fine, it's okay, I just...I think this is for everybody's education as well, and hopefully what happens
35 is, is you pose questions, but then at the end of this and we have our discussion and we have our
36 back and forth with the Director whoever else it might be or an applicant we can ask those same
37 concerns that you bring up. So, you know, it's good that you bring up your concerns. It's not like
38 say, okay, we're gonna now answer them for you, but I think that it's good to know what people's
39 concerns are, and so, you know—
40

41 Mr. Evans: Right. I was —
42

43 Mr. Carnicelli: —and so we appreciate you bringing those concerns up and hopefully over the
44 course this meeting and then the next one that we have, we can, we can some of those addressed
45 and some people have brought up this is not our decision.
46

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1 Mr. Evans: Right.

2
3 Mr. Carnicelli: All we're gonna do is make a recommendation and we hand it off to County Council
4 and then it goes to Ms. Paltin's, Councilmember Paltin's committee, they'll vet it there, and then
5 from the committee it goes back to the Council and there'll be a first reading and a second reading
6 there so there's a lot more bites of the apple here that everybody gets to take.

7
8 Mr. Evans: I appreciate all your hard work. I'm sure we all do. Being on calls like this for hours
9 and hours is grueling and very much appreciated. So, thank you, I will remute myself.

10
11 Mr. Carnicelli: Thank you, Mr. Evans, I appreciate it. Okay, Director.

12
13 Ms. McLean: Thank you, Chair, and you answered Commissioner Freitas' question which is if
14 the Commission wants to ask those questions of the Department after testimony is completed
15 that's certainly your prerogative. The next testifier is Colleen Medeiros and she'll be followed by
16 Matt Dennis.

17
18 Ms. Colleen Medeiros: Hi everybody.

19
20 Mr. Carnicelli: Good morning, Colleen.

21
22 Ms. Medeiros: Hi. So, I am a owner of a short-term rental home out on the west side. You know
23 I'm one of these 119 resident owners, and you know, I have a I guess generationally owned
24 property out there which is why I don't wanna sell it. Anyhow, regarding the caps, you know, like
25 many other testifiers have said, for us this is a, this is a small business, a small business that has
26 made a huge impact in my life, in my, you know, this business provides extra income for me, this
27 business provides a way for me to keep our family home that requires a great deal of
28 maintenance, really more so than long-term rental income that could bring in. It's just, it's really
29 changed my life actually. I got my permit in 2013, and have spent a great deal of money and a
30 great deal of time building this business to make it a nice place for families to stay that is more
31 affordable than the hotels and is just a whole different lodging venue. So you know, as far as
32 small business on Maui goes, I really do believe that small business should be encouraged and I
33 think this is a perfect model for sustainable tourist lodging. I think that the short-term rental home
34 permitting process is very good, and getting better, and I really would like...I'd love it if people
35 would start...you know, if we want to switch our economy and change things with the way tourism
36 is and manage it more tightly, I believe that smaller localized lodging is more sustainable. It's got
37 a lower environmental footprint, we use less resources, water, electricity, we don't demand the
38 volume of visitors that large hotels demand. The money stays local, you know, number one,
39 sustainable tourism founding principle is keep, keep the money local and support the host
40 community and that's what this sect of the tourism industry does for us. It's a direct, direct financial
41 support to the host community, you know—

42
43 Ms. Takayama-Corden: Three minutes.

44

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1 Ms. Medeiros: --you know, if there's no other takeaway from what I have just said, I just wanna
2 reiterate that I believe this is the best model for sustainable tourism lodging that we currently have.
3 Thank you.

4
5 Mr. Carnicelli: Thank you, Colleen. Any questions for the testifier? Ms. La Costa.

6
7 Ms. Medeiros: I can't hear her.

8
9 Mr. Carnicelli: Still can't hear you.

10
11 Ms. La Costa: Okay, now you can, okay. I gotta...I'll switch laptops at the next break. First of
12 all, Ms. Medeiros, thank you so much for your excellent letter, you got the best letter award of all
13 of the dozens and dozens and dozens, and dozens, and dozens, and dozens of testimony that
14 we received. Your information was succinct. You backed up your suppositions that became not
15 suppositions but actual facts and I wanna appreciate the time you took and what you're doing for
16 the community. Thank you.

17
18 Ms. Medeiros: Thank you.

19
20 Mr. Carnicelli: Thank you, Ms. La Costa. Thank you, Ms. Medeiros, appreciate your time.

21
22 Ms. Medeiros: Okay, thank you all very much.

23
24 Mr. Carnicelli: Thank you. Director.

25
26 Ms. McLean: Chair, the next testifier is Matt Dennis, and he will be followed by
27 Velva Ribble-Padgett. So, Matt Dennis can you unmute yourself and provide your testimony?

28
29 Mr. Matt Dennis: Can everybody hear me? (audio feedback)

30
31 Mr. Carnicelli: P. D. are you on mute?

32
33 Mr. Dennis: Hopefully that's not how the whole thing goes. ...(audio feedback)...Is it still doing
34 it? ...(audio feedback)...

35
36 Mr. Carnicelli: Do you have two devices on?

37
38 Mr. Dennis: I do not. I'm gonna try...can you skip me, and I can call in?

39
40 Mr. Carnicelli: Okay.

41
42 Mr. Dennis: Thank you.

43
44 Mr. Carnicelli: Thank you, appreciate it. Sorry, about that. Director. We're gonna come back to
45 him. He's gonna try, he's gonna try calling back.

46

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1 Ms. McLean: Okay, the next testifier is Vela Ribble-Padgett and she will be followed by
2 Jen Russo.

3
4 Mr. Carnicelli: I see her video, but not...I don't hear her.

5
6 Mr. Dennis: Did that fix my problem guys?

7
8 Ms. McLean: Yes.

9
10 Mr. Carnicelli: Yeah. But hang on, what we're gonna do, is since we called up
11 Ms. Ribble-Padgett, we'll go ahead and take her first and then come back to you, so don't go
12 anywhere.

13
14 Mr. Dennis: Thank you.

15
16 Mr. Carnicelli: But we just called her up. So, Velva, we cannot hear you, I mean, I can see your
17 screen, but I can't hear you, so may actually have to just go to Mr. Dennis. All right, let's do that.
18 Let's do that. So, Velva we're gonna put you on hold and we're go to Justin Dennis.

19
20 Mr. Dennis: Am I okay, now?

21
22 Mr. Carnicelli: Yeah, we got a little echo, but let's try it.

23
24 Mr. Dennis: What I'm gonna do is I'm gonna mute it so I'm not gonna be able to hear you guys
25 talk through this and then I'll unmute it if that's okay?

26
27 Mr. Carnicelli: That's fine.

28
29 Mr. Dennis: Thank you. Okay, I'd like to start, everybody can hear can you just please nod.

30
31 Mr. Carnicelli: Yeah, yeah, that's good.

32
33 Mr. Dennis: Okay, thank you. I'm sorry guys, I'm having some technical difficulties. I'd like to
34 start by saying thank you Russell Evans and Colleen, making the great points about investigating
35 the applicants. I think that's extremely important to this process. So I'd like to thank them both.

36
37 My name is Matt Dennis from Lahaina Animal Farm in Launiupoko. My family has purchased a
38 property in late 2017, and has a pending application in West Maui which we submitted in July of
39 2018. We're almost positive that we will never receive a permit based on the process so far, but
40 just wanted to share the story. So to us the cap is almost irrelevant, we just wanted some points
41 to be made.

42
43 We purchased the property and immediately canceled over a hundred thousand dollars in short-
44 term reservations that were on the property from the previous owner in order to follow all the laws
45 and rules, and start off on the right foot in Maui. We then submitted an application for a permit.
46 Soon after that, we reopened a business called Lead Lahaina Animal Farm Tours and Petting

1 Zoo. It's not only for tourists but more importantly for the kids and families of Maui. We started
2 these tours to become a part of the community and make a difference. For sustainability it's
3 important for the kids of Maui to know that food comes from the ocean and comes from farms, it
4 does not come from Whole Foods, Safeway or Costco. I'm telling this because our tour business
5 loses money every single month yet we still donate tours to the local schools and the community
6 out of our own pocket to be a part of that community. We are part of the negative stigma of being
7 mainlanders and investing money onto Maui. We fell in love with that island 15 years ago when
8 we took our first vacations there. Never in a million years thinking we would ever be able to buy
9 a home there, but we figured out a way after ten years of spending no money on anything else to
10 make an investment there.

11
12 We will continue to do the petting zoo tours no matter what. We wanna do more. Telling you this
13 because, you know, even in your own families and under your own roofs there's people that give
14 more and there's people that take more. Not all applicants and permit holders are just out to take
15 from Maui. Some people wanna be involved, some people wanna give back to the community,
16 some people wanna make it different. So back to Russell Evans and Colleen's point about
17 investing the applicants, super important.

18
19 I think the last thing I'll leave you with is that some people are born with aloha, some people are
20 taught it, Maui's taught us about it, and we're trying to give as much as we can back. We'll
21 continue to do what we can, but we wanna give more even if we get a permit, we don't get a
22 permit. Thank you for your time. I just...we wanted to make our point.

23
24 Mr. Carnicelli: I appreciate that personally. Thank you. I wish more of us had what you've got.
25 Any questions for the testifier? I appreciate your manao, thank you.

26
27 Mr. Dennis: Thank you, sir.

28
29 Mr. Carnicelli: Director.

30
31 Ms. McLean: Chair, we can try Velva Ribble-Padgett again, and Velva would be followed by Jen
32 Russo.

33
34 Mr. Carnicelli: So Velva if you can hear us, you are not muted in the system. So whatever device
35 you are on is most likely the thing that is muted. Let's go to Jen Russo, see if we can get Velva
36 figured out in the meantime. Jen, unmute yourself.

37
38 Ms. McLean: Chair, while we're waiting for Jen Russo, just to let you and those waiting know that
39 after Jen Russo will be Toby Fisher and Toby Fisher is the last person signed up to testify. Jen
40 Russo, Toby Fisher and then Velva Ribble-Padgett.

41
42 Mr. Carnicelli: Okay, and then we'll have discussion and then we'll go to lunch and then we'll take
43 up the next item after lunch. So, do we have Ms. Russo? Auntie Mopsy mute yourself please.
44 Thank you. Oh, we got a screen share from someone. Okay, I tell you what let's do this, since
45 we're having technical difficulties with Ms. Ribble-Padgett and Ms. Russo, let's go to Toby Fisher

1 and see if we can circle back. So Toby can you unmute yourself please and see if we can hear
2 you?

3
4 Ms. Toby Fisher: Hello, can you hear me.

5
6 Mr. Carnicelli: Hello, we can. We can see you and hear you.

7
8 Ms. Fisher: Hi, I'm Toby Fisher, I'm an STRH owner in Hana. I hope I'm one of the two that is
9 showing up as pending. I'm also Colleen Medeiros' sister-in-law and we both are residents of
10 Maui and this is our small business that helps support our families. I have older children and this
11 helps both my husband and I put our older children through college without going into student
12 debt. So, the niche that STRH fulfills in resident owners I feel is very important. I think as far as
13 the cap goes what Russell said and Colleen said, I do believe that vetting, vetting the people that
14 are applying and making sure that the areas that they're in I know we have to send out a, you
15 know a letter to all of our neighbors but just vetting the area that they're in I've never had any
16 complaints and everyone around me is also in the similar industry but both Colleen and I have
17 had conversations with County Council members about the sustainability of tourism on Maui and
18 to...it's getting hard, you know, it's hard on everyone right now with the...with everything that's
19 going on with COVID and being shut down, but then to also have this fear of our permits not
20 getting renewed or of them, you know possibly going away or being capped out just adds to
21 everything that, that we're all going through financially, emotionally and all of that. So I just feel
22 as far as the cap goes that we need to just pick a number and stick with it. These permits and
23 the availability of these permits have been around for years and people are not conforming to
24 them, so they have the platform to conform and go through all of the things that we've gone
25 through and the hard work to make them legal, to pay our taxes, to pay our insurances and in
26 some areas they haven't. So, I don't...I think that the cap should be set where it is, once those
27 are filled, it's always easier to give more than it is to take back, right? So, if we put the cap now,
28 stabilize everything and then in the future moving forward we can revisit the numbers again, cause
29 I think ...(inaudible)...making a decision, sticking to the cap, letting the people know that are in
30 the process right now that they are gonna be taken care of. We have our property taxes due in
31 July, we have our County of Maui insurance bills that are due, and we're shut down.

32
33 Ms. Takayama-Corden: Three minutes.

34
35 Ms. Fisher: Thank you.

36
37 Mr. Carnicelli: Thank you, Ms. Fisher. Any questions for the testifier? Seeing none, thank you,
38 Ms. Fisher, we appreciate your time and your sharing your thoughts.

39
40 Ms. Fisher: Thank you.

41
42 Mr. Carnicelli: Director.

43
44 Ms. McLean: Chair, try Velva Ribble-Padgett again, or Jen Russo. Jen Russo showed as still
45 being on the call, I direct chatted her but did not get a response.
46

1 Ms. Jen Russo: Hi there, can you hear me?

2
3 Mr. Carnicelli: Yes, yes, we can.

4
5 Ms. Russo: Great. So, the app isn't working but my phone is getting through. So thank you for
6 listening to all of this testimony today, and thanks for opportunity using the BlueJeans system, I
7 know there's some technical difficulties but I think that I hope moving forward we could combine
8 this technology with our meetings and have them both. So I think you can see there's this unusual
9 situation here where we have a lot of business owners engaged and advocating for competition
10 in their field and I think it's important to note that more than half of these permit owners, call Maui
11 home, the Maui permit owners call Maui home and this is one of the ways our County allows local
12 families to participate in the hospitality industry and that is innovation and diversity in our tourism
13 economy. I'm trying to get at the heart of this resolution to reduce caps and if it's to create more
14 housing for residents I don't know if we have the conclusive data that says that will happen. And
15 if this is about neighborhood changing, if so, then I think we have to advocate for more study and
16 analysis of the second home market and what those numbers are and how this is affecting Maui
17 because it's perfectly legal to let friends and family stay in your second home and to any neighbor
18 that's gonna look like a vacation rental use, but it's technically not. And another thing to consider
19 is that the Planning Department does not take handing permits out lightly. In the last planning
20 commission meeting you heard two permits where the applications had started from 2018, so that
21 was over a year in the application process. So I don't see that we have a rush to reduce the caps
22 when the permit application process is well vetted in the Planning Department. And I think we
23 need a little bit more info and better data. We're in support of a cap but I don't think a reduction
24 is prudent at this time. That's all.

25
26 Mr. Carnicelli: Thank you, Ms. Russo. Any questions for the testifier?

27
28 Ms. Russo: Thank you so much.

29
30 Mr. Carnicelli: Seeing none, appreciate it. Director.

31
32 Ms. McLean: Chair, the only other person who indicated they wanted to testify was Velva Ribble-
33 Padgett.

34
35 Mr. Carnicelli: Velva.

36
37 Ms. Takayama-Corden: I don't see her name anymore.

38
39 Mr. Carnicelli: I believe—

40
41 Ms. Takayama-Corden: She's trying to connect again.

42
43 Mr. Carnicelli: Right. One of those people, it's like left the call, joined the call, left the call, joined
44 the call. I believe Auntie Mopsy wanted to get in too, although I don't—I don't know if she PM'd
45 you, Director or not.

46

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1 Ms. Velva Ribble-Padgett: Can you hear me?

2
3 Ms. McLean: No, Chair. I haven't heard from anybody else.

4
5 Mr. Carnicelli: She came in late.

6
7 Ms. McLean: If there's anyone else who is joined by BlueJeans who wants to testify you can use
8 the chat function and send a direct message to me, I'm Michele McLean to let me know that you
9 want to testify. Chair, there are also several people who have joined by phone and—

10
11 Mr. Carnicelli: Right.

12
13 Ms. McLean: And we can just go through those numbers. I'll go through the numbers in order
14 that they're listed and if you wish to testify please unmute yourself and start speaking. The first
15 number we have is area code, 510-681-1078. If you wish to testify state your name.

16
17 Mr. Michael Dugan: I thank you, I have already testified. This is Michael Dugan.

18
19 Mr. Carnicelli: Thank you.

20
21 Mr. Hopper: Michele, this Michael Hopper, just as a suggestion maybe read just the last four
22 digits so you're not reading out loud the full phone numbers for people, that happened at MRA, I
23 don't know if it's possible to leave...to just read the last four, just as a suggestion.

24
25 Ms. McLean: Okay, thanks Mike. So, the next one, the last four digits, are 8820. If you wish to
26 testify you can unmute yourself and please provide your name. It appears you have unmuted but
27 we haven't heard anything. Next, we have the last four digits are 8820 do you want to try one
28 more time? Okay, next we have the last four digits are 0956, if you wish to testify you can unmute
29 yourself and state your name. Okay, seeing none, next we have the last four digits are 9385. If
30 you wish testify, you can unmute yourself and provide your name. Okay, next we have 8205,
31 next we have the last four digits are 8984, next is 3757, if you wish to testify. Okay, next we have
32 1716, if you wish to testify unmute yourself and provide your name please. Next the last four
33 digits are 3456, and last is 5296. Okay, Chair, there does not appear to be anybody else who
34 wishes to testify, but for those who may have wanted to and are not able to, as you may have
35 heard earlier in the meeting this will be recessed and so there will be an opportunity to testify in
36 two weeks and hopefully we can work some of the bugs out then.

37
38 Mr. Carnicelli: Well, and just to piggyback on that and be a little bit more clear, if you have not
39 testified, you'll get testify. For those of you that have already testified, we've already been there,
40 done that. So, and, and...It will be a BlueJeans meeting again, most likely unless the Mayor
41 decrees something else, all indications are right now that it will be another BlueJeans meeting but
42 you'll have to look for the agenda being posted, I believe it's seven or eight days ahead of time.
43 So at this point, Commission I think that what we should do is just have some basic conversation
44 right now, questions. I think the biggest thing that would be good right now is to come up with
45 questions and/or research that we need in order to come up with a determination of a
46 recommendation, you know we're kinda given a sort of a blessing in a way that, you know, we

1 can say, hey listen we want more information based on all the testimony and things of that nature.
2 Like what is it that we wanna see, what is it that we wanna get in order to go ahead and move
3 forward with a recommendation. So at this point in time, I'll go ahead and just open up the floor.
4 We'll start with P. Denise La Costa because that's where we always start. So, Ms. La Costa, I
5 don't know if you've got feedback or muted yourself or whatever it is, but you have the floor.

6
7 Ms. La Costa: I'm rarely muted my friend, thank you. My information that I need we asked
8 Councilwoman Paltin for earlier and thank you for eloquently putting it the way that I could not, I'd
9 just like to know about the numbers because as everybody or most everybody knows I'm a real
10 estate broker here too, and I don't see a lot of the information here about loss of value and median
11 prices and things, so I need more information to be able to ascertain if it makes sense to lower
12 the cap or leave it like it is. Thank you.

13
14 Mr. Carnicelli: Just, if I could though, is I think 'cause you'll probably get asked this question, is
15 there anything specifically that you want or need? I mean, I think the median home prices like we
16 talked about, some of the testifiers provided, you know, some pretty good data, but is there
17 specifically some I guess specific real estate data or income data or facts and figures that you're
18 looking at?

19
20 Ms. La Costa: Well it's, I'm looking at revenue because that seems to be the driving force, you
21 know all of the people who have jobs because of the short-term rentals and how much revenue
22 would the County stand to lose if they capped it where it is now and a median number obviously
23 would have to work because we don't know who might have applied if the caps were not in place,
24 if they were not changed. So, I just, maybe it's a by guess and by golly, you know, what, what
25 are we looking at? Are we looking at million, two, you know are we looking at three million? How
26 much can we determine if we can, how much revenue it's gonna cause a loss in the...at the
27 County for changing the tax rate and taxing them at a lower tax rate? Did I make sense?

28
29 Mr. Carnicelli: Yeah.

30
31 Ms. McLean: Chair, if I could? So, if we're looking at...Jacky provided figures on the Real
32 Property Tax revenue of all existing operations, in terms of number of permits that could be issued
33 now under the existing caps where collecting revenue on those in whatever category they're in
34 now, but we don't know what those are 'cause we don't know who those applicants may be in the
35 future.

36
37 Mr. Carnicelli: Right.

38
39 Ms. McLean: We could do an estimate of what the forgone revenue might be, but we don't know
40 what those properties are being taxed now 'cause we don't know who those applicants might be
41 in the future. So, we can give a ballpark, but it won't be a loss versus where we are today, it will
42 just be a gain that we would not realize.

43
44 Mr. Carnicelli: Right, right.

45
46 Ms. McLean: Is that what you're looking for? We can ballpark that as best we can.

1
2 Ms. La Costa: Yeah, that's what I was looking for because no one knows who's gonna apply.

3
4 Ms. McLean: Right. Okay. We can do that.

5
6 Ms. La Costa: So, yeah. I just am trying—I'm trying to offset the argument of oh, we're...you
7 know, we're making a huge difference or we're not making a huge difference, so just clarification.
8 Thank you.

9
10 Ms. McLean: Thank you.

11
12 Mr. Carnicelli: Well, I think you're driving at kinda what I tried to talk about at the beginning and
13 that is we have zero empirical data to make this decision, right. It's just, oh, we like vacation
14 rentals, we don't like vacation rentals, you know, we're a benefit to the community, oh, we don't
15 want tourists in our neighbors, you know, so it's, you know, if we could have some kind of empirical
16 data that would be great. One of the biggest things for me is I can't remember which testifier it
17 was, but employment. I'm still going to...guys, we're in a recession right now. We have the
18 biggest unemployment rate in the country and we're possibly going into a depression and I want
19 local families to be able to pay their rent, to be able to buy food, when PPP runs out, and
20 unemployment potentially runs out, and if the people in D.C. don't extend stuff, it could get bad
21 here and it scares me, and I almost...you know, there's a part of me that doesn't want to put a
22 restriction on anything until we can fair it out all this data and see where we're doing. I mean, I
23 almost kinda feel it's a little bit irresponsible to make this decision right now without knowing what
24 we're going to do in September and October. Are people gonna get in metal tubes and fly five or
25 six hours across the ocean? We don't know. Do we wanna get any tourist we can or do we
26 wanna get, you say, hey listen now's the time to blow the whole thing up and say, no, you know,
27 we're not and we're just gonna, you know, take the hit and as a community we're saying, yeah,
28 we're willing to take the hit because, you know, we want to restrict the visitor industry in that
29 particular way. I personally think that, you know, this is a greater policy decision. I think that what
30 we're talking about right now is the symptom and the problem. Do we want to say, hey listen,
31 what we're gonna do is go back to what Mr. Gatchell was talking about in the '80s when we're
32 going listen we want tourist in Kapalua, Kaanapali, Wailea and Makena and that's it. And if we
33 make that decision as a community and we say, sure that's what we want to do, and we only want
34 them there, and that's what we're doing as a community then I'm okay with that, but what it seems
35 like what we're doing is we're kinda nibbling around this and we're talking about oh, well we want
36 this, and you know, 72 here and 35 here and whatever it might be, when really as a community I
37 think we need to make a bigger policy decision. How do we want our island to be, you know, I
38 mean, everybody wants diversification, everybody would rather have less tourist to spend more
39 money, all of us. How do you do that? But even then, less tourist, spend more money, is that
40 less jobs? We don't know. Anyways, I'll get off my little soapbox. Who would like to go next?
41 Commissioner Freitas, I'll go to you.

42
43 Mr. Freitas: Mr. Watamull asked about the number of pending applications for West Maui, and
44 our record showed six, but he came up with a figure of 14. Is this correct or are we...is that people
45 since...decided that this was six, there was eight more applications coming in.
46

1 Ms. McLean: Commissioner, offhand I don't know exactly. I mean, what...(inaudible)...while this,
2 since this meeting began this morning. Relating to that issue, if the recommendation of the
3 commission and I know you're not doing that today, would be to account for all that have been
4 submitted essentially up until the day the bill passes, so since this report was submitted and the
5 report...the memo report needed to be to you folks in time for the posting deadline so it could be
6 made available and certainly applications have been submitted since that time. So that number
7 changes every day as we receive applications and what we are recommending is that all
8 applications that have been submitted get accounted for if the cap is going to change. So at the
9 next meeting we can give you information up to that day and it very likely has increased from what
10 was originally submitted.

11
12 Mr. Freitas: Well, I think there should have been a cutoff date so that we can look at numbers
13 that's not keep changing. So from now until our next meeting there could be 20 more applications
14 come in and then our numbers gets all changed around again. I just wish there's a number or a
15 date that it says, from this date on we'll include you, the rest, no because not all of those that are
16 applying are gonna get in, you know. So in other words, let's say we gave a date two months
17 ago, and there were six people on the list, but you had eight more that come in, of that six that
18 met the deadline, you know what we've included them as the cap, but not all six are gonna get it
19 automatically they still have to go through the process. So then those other eight that did put in,
20 well, they be able to get a spot. My second question is that, because this is just a cap, when it is
21 time to renew with those that already have application have priority or will they have to go back
22 in and everybody's fighting for whatever that cap is?

23
24 Ms. McLean: The renewals would be considered one permit that continues on so renewals
25 wouldn't be threatened by this. They would just continue as long as the renewal request was
26 submitted in time, and the renewal goes through then that would just stay as one permit.

27
28 Mr. Freitas: Okay. And this one isn't a question, but I would just like to a make a comment. A
29 lot of the testifiers that were against this resolution were worried about the people that they employ
30 now, but as I'm thinking about it they are...if you have one already and you're permitted that will
31 not change is that correct? So I couldn't really and I didn't want to ask every testifier well where
32 are you getting at? You should be good unless you are trying to speak for more to get more jobs
33 for the people that work for you or to give more jobs to maybe a housekeeper for a buddy that
34 wants a short-term rental, so that's just a comment that I thought a lot of it was repetitive that if
35 you had a place permitted your employees can still work, now it's your job to make sure it sells or
36 gets rented or whatever you call it. That's, that's what I have for now. Thank you.

37
38 Mr. Carnicelli: Thank you, Commissioner Freitas. If I could ask...I'll go to you Commissioner
39 Thompson after this, is on what Commissioner Freitas is getting at I find really interesting is the
40 last the thing we want to do is create a run, right, like a run on permits, suddenly, okay if this were
41 going to be adopted by the Council are we going to see 75 people, you know, put in their permit
42 to get it in the pipeline or something like that. So my question is, is this number going to say,
43 move based on the number in the pipeline because we can say, oh okay, well there's another five
44 in the pipeline that's my first question. My second question is, how long does it take an application
45 to get put together 'cause I'm assuming it's not something you could do in a couple of days, right,

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1 so like by the end of the week I'm gonna get my application in. About how long does it take do
2 you think to put together an application and get it submitted and get it in the pipeline, Director?

3
4 Ms. McLean: If the applicant has all the required information available, it shouldn't take very long,
5 but I think it can take a while to put all that information together, needing a site plan, a GET license,
6 a TAT license, you know, there's a lot of information in the County Code that's required to submit
7 as part of the application. You know, there might be some applicants that have that readily
8 available, but I would be surprised if all did, it's not...that's not really a common thing for people
9 to have so...and then you have to put together the list of surrounding property owners, so if
10 someone hires a consultant it's probably faster but there are people who do it on their own and I
11 would think it would take them a couple of months to put everything together.

12
13 Mr. Carnicelli: Okay, thank you. Commissioner Thompson.

14
15 Mr. Thompson: Thanks, Chair. So you know, Councilmember Paltin wrote this bill because she
16 has constituents that believe one or two things, I think that it takes away from affordable housing,
17 they're watching the housing going away, and two, there's some NIMBYs, we just don't want more
18 people. So they gotta go back with something, that they want something. What I would propose
19 out of it is, we approve it although we let them have whatever it takes 20 off, she said they would
20 compromise, that lets everything in that's in process now plus that are people thinking about it to
21 get it through, but I would say the big win out of it would be if we added a thing in there that says,
22 there's a grace period for people that have it when they expire, they can, you know, if they pay a
23 penalty because that's a big one, and ...(inaudible)...people they forget, it's a once whatever,
24 every couple years, two years, and you forget about it, the day goes by and now you're screwed,
25 you're out of the game altogether. So I think for the people that already have them if that was in
26 there they'd go homerun, and realistically, we're not gonna hit these numbers in a while, we're
27 gonna be minus tourism. When Desert Storm came here, what it was like three days of war Iraq,
28 Kuwait, whatever, for a year here real estate was just in the dumps from a one-week war, so
29 imagine when we have three month off, this is going to be six years before tourism's back to...if
30 we're fighting over that 60 percent or 70 or whatever that number is, so it's gonna be a long time.
31 So I don't know to placate everybody in there, maybe it's okay, you get to pass a bill, it's resolution,
32 the number goes down but there's a bonus for the people that already have it, you're not gonna
33 get kicked out of it. I would take that deal if it was me, oh yeah, oops, I forgot, they've come in
34 front of us before and they go, sorry and now it's a year worth of thousands or tens of thousands
35 of dollars of people writing up, you know, we're chopping down trees like crazy just to keep up
36 with it. Anyway, that's my two cents.

37
38 Mr. Carnicelli: Yeah, I appreciate that Commissioner Thompson and I know that, you know the
39 notice of expiration, I've been part of...in the Commission here and then at the Council level I've
40 been part of conversations like that, you don't get a notice for your driver's license, you don't get
41 a notice for this, this, and this and if I was running a business, I'd know when that expired. If my
42 business was dependent on my renewal, there would be a big old "x" on my calendar and I don't
43 need a note from anybody else—

44
45 Mr. Thompson: Fair enough.
46

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1 Mr. Carnicelli: --to say my business is dependent upon that. So, although I do get
2 it,...(inaudible)...well, I should...anyways, that's just part of it.

3
4 Mr. Thompson: But you get your license back, you pay a penalty, you know, an extra ten percent
5 or something.

6
7 Mr. Carnicelli: Right. But that's another conversation for another day 'cause you know we're
8 talking about caps today, but I do appreciate that because you know, somebody brought it up and
9 so, I appreciate you wanting to address the concerns. Commissioner Castro, anything to add,
10 questions?

11
12 Mr. Castro: Just, just a couple of comments on some of the testifiers they brought up the point
13 about screening the applicants more better and to, yeah, and to look at the STRs that are legal
14 or illegal and I guess to the point is how do we find out these illegal ones, you know, because
15 no...nothing is generated you know for the County as far as taxes like that because they're not
16 registered but still running illegally, so how do we address that?

17
18 Mr. Carnicelli: Yeah, it's a legitimate question.

19
20 Mr. Castro: You know, so it kind of bothers me there's so many out there and I think at one time
21 I believe there was a shortage of people to actually go out and investigate, you know, these
22 concerns and where are we with that as far as the investigations?

23
24 Ms. McLean: Chair, do you want me to respond to that now or do you want us to provide
25 information at the next meeting or some of both?

26
27 Mr. Carnicelli: How about, how about we do a little bit of both?

28
29 Ms. McLean: Okay. Yeah, Commissioner Castro we did hire a contractor to assist with
30 enforcement efforts. The challenge with illegal operations is facing municipalities around the world
31 and so a new industry has cropped up to assist local governments with enforcement, and like with
32 our contractor they have the ability to go through many more online ads than we have the ability
33 to with our staff because illegal operators will post ads that block Hawaii IP addresses or they will
34 only run their ads on the weekends or evenings when they know our staff isn't working. They'll
35 run photos of a property that's not even their property and so when we, you know we either can't
36 find their ad or when we look at it, it looks like it's a property that is permitted or sometimes we've
37 cited an owner that is not doing vacation rental just this ad used their property instead. So these
38 consultants can help get through that and we've had a lot of success with them. Also, the Charter
39 Amendment that was passed at the end of 2018, resulted in a County Code amendment and
40 Administrative Rules amendments that now allow the initial fine for an illegal operation to be
41 \$20,000 and then daily fines of \$10,000, so that has had a pretty good deterrent effect. We have
42 issued a number of those and when I last checked all of those have been appealed to our BVA,
43 so we need to go through that appeal process before we are able to collect any of those fines.
44 And I can, at the next meeting I can give you current data of the number of notices warning, and
45 notices of violations that we've issued since we had the contractor, the number of illegals that we

1 found and so forth. I don't have that information right in front of me but we can provide that next
2 time.

3
4 Mr. Carnicelli: You're still muted Stephen.

5
6 Mr. Castro: Oh, I was. Well, thank you for that explanation. Thank you.

7
8 Mr. Carnicelli: Commissioner Tackett, questions, comments?

9
10 Mr. Tackett: Just a lot of good points were made. I still think that it's just a hard time for stuff like
11 this. As far as the new permits coming in and the economic, the economic boost that they get
12 should our, should our communities especially our residential end up with illnesses I think, I think
13 the repercussions would be pretty extreme. But that's, that's probably what I see is the scariest
14 thing about this...these times because we're still pushing to, to fulfill these things and globally it
15 looks like this thing is coming back again, you know what I mean, so it just kinda seemed like a
16 scary time to be putting tourists in people's neighborhoods, you know around people's kids and
17 stuff like that, so...anyways, that's just the type of thoughts that I have about approving just doing
18 this particular time in history. So that's all I got.

19
20 Mr. Carnicelli: Commissioner Tackett, you bring up a great point, a great point, I'll get you
21 Commissioner Freitas. But actually based on his comments, Mr. Hopper, if this is going to move
22 forward, is there a way with which we just say, okay, we're not reducing the cap, but what we're
23 saying is we're hitting a pause and we're not going to approve any new ones until we're, say clear
24 of literally, historic pandemic, something that you know is going to be written about in the annals
25 of history is we're in the middle of that time right now. Is there a way we could say, hey listen no
26 new approvals until "x", I mean in this pandemic and I don't know what "x" is, is to say, okay you
27 know, we want to be able to address all concerns, but you know, being where we are right now,
28 is that something that's even legal?

29
30 Mr. Hopper: I mean, you can recommend whatever you like to the Council, anything like that the
31 Council would have to approve, you couldn't just as a commission just blanketly say we're not
32 gonna consider anything that the, that the law says you have to consider. Now of course, if you've
33 got proclamations from the Governor or from the Mayor that prohibit this, you know this type of
34 visitor use or prohibit travel or deal with quarantine that will apply regardless of the zoning use
35 that's allowed. So you know, those restrictions would be separate from what the zoning use
36 allows, like you know, so I don't know if you would be looking more to sort of that blanket
37 prohibition because of course, that deals with whether you're an STRH permitted or a hotel or any
38 type of use, that's normally handled by emergency proclamations separately. But if you had for
39 whatever reason wanted to either reduce the caps or deal with the total number, you can make
40 that recommendation to Council. I don't know what the form of a temporary pause like you were
41 saying would take as part of the zoning ordinance. Normally something like that would be done
42 by executive order of the Mayor or the Governor if it's for a temporary period of time. If you want
43 to do something like a moratorium normally that's, that's reserved to come up with a revised code
44 for a particular reason to deal with an issue over time. So you know, you can again, make
45 whatever comments you like to the County Council, but normally those types of suspensions and
46 things are dealt with through those...the executive orders that the Mayor and the Governor would

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1 set forth and obviously should apply to not just short-term rental homes but to hotels and
2 everything like that as well. So I think I'd probably recommend, again, you can recommend
3 whatever you like to the Council to look at but I think you, you would probably look for the policy
4 basis to say you know what are...are these cap numbers something we're satisfied with, should
5 they be lower as proposed or do you have a different recommendation on that.

6
7 Mr. Carnicelli: Great. Thank you, thank you, Michael, I appreciate it. Commissioner Freitas.

8
9 Mr. Freitas: Thank you. I know she can't respond and she might still be on, but for
10 Councilmember Paltin, maybe the Director could request that the council members that are on
11 the committee for this resolution try not to reinvent the wheel. I know Maui is very unique but
12 what have other places similar to ours what have they done regarding short-term rentals. I'm sure
13 we're not the only ones in the world that has this. Remember we're an island so don't compare
14 with anything in Florida because they have a lot of land and resources we don't, but maybe if we
15 could ask them to provide a couple of examples out there.

16
17 And finally, I'm gonna take a lot of darts for what I'm gonna share, but I'm going to share my
18 manao on short-term rentals. To me, short-term rentals are turning into very expensive homes
19 on our island and therefore, developers are starting to build expensive homes to turn around and
20 sell one or two in their subdivision that ends up being short-term rentals, and so what I'm thinking
21 is by putting this cap would discourage creating developments.

22
23 Mr. Carnicelli: Please mute yourself, please mute yourself.

24
25 Mr. Freitas: You know, I am still for the cap, after listening to a lot of...I counted about 15 that
26 were against, and about four or five that were for. You know, I'm a little bit on the fence, but the
27 bigger picture is if we don't put this cap again, home prices will continue to rise and even our
28 Mayor, even our...some of our Council members when they ran, they were worried that our
29 residents, our children just getting out of high school and young families who have to move away
30 because they cannot afford, well, stop allowing million-dollar subdivisions like we're having out
31 there and let's start providing affordable homes for our residents. There's a few that have
32 commented that there are hotels that are adding rooms and I mean, we have seen some, some
33 came through the Maui Planning Commission, some didn't, I totally agree we should not be adding
34 more rooms. I think our visitors coming we are busting at the seams, put a stop to the...to any
35 increase on visitors coming and I think short-term rentals help with more visitors coming, some
36 not even detected. I'm sorry, that's my, that's my manao, and I agree with this cap. Thank you
37 for your time.

38
39 Mr. Carnicelli: Would anybody else like to offer comments, questions at this point? Commissioner
40 La Costa.

41
42 Ms. La Costa: Thank you, Chair. I just did some down and dirty math about the percentage of
43 change when you talked about empirical numbers, a percentage of change of what is established
44 now and what it would be if these caps were to take place. Hana would be a decrease of 23
45 percent, Kihei-Makena it's no change because we don't know what number that really is,
46 Makawao the difference is a three percent change, Wailuku the difference 84 percent. West Maui

1 two percent, Lanai has never had a cap so it doesn't make a difference. So it's about 19 percent
2 decrease overall from the 349 to the 278, is that 19 percent a big deal, I don't know, so it's a tough
3 thing because I see both sides of the coin and it's tough. We wanna keep people employed but
4 we don't want to have our neighborhoods put at risk. People building big houses, developers,
5 you have to hold them for five years so at that point these laws may even change more and they
6 are, they're fluid just like everything else. So those are the percentages that I ...(inaudible)...and
7 to me, it didn't jump and down and raise a big, red flag, but I'm still open to hearing more and
8 making a decision based on more information. Thank you, Chair.

9
10 Mr. Carnicelli: Thank you. Anybody else want to add something? Director, I've got a couple of
11 things that I want to throw in there, and one is, you know we've broken the caps down into
12 community plan districts, however, you know one of the triggers to come to us is clustering. You
13 know, Keaka and I have gone back and forth for four or five years now about clustering, is
14 clustering good, bad, not? I think that, that when we start looking at these caps, I think we need
15 to look at subareas because Lahaina Town is different than Honokowai which is different than
16 Napili which is different than Kapalua. Kihei, north of Lipoa, Lipoa to Keonekai, Keonekai South,
17 kinda different communities. Paia and Kuau versus Haiku versus Huelo, versus Makawao. So I
18 almost think that it would do us a service to have a breakdown of that. You know we keep talking
19 about is it appropriate to have more of them on Halama Street or less of them on Halama Street,
20 more of them on north end of Front Street or less of them north end of Front Street, so I think that
21 that if we're going to have this conversation about, you know, reducing the caps, it's sort of just
22 this, okay, 50,000 feet vacation rental's bad but the reality is, is you know, when Prince was alive
23 he used to come here once or twice a year, Prince isn't gonna stay at the Grand Wailea. Prince
24 isn't gonna stay at the Four Seasons. Barrack Obama goes and stays in an illegal vacation rental
25 on Oahu. Barrack Obama is not gonna go stay you know in Waikiki and he actually rents three
26 homes because he's got Secret Service on either side of him. So you know, like there is an
27 element of that visitor that if we're saying hey, listen we just don't want them, I'm okay with that
28 as long as we're just making that with eyes wide open so I think that the other side of just okay,
29 the dynamic of areas is, and I've been wrestling with this a long time is the...also the demographic
30 of the wealthy and here's my problem is I think that okay, the Princes of the world and the Barrack
31 Obamas of the world you know the STRH that sits on Keawakapu Beach makes sense for them.
32 However, I also don't want to have to say like, okay, the rich guy on Keawakapu Beach gets to
33 have an STRH permit but the local family that owns you know, in Central Kihei can't, you know,
34 they don't have that same opportunity so I wrestle with that because on the one hand I wanna
35 say like okay, that high end guys you know, I want that person to come here and spend their
36 money, but then again, I also want to give everyone the opportunity and I don't want to say that
37 rich people get to do this or not. So I think that if we could get some kind of an analysis, some
38 kind of a breakdown regarding that you know, Commissioner Castro brought up the illegals. I
39 think that part of the also, the analysis of trying to break this down is the illegals that are out there
40 are taking demand, so if we're really trying to say is there a demand for this particular type of
41 accommodation for visitors that's being usurped by illegals then what is that? And are these, you
42 know, the reduction in caps is it necessary or not, is it saying like hey listen no, we actually need
43 those. So I think that that's just again part of the conversation that we need to have.

44
45 The other thing that I think is interesting and this is more maybe a socio-political comment is in
46 this time of COVID there's been this vitriol towards tourists. So the people that come visit are

1 tourists. They're bad, we're good. Us versus them. And visitors in my opinion need to be looked
2 at as a resource no different than the reef, the beaches, the mountains, our roads, our parks, all
3 of those things that are being used up, and we need to be prudent with our resources, all of them
4 including tourists and/or...actually tourist visitors. So you know, they're not the enemy, you know
5 when we have a housing shortage we want to look for why and it's real easy to say, oh it's them.
6 Not that easy of an answer. So, anyways, those are just sorta some of my comments and I don't
7 know if between you and Jacky, if you scribble things down and know what it is that we want to
8 know at the next meeting to be able to come up with a decision or not. But I just thought I'd share
9 my manao as well. So any other questions or comments for the Director and/or Jacky?
10 Commissioner Tackett.

11
12 Mr. Tackett: I had a question as far as regulation. Is there a way that the people that market
13 these STRHs and bed and breakfast type properties, is there a way that they can be held to only
14 a list that they receive from you as opposed to getting their list from whoever happens to apply
15 for it? Like can they just go directly off of permits that are approved for this County and nobody
16 else, if you don't have an approved number from this County that you can't apply to run your ad
17 on these different places without that number, is that something that could happen?
18

19 Ms. McLean: Commissioner, the current law for B&Bs and STRHs require that all advertising
20 include the permit number. So when we see an ad that doesn't include the permit number, most
21 likely that's an illegal operation because permitted operations are generally good with complying
22 with their permit conditions for the most part. We cannot require the hosting platform to only
23 advertise lawful operations and there...we have tried working with the hosting platforms to get
24 them to agree to do that, and some seem willing to do it, others do not at all, and whether it's the
25 permit number, whether it's a TMK number, just some way for us to verify what property it is, but
26 that's why we've asked the State Legislature to grant the counties the authority to regulate hosting
27 platforms so that we could do just that. The Legislature has also looked at different ways to
28 regulate vacation rentals to make sure that lawful ones can be advertised and operate and to
29 assist the counties with enforcement of the illegal ones, but we haven't gotten enough progress
30 for us to be able to do that. Also, keep in mind that what complicates these is that the thousands
31 of vacation rental condo units that are lawful don't have a permit and they don't need a permit and
32 so when we see ads, we need to check that with our list of those that are allowed to operate
33 legally. Council approved funding in our upcoming FY-21 budget for us to issue like a registration
34 number for all of those so that they can list that number on their ads that would let a knowledgeable
35 consumer know that they're lawful. It would also assist us in enforcement. So that's something
36 that we could accomplish relatively soon that would assist, but back to your initial question is can
37 we require the hosting platforms to run those numbers, we can't and in general, they haven't been
38 willing to assist us.
39

40 Mr. Tackett: Thank you.

41
42 Mr. Carnicelli: Any other questions or comments before we shut...Commissioner La Costa.
43

44 Ms. La Costa: Thank you, Chair. This is for Director. During some of the testimony it was said
45 quite frighteningly that people use other people's pictures or permit numbers for their
46 advertisement, is there any way to police, sorry for the word, but is there any way to police if

1 indeed if I have a permit and I show my house that's legal and then somebody else rents vacation
2 rentals that are illegal and they use my house, I mean, is there any way to police that all or is it
3 just when, when somebody reports it?
4

5 Ms. McLean: We do, I think as most of you know enforcement at the County level is complaint
6 based except for vacation rentals. We've been given the okay to be proactive with enforcing
7 against the—
8

9 Mr. Carnicelli: Oh, really.
10

11 Ms. McLean: --operations. And so, we've been doing that for quite a while because of the
12 contractor that we hired to monitor the ad. When we see an ad, we don't go solely based on the
13 photo, if it's a...if it's a permitted operation their permit number would be in the ad, and so if there
14 isn't a permit number then we can enforce against that regardless of the picture. But we have
15 had cases where an illegal operator puts up a photo and a permit number of a lawful operation,
16 but when you go to rent that you're directed to a different property. We've gotten complaints from
17 visitors who come here and say, this is not the place that I rented, you know, and there's not much
18 we can do about that except to enforce against the owner right then and there. So it's tricky, it's
19 challenging, and like I said, this is around the world desirable locations are facing this, so we do
20 try to learn from those other places just like they're learning from us.
21

22 Mr. Carnicelli: Thank you. Any other questions, comments? So questions for you guys before
23 we go ahead and close this out, and we're gonna go ahead and defer this to I guess the next
24 meeting, Director is that what you want to do, the very next meeting, so we'll defer this one if there
25 are no objections we're gonna go ahead and defer this?
26

27 Ms. McLean: Chair, I would ask for Mike Hopper's guidance on this, I think he was suggesting
28 that you recess the public hearing to the next meeting.
29

30 Mr. Carnicelli: Oh, okay.
31

32 Ms. McLean: Mike, can you chime on procedurally what the action is?
33

34 Mr. Hopper: Yes, I think that's correct. I think you would want to say you're going to recess this,
35 and you've got to be specific as to date, so the item's gonna be recessed until I believe your next
36 meeting is June 23rd. In fact, you're gonna have to do this with all the remaining items that are
37 public testimony items, so this is gonna be good practice for those, there's a couple of those I
38 believe. So you would recess until June 23rd, and then that agenda, I think you can probably post
39 an agenda that has the recessed items referenced as recessed items because no new testimony
40 is going to be taken, but I think the most important thing is to have a phone call-in number for
41 anyone who wants to provide testimony who was not able to call in to provide testimony today.
42 So that's the action. The public hearing is gonna be left open for testimony and the meeting is
43 going to be recessed, so you know, that's gonna be kept open and again, it's only going to allow
44 people that have not already testified to testify. Written testimony can be submitted at any point,
45 but I think that's the action. So it's to recess until June 23rd, I believe at 9:00 a.m. would be your

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1 action so that you would say, you know, to that meeting and then you can post on that agenda
2 that those items are gonna be included in your—
3

4 Mr. Carnicelli: Thank you, Mr. Hopper. So can I have a motion to recess this item to June 23rd at
5 9:00 a.m.? So moved by Commissioner La Costa, seconded by Commissioner Castro.
6 Discussion? Seeing none, all those in favor please raise your hand? That is unanimous.
7

8 It was moved by Ms. La Costa, seconded by Mr. Castro, then
9

10 **VOTED:** **To Recess the Matter to the June 23, 2020 meeting at 9:00 a.m.**
11 **(Assenting – P.D. La Costa, S. Castro, K. Freitas, D. Thompson,**
12 **C. Tackett)**
13 **(Excused – K. Pali)**
14 **(Absent – T. Gomes)**
15
16
17

18 Respectfully Submitted by,
19
20

21 CAROLYN TAKAYAMA-CORDEN
22 Secretary to Boards and Commissions II
23

**MAUI PLANNING COMMISSION
PORTION OF REGULAR MINUTES
ITEM G.1
JUNE 23, 2020**

Ms. McLean: Thank you, Chair. This is the reconvened public hearing on Council Resolution 20-27 referring to you for comment a proposed bill relating to short-term rental home permits. This is the bill that would change the caps.

G. PUBLIC HEARING RECESSED FROM THE JUNE 9, 2020 MEETING (Action to be taken after each public hearing.) (Given the other items on the agenda, the Commission will likely discuss this item no sooner than 1:00 p.m. or after lunch whichever is later)

- 1. MS. MICHELE CHOUTEAU MCLEAN, AICP, Planning Director, transmitting County Council Resolution 20-27 referring to the Maui Planning Commissions a Proposed Bill to Amend the Comprehensive Zoning Ordinance Relating to Short-Term Rental Home Permits on Maui and Lanai. (J. Takakura) (Recessed from the June 9, 2020 meeting)**

The entire text of the proposed bill for ordinance is available at <https://www.mauicounty.gov/1127/Legislation---Proposed> and is summarized as follows:

Section 19.65.030.R. is proposed to be amended to reduce the number of short-term rental home permits per community plan area, with the exception of the Kihei-Makena community plan area for which no change is proposed.

Ms. McLean: Jacky Takakura previously did a presentation and she has the follow up information that you requested if you would like to see that presentation. I would also remind the Commission that there was dozens and dozens and dozens of written testimony that was submitted prior to the last meeting, also 22 prior testifiers who, if they're on the call you're not able to testify again today. Most of that written and verbal testimony was either in opposition to the caps or in opposition to further restrictions on short-term rental homes. We have had three people today to indicate they wish to testify and the Commission also received three more written testimonies relating to this item.

Mr. Carnicelli: Great, thank you very much Director, and you have the list of the names of everybody who's previously testified, correct?

Ms. McLean: Yes, Carolyn and I both do.

Mr. Carnicelli: Okay, fantastic. Why don't you go ahead and call the first person.

Ms. McLean: Okay, the first person today signed up to testify is Terry Revere, Terry you can unmute you audio and if you wish, unmute your video as well. Chair, I don't see the name listed that had texted or that had messaged me before so we can come back and see if Mr. Revere had joined. Next is A.J. Palmera. A.J. Palmera, if you're on, you can unmute your audio and video if you wish.

Ms. A.J. Palmera: Aloha, can you hear me?

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1
2 Mr. Carnicelli: I can. Please identify yourself for the record.

3
4 Ms. Palmera: Hi, aloha Director, Chair and Planning Commissioners, my name is A.J. Palmera.

5
6 Mr. Carnicelli: A.J. do you promise to be truthful?

7
8 Ms. Palmera: Absolutely.

9
10 Mr. Carnicelli: Okay, you have three minutes.

11
12 Mr. Hopper: Mr. Chair?

13
14 Mr. Carnicelli: Yes, sir.

15
16 Mr. Hopper: This is not a contested case hearing so you don't need to swear people in for this
17 one.

18
19 Mr. Carnicelli: Oh, right, right, right, cause we're a recommendation again. Okay.

20
21 Mr. Hopper: Yes.

22
23 Mr. Carnicelli: Sorry, you don't need, hopefully you'll –

24
25 Ms. Palmera: I'll be honest anyway, I'll be honest anyway.

26
27 Mr. Carnicelli: Thank you.

28
29 Ms. Palmera: Thank you. I know this catches you at the very end of your day, and I'm sure that
30 you're very, very exhausted at this time, but thank you for allowing me the opportunity. Again, my
31 name is A.J. Palmera and I'm continuing to kindly ask the Planning Commission to support our
32 licensed industry to be a part of the overall recovery of economy and I also ask to please not
33 consider any type of phase out option as previously suggested or reducing of the existing caps.
34 In my opinion it will create more of a negative impact on many of the local residents and small
35 businesses here on Maui which could result in forcing more local families to have to relocate out
36 of state and seek work and a more affordable living. I'm locally born and raised here in Hawaii.
37 I'm currently a resident on the north shore in Haiku and I work in Paia. Part of the business that
38 I am in is legally permitted short-term rental industry, but I think one of the greatest parts, aspects
39 of my testimony is that I also live in a rental home and it is attached to a legal short-term rental
40 and the short-term rental is obviously professionally managed and cared for and because of that
41 it has no type of negative impact on our peaceful neighborhood. I'm also a single parent and
42 thankfully this unique situation has really provided a great opportunity for myself and for my
43 children in order to have an affordable rental for the past four years which has been pretty
44 amazing. You know, and basically each industry needs diversification which benefits the local
45 residents as well, and the legally operated short-term rentals are pretty much a small part of our
46 entire tourism industry and it caters a really different type of traveler and a good example of that

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1 would be the local families who travel interisland and many of them come for family events or
2 sporting events and it's pretty difficult for them to stay with their entire family in the hotel so that's
3 one good example, and I guess for our homeowners who have complied with all the laws and
4 who've obtained the license and been operating professionally without any complaints, I think
5 they deserve to be able to renew their licenses and I can only hope that a great educated decision
6 will be made that looks at all of the aspects.

7
8 Ms. Takayama-Corden: Three minutes.

9
10 Ms. Palmera: Thank you.

11
12 Mr. Carnicelli: Thank you very much Ms. Palmera. Are there any questions for the testifier?
13 Seeing none, thank you very much for your testimony.

14
15 Ms. Palmera: I appreciate it. Mahalo.

16
17 Mr. Carnicelli: Director.

18
19 Ms. McLean: Thank you, Chair. Next we have Terry Revere's office. His associate will be
20 testifying, Magdalena Bajone and she will be followed by Margit Tolman. Magdalena you've been
21 unmuted you can offer your testimony.

22
23 Ms. Magdalena Bajone: Thank you, Ms. McLean. Good afternoon, Chair and Commission
24 Members. My name is Magdalena Bajone and I'm one of the attorneys with the office of Revere
25 and Associates who represent the Maui Vacation Rental Association. We also represent several
26 homeowners on Molokai who will be filing a Federal lawsuit this week. We are taking this action
27 because even though our homeowner clients did nothing wrong and had no complaints against
28 them, the County decided to make the number of short-term rental homes permitted on Molokai
29 to be zero. Instead of grandfathering them in, they told our clients with no due process whatsoever
30 that their short-term rental home permits were being taken away. It also quite obvious to us that
31 the County is simply using Molokai as a test case and will soon be eliminating short-term rental
32 homes countywide. Indeed, a photo of the Planning Director's assistant's folder was taken at the
33 public meeting in Wailuku a few months ago that said short-term rental homes rest in peace with
34 a skull on it. It is obvious that the Department has no desire to do anything other than destroy
35 perfectly legal short-term rental homes. Molokai permit holders and Maui Vacation Rental
36 Association have tried to work within the legislative system. The question of defending short-term
37 rental homes has brought so many people out that the commission meeting room has not been
38 able to hold them all. BlueJeans meetings have been attended by the highest number of people
39 ever all saying the same thing over and over this when there are only 200 short-term rentals on
40 the island. Even though it happened to Molokai permit holders was not legal the representatives
41 were not there to protect them. Maui Vacation Rental Association and those permit holders do
42 not take the decision to initiate a federal action lightly, but are feeling forced to defend their rights
43 through the court. We hope the Commission will see what is happening and decide now
44 especially in a time of unemployment to defend small businesses, to defend property rights, to
45 work towards real solutions looking forward. Based on discussion with colleagues, the County is
46 now waking a sleeping dragon. Many more homeowners and law firms will be filing more suits in

1 Federal and State courts to protect their client's constitutional rights to use their property
2 peacefully and lawfully. It is ...(inaudible)... that a county with one-fourth of its population
3 unemployed would still be engaging in its anti-small business agenda and keep on doing whatever
4 the hotel ...(inaudible)...insists upon. Thank you.
5

6 Mr. Carnicelli: Thank you, Ms. Bajone. Commissioners, any questions for the testifier? Seeing
7 none, thank you very much. I appreciate your testimony.
8

9 Ms. Bajone: Thank you.

10
11 Mr. Carnicelli: Director.

12
13 Ms. McLean: Thank you, Chair. The next person signed up to testify is Margit Tolman. Margit
14 you can unmute your audio and if you wish, unmute your video.
15

16 Ms. Margit Tolman: I did, can you hear me?
17

18 Mr. Carnicelli: We can.
19

20 Ms. Tolman: You can. Good afternoon Chair, Commissioners, and Planning Director. Thank
21 you for long working so late, and listening. I think I'm the last one. Anyway, I'm testifying...I'm a
22 broker, listed broker in Paia. I always had my business in Paia Town and I live in Haiku. Been
23 manage several short-term rentals, they are all licensed. We have a small, little, professional
24 business and I have, you heard AJ is my employee and I have about 13 independent contractors
25 working for us.
26

27 I am favoring the existing caps in each district at this point. We are in very uncertain times right
28 now and we don't know what...how Maui will be in three months or in six months. We are all in
29 limbo right now, and I don't think this is the right time to discuss reducing potential short-term
30 rentals, but I notice two weeks ago, I didn't testify at that time, there were a lot of questions and
31 I'm a number person. I did my own study and I started and ...(inaudible)...about the existing
32 short-term rentals in each district and wanted to know, you know, what the assessed values are
33 of the properties, the short-term rental tax, and comparing to residential tax how much tax
34 increase and revenue the County is getting and also how many rooms do we have in the short-
35 term rental business with spending...visitor spending of each day, how much will it benefit our
36 economy. I just give you some points, some highlights, but I'm happy to provide my study to
37 anybody who wants to see it. Over 50 percent of the short-term rental homeowners have Hawaii
38 addresses in the tax record and that tells me that this law was an opportunity to residents of just
39 owners here on Maui. They lived here, they had to move away or they have properties for 30,
40 40, 60 years, one I saw 120 years in their family and this was an opportunity for them to keep
41 their property. And I think this opportunity should be available. We have caps, they are not too
42 many available any more, have about 122.
43

44 When I looked at the average ownership of the properties and it was just below 15 years. So that
45 shows too that—
46

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1 Ms. Takayama-Corden: Three minutes.

2
3 Ms. Tolman: --I'm so sorry, I will not be able to tell everything, but if anybody's interested about
4 this study I did overall we have 1,630 visitors in short-term rentals, if 100 percent occupied versus
5 the 66,000 people we have every day before COVID and everything is up in the air what, you
6 know, what will be in the future. Thank you so much. Thank you.

7
8 Mr. Carnicelli: Thank you, Ms. Tolman. Commissioner Freitas.

9
10 Mr. Freitas: Thank you, Chair. Aloha, Ms. Tolman. Did you say that you run a business of short-
11 term rentals?

12
13 Ms. Tolman: I manage short-term rentals. Legal licensed short-term rentals, yes.

14
15 Mr. Freitas: Short-term rentals.

16
17 Ms. Tolman: Short-term rental homes, yes.

18
19 Mr. Freitas: So it's a business, you know. When I hear short-term rental I think of a owner has a
20 house, and an extra house or whatever on property and he rents that out as short-term rental for
21 whatever reason, but I'm hearing more and more people are saying that they are a business,
22 more than one.

23
24 Ms. Tolman: Yes.

25
26 Mr. Freitas: So in your job or what do you, do you go and solicit people and you try to tell them,
27 hey turn your place into a short-term rental or do they come to you for the cleaning people...I'm
28 not sure when you say you run a business of short-term rental what exactly you do.

29
30 Ms. Tolman: Okay, let me explain Kawika. The law requires any owner who has a short-term
31 rental license to hire a real estate broker to manage the property that is in the law. So as a real
32 estate broker I do have nine properties I handle. I do not approach anybody to turn their home
33 into a vacation rental. I have owners coming to me and asking and most of the time if I show
34 them how much investment it is to get started and how much maybe on the bottom line is profit
35 most are not interested. So my inventory stock is way back. I had these properties when the law
36 was established and we got them all licensed.

37
38 Mr. Freitas: Thank you. The reason I ask is we had probably 20 testifiers that are against this
39 cap, the revised cap, and a lot of them kept saying that...it's...it would take away jobs of people
40 that are the housekeeper, the landscaper, and all of that. Are you the one that hire those people
41 or is that separate and the homeowner hires their own?

42
43 Ms. Tolman: No, most I do the hiring because we have the connections and we know most
44 gardeners servicing the north shore, pool service, we have cleaning pool for 20 years already,
45 they establish little businesses. So the owners are not here on the island so they will be not able
46 to do the everyday operation.

1
2 Mr. Freitas: Okay. So by us putting a cap, a revised cap, that's what we are here to discuss,
3 none of the people that you already hire will actually lose a job because the ones that are already
4 short-term rental are safe is that correct?

5
6 Ms. Tolman: Yes, that is correct.

7
8 Mr. Freitas: Okay.

9
10 Ms. Tolman: And it will not affect me Kawika, but I through my study and looking at the properties
11 I just feel it will take opportunities away for ...(inaudible)...residents. I mean, there is always a
12 stigma and a vision of the investment...investors a lot of money buying you know \$7 million
13 properties and they turn it into vacation rentals. And I really want to take it away because this is
14 not the reality. It's just not. There are some really high priced property we'll see on the west side,
15 they have their place, but most owners they do not really have a lot of profit but they have a peace
16 of mind they can use a property whenever they come and visit and some are here very frequent.
17 I have one owner they are six, seven, eight months on this island.

18
19 Mr. Freitas: Okay, okay, you've answered...you answered my question. Thank you very much.
20 I'm sorry, I put you on a spot here. Thank you.

21
22 Ms. Tolman: No.

23
24 Mr. Carnicelli: Any other questions for the testifier? I just...one quick point of clarification, you
25 know, Ms. Tolman, you are a professional property manager and so when you manage your
26 properties, you're the one that hires all these contractors, cleaners, everything like that, but there's
27 many people that don't have to hire a broker and they do that themselves is that correct?

28
29 Ms. Tolman: They can. There are a lot of owners they live here on the island, they can manage
30 their own property.

31
32 Mr. Carnicelli: Right, and those people are like more independent business owners rather than
33 hiring you?

34
35 Ms. Tolman: Yes.

36
37 Mr. Carnicelli: Okay, thank you. Any other questions? Thank you, Ms. Tolman.

38
39 Ms. Tolman: Thank you.

40
41 Mr. Carnicelli: Director.

42
43 Ms. McLean: Chair it does not appear that anyone else has shown an interest in testifying through
44 the chat function.

45

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1 Mr. Carnicelli: Okay, is there anybody else that would like to testify, please unmute and identify
2 yourself please?

3
4 Ms. Darcel Gilbert: Hello?

5
6 Mr. Carnicelli: Hello.

7
8 Ms. Gilbert: I guess I can't undo my video, can I just make a comment? Maybe I've got this
9 wrong. It's the first time I've done this so...

10
11 Mr. Carnicelli: That's okay. That's okay. We can hear you. If we could see you that would be
12 fine, but as long as we can hear you then you're more than welcome to give testimony. Please
13 identify yourself for the record.

14
15 Ms. Gilbert: My name is Darcel Gilbert. I live in Lahaina.

16
17 Mr. Carnicelli: Aloha, Ms. Gilbert.

18
19 Ms. Gilbert: Thank you. I was born in Honolulu many, many years ago and I've lived on Maui
20 about 40 years. In the last 20 years I've lived in what's called Kaanapali Vista. I have steadily
21 opposed vacation rentals in my neighborhood, there are now seven and there's one applying next
22 door. All right, my neighborhood is 35 houses. So even with the cap my little neighborhood will
23 have more than ten percent of the ones that are approved for West Maui. So I can understand
24 there are different neighborhoods and different needs. I will say that in the 20 years especially
25 the last five years since vacation rentals have proliferated here I miss my neighbors. I like my
26 neighbors that are here, but the ones that are potentially will be next door is a five-
27 bedroom...imagine, I don't know if any of you have any vacation rentals in your neighborhood. I
28 have one across the street, three doors down, and the one next door is gonna be five bedrooms
29 and a pool. I'm sorry, but you know, I am accustomed to knowing the cars that come down my
30 street, the people who are there, the names of them when I ride my bike, and I would appreciate
31 a cap or at least a limit within a certain perimeter so that I don't have more of these in my
32 neighborhood. And I think I understand the comments from the other people who are involved in
33 real estate and their own interests, I would hope that yes, you can accommodate a small industry
34 but it is a business in my residential neighborhood, so I would like you to think about that. It is a
35 business and that's I've got three of them or potentially three within less than 500 feet of my
36 house, so if any of you have had experience then you know, hopefully you'll tell me why it's
37 wonderful. Anyway, I wish you luck to your decisions and I want to also thank you all for your
38 work. I've been listening all afternoon, I genuinely appreciate the time and effort and the energy
39 that you do with this I mean, it's incredible. So thank you just for listening to me.

40
41 Mr. Carnicelli: And thank you for the very kind words Ms. Gilbert. I appreciate that, we all
42 appreciate that. Any questions for the—

43
44 Ms. Gilbert: Oh, one last...one last comment?

45
46 Mr. Carnicelli: Oh, sure. Sure go ahead.

1
2 Ms. Gilbert: I've been through these several times with different protests on vacation rentals on
3 my street all of which have been declined and I will say that the people who show up at your
4 meetings are usually the realtors and owners, and you don't see the other people 'cause they're
5 working. My neighbor next door who would like to protest against the one that's going in she's
6 painting her shop because she has to open up. The ones across the street, they're working,
7 they're in construction so they cannot show up for some of these things. That's my other thought
8 that please that there are working people in some of these neighborhoods, and that's all, thank
9 you.

10
11 Mr. Carnicelli: Thanks, Ms. Gilbert. Commissioner Freitas has a question for you.

12
13 Ms. Gilbert: Sure.

14
15 Mr. Freitas: Aloha. Thank you, Chair. Aloha, Ms. Gilbert, a testifier two weeks ago had said that
16 short-term rentals should all be by the resorts and keep all the visitors all together, but it sounded
17 like you live in a neighborhood would that change your mind if all of those people that are in your
18 neighborhood were by the resort or you just think that that short-term rentals just shouldn't be as
19 prevalent and as many as they are?

20
21 Ms. Gilbert: I don't think they should be as prevalent as they are, but it's a little difficult to answer
22 'cause I am near a resort and I appreciate that, but I've lived here 20 years and it wasn't like that
23 when I came here. You know, the resorts employ people too.

24
25 Mr. Freitas: Thank you very much.

26
27 Mr. Carnicelli: Commissioner La Costa has a question for you, Ms. Gilbert.

28
29 Ms. La Costa: Thank you Dr. Gilbert for chiming in and for testifying. So the people in your
30 neighborhood who have had the vacation rentals what kind of issues have you had with them?
31 Have there been noise, parking, rubbish, can you share with us your concerns about the
32 proliferation as you put it of...perhaps that's not your exact word, of the homes in your
33 neighborhood that are short-term rental? Thank you.

34
35 Ms. Gilbert: I think noise will be an issue with my house, again, I can only talk about what's near
36 me. There's a pool in front, and I'll be honest, I live...my bedroom is on the north side of my
37 property that neighboring house is on the south side and the pool is there, and the complaints
38 that I've had are primarily when I have a guest like a friend, who comes and stays there, and
39 invariably they say, oh my God, it's so noisy, I mean, I haven't appreciated that, but anyone who's
40 there will say that. The neighbors across the street also said things were very noisy, but you it's
41 this thing about local people, they don't complain, and I can say that myself, I remember biking
42 down and there was this guy who was drunk, you know a tourist making a fair amount of noise on
43 the balcony, this was at 10 o'clock in the morning he had a beer in his hand and I just kept going,
44 and well, you know, I said, tourists. Three houses down, another neighbor, Robin was sitting
45 outside and she's like her eyebrows are going, yeah, yeah, yeah, and I wouldn't have commented
46 but because she said, oh God, listen to the guy, I went back and I did call. So you know, noise is

1 one. The presence of strange people, you know, you'll have six or eight people walking around
2 and maybe I've been spoiled, I was in a neighborhood, I was born and raised in a neighborhood
3 where I knew people around me, there were...or two of us now, three women who are single and
4 live alone, so one of the nice things about the neighbors that we knew people, we knew their cars,
5 I know who's across the street, and strange people going through is a little disconcerting. Most
6 of the time you can tell that they're tourists. I mean, tourists deserve to go enjoy their time, I
7 mean, that's what they're here for, they're on vacation, but you know, it would be nice if we didn't
8 have strangers as much in our neighborhood and maybe part of that is not having as many at
9 least in my neighborhood. One time a woman came in and picked flowers in my backyard, and
10 you know, it's like okay. So people walking around. I understand the parking for vacation rentals
11 at least should be kept on property so that part I guess is a good thing, but I think if I...my main
12 concerns were strangers in the neighborhood, noise, and as I said, not being as familiar with the
13 people walking around there.

14
15 Mr. Carnicelli: Thank you.

16
17 Ms. Gilbert: Thank you.

18
19 Mr. Carnicelli: Thank you, yeah. Any other questions for Ms. Gilbert? Thank you, Ms. Gilbert,
20 appreciate you spending the day with us.

21
22 Ms. Gilbert: No, it was fascinating and as I said, I am just totally impressed that you guys put this
23 much time in and kudos to you. Thank you, again.

24
25 Mr. Carnicelli: Thank you. Director, is there anybody else that has signed up to testify?

26
27 Ms. McLean: Chair, no one has indicated they want to testify but we can ask those who have
28 called in there are three who have called in and I can unmute them one by one and ask them if
29 they wish to testify.

30
31 Mr. Carnicelli: Okay.

32
33 Ms. McLean: So I'm unmuting the phone number that ends 8820, do you wish to testify?

34
35 Ms. Carol Turland: Yes, I would.

36
37 Ms. McLean: Okay, go ahead.

38
39 Mr. Carnicelli: Please identify yourself for the record.

40
41 Ms. Turland: My name is Carol Turland and I wanted to testify today to say I am against lowering
42 the caps for the short-term rental homes on Maui. My husband and I have owned our home since
43 1990 and in 2013 we were third family in Lahaina to obtain a short-term rental home permit.
44 Before the ordinance was passed we attended every County Council meeting that pertained to
45 the structure of the new ordinance and when it finally passed we were incredibly excited. Two
46 weeks ago during the last planning meeting the origins of the caps created approximately seven

1 to eight years ago were discussed, to summarize, after considerable research looking at existing
2 illegal short-term rentals in various areas of the island and using the Kauaian Institute study a
3 limited number of short-term rental homes appropriate for each community plan district was
4 established creating a balance of short-term rentals on island. I strongly believe similar research
5 is necessary before arbitrarily lowering these caps. There should also be consideration of the
6 consequences of lowering the caps such as creating more unpermitted short-term rentals since
7 there will be no legal way to obtain a permit. And what the previous person just said, I know that
8 there are lots of complaints or I'm told that are there complaints about short-term rentals changing
9 neighborhoods, but I'm wondering if a distinction made between the permitted short-term rental
10 and the unpermitted because the permitted rentals have so many restrictions placed on them and
11 there's a management number listed so calls can be made to stop extra noise or any disturbance.
12 So it's my opinion that short-term rental homes offer visitors diversity, bring in huge tax revenue
13 through property, GE and TAT taxes and offer high paying jobs to many local people who may
14 maintain and service these homes, and I sincerely hope that most people now understand that
15 the majority of short-term rentals could never be converted to long-term housing. Owners would
16 be unable to use their homes defeating the purpose of owning and required rents would be
17 exceedingly high and out of reach for most residents. So everyone knows tourism on the islands
18 has been decimated because of COVID-19 and it will take a long time for it to recover. As we try
19 to navigate through this deadly virus visitors should be given a choice of accommodations
20 although it seems obvious to me that many would feel safer in private homes rather than in large
21 hotels with their multiple contact points, this is certainly not the time to limit this type of
22 accommodation. Thank you.

23
24 Mr. Carnicelli: Thank you Ms. Turland. Any questions for the testifier? Thank you, Ms. Turland.

25
26 Ms. Turland: Thank you.

27
28 Mr. Carnicelli: Appreciate you taking the time to voice your opinion. Director.

29
30 Ms. Turland: Thanks a lot.

31
32 Ms. McLean: Chair, I'll unmute the next number that's indicated here, this is the phone number
33 that ends in 8205, do you wish to testify, 8205? Okay, moving on, the telephone number that
34 ends in 6671, do you wish to testify? Telephone number that ends in 6671, do you wish to testify?
35 Okay, hearing nothing, last but not least the telephone number that ends in 3286, do you wish to
36 testify? Telephone number ending in 3286, do you wish to testify? Okay, so Chair no one else
37 has indicated they wish to testify.

38
39 Mr. Carnicelli: Great, thank you, Director. I guess we will...if you would like to testify, we'll give
40 you one last chance here, unmute yourself and identify who you are, going once, going twice,
41 okay, so if there are no objections, we're gonna go ahead and close public testimony on this item.
42 Seeing no objections public testimony is now closed.

43
44 So now we get to go to the fun part of this and that is the transmittal of a recommendation to
45 County Council. Director, do you want to go back over this exactly kinda what our options are or
46 do you wanna kinda just—

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1
2 Ms. McLean: Sure. The Commission did ask a number of questions last time, asked for some
3 follow up information that we do have available to present to you if you'd like to see that but that's
4 your call.

5
6 Mr. Carnicelli: Yes.

7
8 Ms. McLean: Yeah, so was that a yes, you want to see that?

9
10 Mr. Carnicelli: Yes, please.

11
12 Ms. McLean: Okay, then I will pass it over to Jacky.

13
14 Mr. Carnicelli: Who's also been here since early this morning.

15
16 Ms. Takakura: Good afternoon Chair Carnicelli, and I thank you very much all of you for all this
17 that you've done, these are difficult decisions and important decisions for Maui, so thank you
18 Chair Carnicelli and Commission Members, try to keep this simple. And I just have information
19 hopefully that can answer some of your concerns from the meeting two weeks ago.

20
21 Mr. Carnicelli: Thank you.

22
23 Ms. Takakura: So, I'm gonna share screen again, and then if you can give me a thumbs up that
24 you can see I will get started. Let me try again. You should see a purple screen.

25
26 Mr. Carnicelli: Yeah.

27
28 Ms. Takakura: As you recall from the last meeting we're looking at the County Council's
29 Resolution 20-27 which is a proposal to reduce the number of allowed short-term rental home
30 permits in the community plan regions on Maui and Lanai. The part of the Maui County Code
31 that's up for discussion here is Chapter 19.65. So the goal is for the Commission to respond to
32 the County Council with either a recommendation to approve, a recommendation to approve with
33 amendments, a recommendation to deny, to defer action.

34
35 At the June 9th meeting we went over the Resolution and some information provided by the
36 Department and the presentation from that meeting is on our Planning Department Home Page
37 under Hot Topics, it's the first item. However, I made two changes to the presentation since June
38 9th, and I'm gonna just go over them real quick with you now. The first change is for the
39 tourism...tourist to resident ratio. If you recall from the Maui Island Policy 4.2.3A that one states,
40 to promote a desirable island population by striving to not exceed an island wide visitor population
41 of roughly 33 percent of the resident population. So I'm very sorry, but when I checked the math
42 I noticed I had the number of tourists or visitors for Maui only, but the number of residents was for
43 Maui, Molokai and Lanai so they weren't matching up. So this slide here shows the ratio of visitors
44 to Maui only as compared to the number of residents on Maui only and so the portion or the ratio
45 is 46 percent for the island of Maui. FYI for the ratio for the County it's 44 percent and that number

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1 is a little bit lower because Molokai and Lanai have lower ratios of visitors to residents. So the
2 power point that's on the website has these correct numbers on there, so I apologize for that error.
3

4 The only other change was something that we discussed at the meeting two weeks ago and that
5 was that for West Maui pending applications there were actually eight in the original memo that
6 we sent to you folks I had the number six. So this one, it's eight and so the Department proposal
7 is for 232. So those are the two revisions to the previous presentation and now I will get into the
8 next couple of slides which will hopefully answer some of the questions that had come up from
9 the last meeting.
10

11 Okay, so some of the concerns that came up were property values, jobs, revenue, enforcement
12 and then other destinations and then also, where to stay, and so I'm gonna just over these real
13 quick. The first one, property values, this is information from the Realtors Association of Maui
14 from last December, and this is for all residential properties not just short-term rental home
15 permitted properties, it's all residential. Median sale prices for 2019, single-family homes
16 \$741,355, condominiums \$515,000.
17

18 Now this is looking at the short-term rental home properties, and this slide is data from December
19 31, 2019 for the permitted properties and it's sorted by the community plan regions and I have
20 the averages and the medians and so you can see there's quite a range below a million and over
21 a million, and you know, you would expect the South Maui properties, and some of the West Maui
22 properties might be a little bit more than some of the others. And I can go back to any of these
23 slides later if you want me to.
24

25 This is the same data but sorted by owner location, and so...and it also is average and median
26 and so you can see that there's a range of values in terms of average and median and by where
27 the owners live. About half are either mainland or international but the other half is Maui County
28 or on the neighbor islands in terms of owner addresses for these STRH properties.
29

30 Okay, so another concern that came up is jobs and so the U.S. Bureau of Labor Statistics has an
31 amazing array of information if you're interested in any of these topics and they have it specific to
32 Maui County too, and they have information from May 2019. They looked at the industry and the
33 occupation groups. The travel accommodation industry and one of the main occupation groups
34 in this industry is the building and grounds cleaning and maintenance occupations and those are
35 housekeepers, janitors, landscapers, lawn service, groundskeepers, maids, pest control, tree
36 trimmers and pruners. As expected, Hawaii has the highest concentration of these jobs in this
37 industry and it's number three for top paying state in this occupation. Maui is number one for
38 areas of similar size in terms of job concentration and then we're at number five at top paying for
39 areas for this occupation. It is...there are quite a few jobs in this occupation and industry
40 according to the U.S. Bureau of Labor Statistics, 6,760 and hourly mean wage is \$18.75 an hour,
41 and the annual mean wage is \$39,000. So yes, there are a number of jobs in this industry on
42 Maui and average or mean wages are for those industries. I was looking to see well, what are
43 some of the other concentrations of jobs in traveler accommodation and these types of jobs, the
44 building and ground cleaning and maintenance is about one-fourth. About one-fourth is food
45 service, 20 percent is installation, maintenance and repair, five percent is office and admin that's

1 about 75 percent there and then there's some miscellaneous other jobs that make up the other
2 one-fourth for this industry.

3
4 Okay, so next topic is revenues. This slide you can see the red and the blue, that's from Real
5 Property Tax and it was from a presentation that they did in September 2019, and what this shows
6 here is the increase in real property taxes, properties that go from the residential tax class to the
7 short-term rental tax class. So in that top, light green box, it shows the existing short-term rental
8 homes and they bring in about \$1.9 million in additional revenues being at the short-term tax rate
9 versus being at the residential rate, and the average which is you can see from the pink arrow,
10 the average tax increase when a property changes from residential to short-term tax rate is \$8,170
11 dollars per property so doing the math what you see on the right side of the slide if we looked at
12 how many permits that have not been issued yet, we take the total number of possible, 349 minus
13 out the ones that are existing and pending, so we have about 117, and you multiple that by the
14 average tax increase and you get \$955,890 or about a million dollars in additional real property
15 tax revenue that would be realized if all of the permit, permits were issued that are in the existing
16 caps, so about a million dollars.

17
18 I don't have GET or TAT tax information, but any conversations about that should include any
19 changes in income taxes, you know if a property is lived in by a resident who works versus by a
20 visitor who pays, where the property pays GET or TAT.

21
22 Okay, so next topic is enforcement and I'm gonna just look at 2019, and then what we have so
23 far for 2020. Last year, regarding vacation rentals we issued 75 NOVs, NOV is Notice of Violation,
24 and we collected \$50,000 for vacation rental violations. We do have other violations still pending
25 or being litigated and those total in excess of \$300,000 in additional fines and we have a really
26 great report on all this information under our Hot Topics also on our website. Last year, we did
27 revoke two short-term rental home permits because of violations of permit conditions.

28
29 And then the big thing that happened at the end of last year was that we got the new fines, this
30 was after the Charter changed and then the Maui County Code changed and then the
31 Department's Rules were updated. And so civil monetary fines for operation of a bed and
32 breakfast home, short-term rental home, transient vacation rental or other transient
33 accommodation without a permit that is required for operation for these types of violations, the
34 initial fine is \$20,000, the daily fine is \$10,000. Since then we've issued 92 Notices of Warnings,
35 and 53 Notices of Violations. For this slide, Commissioners you received the PDF of these slides
36 and I had to change what you see in your PDF says 44, but I looked through the list and there
37 was an SMA one in there, so the actual number of is 43, so I apologize for the discrepancy of
38 what you have in your PDF versus what's here.

39
40 Specifically regarding those new fines, five are on appeal with the Board of Variances and Appeal,
41 three tried to appeal but they didn't meet the deadlines, and eight are either at Corporation
42 Counsel or in the works for going to Corporation Counsel because the property owners didn't
43 respond.

44
45 So let's look at what the other islands do. On the Big Island and on Kauai, what they've come up
46 with is permitted zoning districts on the Big Island, and Kauai they call it vacation, destinations

1 areas, and these are like the resort type districts where for properties in these areas, it's a
2 registration process with an annual renewal. Short-term rental homes in other districts can
3 continue as non-conforming with annual registration, but no new non-conforming short-term rental
4 homes and they're very restrictive for agricultural districts. Kauai uses the term may be issued
5 for ag districts and Big Island, most agricultural properties are excluded from being registered or
6 STRHs are excluded from being registered in short-term, in ag restrictions. And for Oahu, if you're
7 in any of these areas, Waikiki, Kahala, Ko Olina, Laie, Ewa, Makaha or Kuilima, you don't even
8 need to register, it's outright allowed. There's some grandfathering, not very much, but it's more
9 for older non-conforming properties with a renewal every other year and no new non-conforming
10 short-term rental homes, and no Ag District short-term rental homes at all. The one thing all three
11 of those municipalities have in common is that their length of stay is more around 30 days whereas
12 ours as you know is 180 ...(inaudible)... Just FYI, this is how it is on the neighbor islands.

13
14 And then looking at the mainland they use quite a variety of processes. Some use a licensing or
15 a registration process with annual fees, some charge a percent of the gross receipts, some uses
16 a percent or total units to determine it's capped for the residential district so there's quite a variety
17 of ways in which short-term rental homes are regulated.

18
19 So that brings the burning question, where will visitors stay? Well, in Maui County there are
20 21,677 lodging units and this is according to Real Property Tax. This is the sum from last year of
21 the numbers of hotel rooms, condominiums that are used for transient lodging, bed and breakfast,
22 permitted or grandfathered single-family dwellings that are used for transients, transient
23 accommodations and time share, so the grand total of all of those is 21,677 visitor lodging units
24 and mahalo to Real Property Tax for this information, and that's just from last year.

25
26 So that is the information that I hope will address your concerns from the last meeting and hope
27 that it can help you in developing the recommendation from the Commission to the County
28 Council. So I'm gonna stop sharing screen but I can always go back to any of these if you have
29 any questions.

30
31 Mr. Carnicelli: Thank you, Jacky. So I guess we'll go ahead and go there. Are there any
32 questions? Commissioner Freitas.

33
34 Mr. Freitas: Thank you, Chair. Jacky that was a great report. I really like the one that you
35 compare 'cause I think that was my request to see comparison similar to what we have. Was
36 hoping to see your 2000, the Maui population be from 2019 instead of 2018, we're couple days
37 away from July of 2020 was there any way you could have gotten 2019?

38
39 Ms. Takakura: Do you mean for the ratio of visitors to—

40
41 Mr. Freitas: Yes.

42
43 Ms. Takakura: Sorry, I didn't look for, I just wanted to make sure the math was consistent, but
44 that is from the 2018 Data Book but I will check right now.

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1 Mr. Freitas: Okay, 'cause you were comparing 2019 visitors with 2018 population, so other than
2 that that was a good report appreciate it.

3
4 Ms. Takakura: That is correct.

5
6 Mr. Carnicelli: Any other questions? Commissioner La Costa.

7
8 Ms. La Costa: I just wanted to thank Jack because I raised a lot of those questions and she
9 answered them so Jacky thank you so much for your diligence and good work.

10
11 Ms. Takakura: Thank you.

12
13 Mr. Carnicelli: What's the ratio right now?

14
15 Ms. Takakura: Excuse me, so I'm looking at the Hawaii Small Business Development Center and
16 their latest Data Book is 2018, yeah, and the ratio now...

17
18 Mr. Carnicelli: In the, in those visitor counts, and this is the thing 'cause it's like we've...the ratio
19 thing has come up within the last couple of months, and it's one line in the Maui Island Plan that
20 says, strive to, you know, and it was put in by one person and I've talked to numerous different
21 people that were on the GPAC and it wasn't one of those things that was heavily debated and
22 said, oh we have to have this in there, it was almost like something was thrown in there and I'm
23 not saying it's...that doesn't make it relevant or anything to that effect, but I'm just saying is, is it's
24 not something that's an edict that's put down that says okay, we have to have this three to one
25 ratio because right now, I just, I mean, I'll say the same thing that I did at the last meeting, this is
26 a pre-COVID bill. I really got it before COVID and for me right now, I just have a really hard time
27 in the midst of the highest unemployment in the country picking winners and losers. You know,
28 we've kind of addressed it all the way to Peter Savio's you know thing, I don't know seems like
29 days ago, you know SMA extensions is...I just think that right now without data, I mean, I get
30 you're going to historical data Jacky, but without, you know empirical data of where we're headed,
31 I just have, personally have a really hard time picking winners and losers right now. And I believe
32 one of the testifiers and as this moves forward and maybe this can be part of our
33 recommendations but I believe one of the testifiers last time that GE and TAT is about 30 grand
34 per STRH per year, but that's obviously a number that is gonna have to be drilled down on and
35 then the visitor count if we're gonna use visitor count, how many, how many of the visitor counts
36 is second home owners and part-time residents that are included in that so I think that that's also
37 part of that number that we need to drill down on. But I personally feel as though our
38 recommendation to the Council should be, you guys need to file this until we find, until we get out
39 of the COVID cloud. Get out of the COVID cloud, bring this back in whatever form that you want
40 to bring it back in, but until we know, you know is I just, I don't know, I just think economically I
41 get none of us want to be overrun by tourists any more. All those cars at the airport, I'd like to
42 see them all go away, but the reality is economics is a piece and a part of this decision and to
43 say, okay we're gonna start picking winners and losers and say, okay we want this kind of tourists,
44 not this kind of tourists, I think right now, we can't be choosy unfortunately. And so, anyways,
45 that's kinda my comments on and my thoughts of this. Pre-COVID my comments would be
46 completely different, completely different, but I just see the harms historically, you just...let's look

1 at history, history repeats itself, economic downfall brings a lot of really bad things with it, and
2 that, that just concerns me because it's the low end, it's the working class people that are gonna
3 get hit the hardest, and it just, it concerns me, and that's part of this. So anyways, other comments
4 from my fellow Commissioners? Commissioner Freitas.

5
6 Mr. Freitas: Someone had said that it's maybe five times, maybe ten times as many illegal short-
7 term rentals out there compared to legal. When we look at putting a cap that's even lower would
8 that increase those illegal short-term rentals. I was happy to see that it was...the fine had changed
9 from 10,000 to 20,000 for those so I can see that there is an attempt, but I think that's an area
10 that we really need to go after. Mr. Croly had shared some information in our last two weeks ago
11 about really finding a real number that made some sense instead of grabbing numbers that were
12 existing and those in permit, I think that was kind of a quick, sloppy way to pick a number, and I
13 agree with him. I was so putting this adjusted cap in and voting for it, but the comments that have
14 come in, man, I'm just...my head is sore, not from the long day, but this topic I cannot...that
15 person's right, well, yeah, that person's right, and thank you Chair for clarifying the part about I
16 don't think a broker has to be the person that manages a person's short-term rental so that was
17 not fully correct, that lady gave us the information. That's the way I look at it fellow
18 Commissioners, would like to hear what you got to say.

19
20 Mr. Carnicelli: You know, I appreciate you bringing in the illegal vacation rental comment as well
21 because I think that it's, it's...I'll get to you, Director, yeah, is I think that that's very, very relevant
22 in the big picture, but right now we're talking about legal and this is legislative issue about
23 numbers of legal ones, illegal ones enforcements...that's enforcement which lands directly on the
24 Director's shoulders, and I believe the last I heard we had 209, I don't know if that number's
25 increased or not but when went through and you hired the company to do their thing we found
26 209, so the part that it's thousands or whatever it is, it was 209, so any ways, I will defer to you,
27 Director to broach the subject of illegals versus what we're talking about today.

28
29 Ms. McLean: Thank you, Chair. I think there was a time when there were a considerable number
30 of illegals. I think the misperception of how many illegals there were is because we have so many
31 legal condos that can do vacation rental and people would look at all these ads and they don't
32 have permit numbers but that's because they don't need a permit. So there was this idea that oh,
33 there these thousands of illegals but that didn't turn out to be the case, it was more like a few
34 hundred initially, and then we hired the company as the Chair indicated, and then the Charter was
35 amended to allow the increased fines, so between those two things it has really been effective in
36 narrowing down the illegals considerably. We do still have a contractor so we are still pursuing
37 that. Every month they review in the ballpark of 30,000 ads, and so it's a very rigorous
38 enforcement exercise and that's continuing, and as we see these new, the new fines being
39 assessed, once we start collecting those I think it will, it will become clear to potential illegal
40 operators that oh, man it's gonna cost me \$20,000 if not more if I do this, and it, it may just not be
41 worth it to them, so I think those things together have been quite effective in enforcement.

42
43 Mr. Carnicelli: Thank you. Commissioner La Costa.

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1 Ms. La Costa: Thank you, Chair. A couple of things please, it's my understanding that if you
2 know of an illegal short-term rental and you contact the County and fill out an RFS that it can be
3 anonymous is that correct?
4

5 Ms. McLean: That is the only type of enforcement that can be anonymous.
6

7 Ms. La Costa: Okay. And that being the case, and everyone who's listening should understand
8 that if there's someone in their neighborhood that is not licensed and you can find everyone who's
9 licensed on the County's website then you should call and turn them in so you wouldn't have to
10 worry about illegal rentals in your neighborhood disturbing you, and I think that's one of the biggest
11 things.
12

13 The other thing is when this was first presented to us I looked at it, and I am not a numbers girl,
14 but I have a pretty much common sense, and I didn't think that the number from where we are to
15 the 349 is that big a deal compared to how many housing units we actually have on Maui. So I
16 have always been against changing the cap when it has been presented previously, and it's like
17 nope, here's your lollipop, no, you can't have it. So I think that I have friends who have spent
18 thousands and in one case a \$130,000 preparing their house to be able to get a short-term permit
19 and then they were denied, so it's, it's a lot of work, a lot of money, and I think that they...that the
20 numbers should stay exactly where they were when the initial legislation was enforced. Thank
21 you.
22

23 Mr. Carnicelli: Thank you, Commissioner. Commissioner Thompson or Castro?
24

25 Mr. Thompson: I concur with you guys, I think when they established...I know when Tom Croly
26 was on last meeting he said, yeah when those numbers they went through quite a bit of work and
27 I know you mentioned today about the Commission, you're doing the work that was done before,
28 so they've done their work before and I kinda agree right now is not the time. I understand the
29 push for it, but is this gonna be in a motion for recommendation to the Council or just approve or
30 disapprove?
31

32 Mr. Carnicelli: Well, our recommendation can be anything, it doesn't have to be approved,
33 disapproved, it can be go get this information, go do that, I mean it can be whatever want it to be.
34 You know, so...
35

36 Mr. Thompson: Can I make a motion that we keep it status quo, can we vote on?
37

38 Mr. Carnicelli: Okay.
39

40 Mr. Thompson: I'd like to propose a motion to recommend to the Council that we keep the cap at
41 the status quo, at the existing level.
42

43 Mr. Carnicelli: Okay, is there a second to the motion? Seconded by Commissioner La Costa.
44 So moved...moved by Commissioner Thompson, seconded by Commissioner La Costa to keep
45 the caps at the current numbers. Commissioner Castro, I believe you wanted to weigh in.
46

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1 Mr. Castro: I was waving for the second, but she beat me to it.

2
3 Mr. Carnicelli: P. Denise is quicker than you, she's quicker than you.

4
5 Mr. Castro: But I don't believe this issue is gonna go away any time soon, and you know, once
6 these illegals put it on the internet, and to remove it, it's almost kinda really impossible, you got
7 all these search engines that pick it up and spread it out like wild fire. I don't think this is going
8 away any time soon.

9
10 Mr. Carnicelli: Yeah, I, you know here's the other part of this and I don't want to sound like I'm
11 contradicting myself, but I think that...you know again, pre-COVID, I do look at it as, as a
12 community, as an island for us to say, you know what kind of visitor do we want and not, you
13 know how are we gonna move away from our dependence on, you know, the vacationer and on
14 the visitor industry as a whole. Do we want to shift, do we want to go these you know more
15 expensive visitors but less of them, and then, but even then how does that affect employment, all
16 those other things? I think it's a fantastic policy conversation to have, but for me in the middle of
17 a pandemic and the highest unemployment rate in the country, I just...anyways, that's what's
18 really kind of driving it, and the other part of this too, that I think is, is another piece that sometimes
19 gets missing piece that sometimes gets missing is people feel like we don't listen, right. They're
20 like, oh you're not listening, it's like, no, we listen, sometimes the answer is just no. But
21 overwhelmingly our testimony and it may change when it gets to Council but overwhelmingly our
22 testimony has been to leave the caps alone. And so I think that if we also listen to the voice of
23 the people that have come before us, that you know, I hear what like Mrs. Gilbert's saying, and
24 the idea of clustering that we've talked about many times in here is a different conversation and
25 we need to maybe address that at some other time, do we want to go into the resorts, not....but
26 as far as caps go, again, this is a pandemic decision and also one that for me is weighted on the
27 number of testifiers that we've had in support of the motion that's on the floor.

28
29 Mr. Tackett: Sorry, you guys I had to join a little late, my battery died so I had to plug it in to come
30 back online.

31
32 Mr. Carnicelli: Okay, is I don't know how long you were gone but we have a motion on the floor
33 to keep the caps at the current numbers that's what the motion on the floor is right now.

34
35 Mr. Tackett: I believe, I believe I left off right when we were speaking to the subject at hand.

36
37 Mr. Carnicelli: If you...you know, I mean, I think since this is nothing more than a
38 recommendation, if you know, I have no problem with you participating in conversation and voting
39 since this is nothing more than a recommendation unless Mr. Hopper wants to tell me that it
40 should be otherwise.

41
42 Mr. Hopper: You're making a recommendation to the Council so you would want to specify what
43 you would recommend that they do with the ordinance.

44
45 Mr. Carnicelli: Right, but I mean as far as Christian participating 'cause he missed a little bit of
46 the conversation.

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1
2 Mr. Hopper: It's not a contested case so he can participate.

3
4 Mr. Carnicelli: Okay, thank you. So, would anybody else like to speak to the motion?
5 Commissioner La Costa.

6
7 Ms. La Costa: Thank you, Chair. In the letter that Director McLean sent to Tamara Paltin, dated
8 March 27, she addresses some short-term rentals that are in the Apartment zones and this is not
9 the 349, but it is in the same context, in the same letter, so I wanted to know when we might be
10 able to address that because I have a concern about that and it does have to do with short-term
11 rentals just not the 349.

12
13 Mr. Carnicelli: I'm not following which number that is so you'll have to address that with the
14 Director. Michele, do you know what number she's talking about?

15
16 Ms. McLean: I'm not, I'm not clear what letter she's referring to.

17
18 Ms. La Costa: On March 27, 2020 you sent a letter to, to Mayor Victorino and to Tamara Paltin
19 and it says full scope of lawful vacation rentals in Maui County. You talked about Tamara's letter
20 dated the 17th of March in which you outlined the number of vacation rentals, condo hotel,
21 every...all of the...I know it's hard to see, and then you went on in Page 2, and it talked about
22 short-term rentals, B&B, conditional permits, condo hotel timeshare that total, and then on the last
23 page, Page 3 of that March 27th letter you said, to address this concern we have drafted a
24 proposed bill to phase out TVR use for properties in the Apartment District that have a minority of
25 units operated as TVRs. In response to last inquiry regarding the published short-term occupancy
26 list and certain apartment complexes such as the Spinnaker being removed from the list, we have
27 adjusted the list for those properties that would be subject to the proposed bill, only 14 percent of
28 the Spinnaker or eight out of 57 are in use for TVR. The bill, 20-27 does have anything in it about
29 that, so that's why I wanted to know when that might be addressed.

30
31 Ms. McLean: Okay, I would be concerned about discussing this because that's not on the agenda
32 today. If it's okay with Mike Hopper to discuss it, then I can, but I would want to check with him
33 first.

34
35 Ms. La Costa: Okay, that's fine.

36
37 Mr. Hopper: Well, that's the Apartment District Bill that's at Council right now, correct? Yeah,
38 that was already discussed by the Commission and the Commission made its recommendation
39 on that issue before I believe, right, if that's the same bill we're talking about?

40
41 Ms. La Costa: Well, I just got...I'm sorry, I just got this in my email when we got several of the
42 others so that's why I'm bringing it up because it doesn't have...it's not addressed in 20-27 so
43 that's why I asked the question about at what point can that be discussed because it wasn't
44 discussed previously.

45

1 Mr. Hopper: Yeah, I don't know what letter you're talking about. The Apartment District at this
2 point is not something that's a part of this legislation. Knowing how many units there are that can
3 lawfully operate may inform your decision on what you want to do with the caps, but the...what's
4 allowed in the Apartment District right now is not something you can address as part of this bill.
5 This bill is to decide for short-term rentals homes what caps you would like to have for the areas,
6 and the proposals to reduce them you can recommend to not reduce them or something else, but
7 at this point, knowing, knowing the current status of what is lawfully allowed in the Apartment
8 District is relevant sure toward this potentially, but you do not have the ability to take action on
9 that item under this, under this bill. This bill deals only with the STRH caps.

10
11 Ms. McLean: If I could clarify, the bill that is with Council now talks about what we refer to as the
12 loophole bill that is the bill that would prevent the conversion to short-term rental of Apartment
13 District properties that have never done vacation rental at all, not a single unit. That has been
14 reviewed by the Commission, and that has been sent to the Council. The letter that Commissioner
15 La Costa referred to is a bill that we have not yet taken to the Commission, and we hope to discuss
16 that with Council when they talk about the loophole bill, but we have not drafted a bill yet, that has
17 not gone through Council. The gist of that bill would be Apartment District properties that have a
18 very low percentage of units doing vacation rental to be phased out over time, but as I said, we
19 have not drafted that bill, it has not gone to Commission yet, and in this environment I don't know
20 that we are gonna be moving forward with that, so your opportunity to comment on that bill if we
21 do move forward with it will come before it goes to the Council.

22
23 Ms. La Costa: I appreciate that, just came with all of the other ones that we got over the last week
24 or so, so that's why I brought it up thank you so much Director.

25
26 Mr. Carnicelli: Commissioner Freitas.

27
28 Mr. Freitas: Question is either for the Director, Counsel, one testifier mentioned the way Molokai
29 was eliminated short-term rental and as I look at the paperwork that we got, it says some kind of
30 ordinance, 5059 reduced that limit. By our voting are we, are we agreeing or anything like that,
31 it's on the first page right underneath the box, it says they reduced the limited for STRH permits
32 on Molokai to zero. So when we make our vote are we also voting on that...no, it shouldn't
33 be...cause that's a ordinance that was done prior, correct?

34
35 Mr. Hopper: That's correct. That ordinance had to be reviewed by the Molokai Planning
36 Commission because it involved Molokai TVRs and so you wouldn't be reviewing that. You are,
37 the draft bill you have makes a correction it looks like to the diacritical mark for Molokai in the, in
38 the bill but it doesn't change the cap which is set at zero, that was based on an earlier ordinance
39 that Council passed. You did not review that ordinance because it only pertained to Molokai
40 STRHs and so that already passed. So yeah, this bill if you look at that section, the section with
41 all the caps, the Molokai caps are kept at zero right now, and in fact, you couldn't recommend to
42 change those or the ones on Lanai without the Planning Commissions there reviewing them. So,
43 at this point, you wouldn't be making a recommendation on TVRs on Molokai or Lanai.

44
45 Mr. Freitas: Lanai is on here actually.
46

1 Mr. Hopper: Yeah, you're not reviewing...I understand that it's part of the language but the caps,
2 the cap...Lanai is listed at 20 that's something that the Lanai Planning Commission is concurrently
3 reviewing is that's, that's something they have to review. So what I'm saying is that you would
4 generally would not be making a recommendation on an item that pertains only to their...just as
5 if the Lanai or Molokai Planning Commission were reviewing an ordinance that had issues that
6 applied only to Maui generally they wouldn't be making a recommendation on those. So this
7 draft bill does have a cap for Lanai for 20, but generally you wouldn't be making a recommendation
8 on that because the Lanai Planning Commission would be tasked with doing that.

9
10 Mr. Freitas: Okay. Then if I can just make a comment on the motion, I don't know if I did already,
11 but I'll add another one if you allow me to, as I look at this cap I remember what one of the testifiers
12 had said that although we had a lot of noes, a lot of them were coming from people in the real
13 estate business and not so much the community as she feels there's probably more people in the
14 community that are against it, but to all those that did call in regardless if they for or against, it
15 really shows that this is a really big deal for everyone. I worry that, you know, and I said it before
16 and people commented that there is that five-year ownership time frame you gotta wait for before
17 turning yours or requesting a short-term rental. I feel that it still promotes luxury properties and
18 subdivisions that whether it is five years from now then turned around and turn into short-term
19 rentals to help pay for people that actually were not residents of our island or our county prior. I
20 know there's only five of us, I'm leaning toward the recommended cap by the Department at this
21 time.

22
23 Mr. Carnicelli: Thank you, Commissioner. Anyone else? Commissioner Tackett.

24
25 Mr. Tackett: Thank you for unmuting me. My take on it is a lot of people talked about the COVID,
26 about the jobs, about it taking away jobs, in the situation we're in it possibly might take away jobs.
27 Those people that do have their jobs taken away if we to continue to let these things go they're
28 the type of people that are gonna be exposed to the ...(inaudible due to technical
29 difficulties)...because the COVID is too dangerous for that to happen then why we would put
30 those people into people's neighborhoods and houses, so it's my opinion that that I'm in favor of
31 the cap, I was never in favor of, of homes being used for this type of business venture in the first
32 place, but that decision was not mine, but if...to me if you, if you look at the people that testified,
33 the people that are wanting it the most, almost every single one of them has something personally
34 to gain. Nobody is taking a moral stand on this with nothing personal to gain. Everybody has
35 something personal to gain if they calling up. Nobody's just calling up, eh I was at the beach all
36 day and I was thinking you know if you put a cap on these vacation rentals you're taking away
37 rights, of...that these humans should have as part of just being an
38 American citizen or a citizen of the State of Hawaii. There is nobody taking that stance on this
39 issue. It's either the guys that are getting rent out that don't want it or the guys that have
40 something specific that of course they want it. ...(inaudible due to technical difficulties)...if my
41 choice was to stay in Hawaii or sell my stuff and go back to where ever I came from, I see the
42 romance of it, but I don't think that necessarily that's right direction for us and I think it's especially
43 not the right direction under these circumstances it's gonna cater to is right now. So those are
44 my comments and my feelings on it, and thank you, thank you for the time to listen.

1 Mr. Carnicelli: Thank you, Commissioner Tackett, well stated. Anybody else? Anything else to
2 add? Commissioner Freitas.

3
4 Mr. Freitas: One good thing about us putting the cap, in changing the cap is that we're not hurting
5 those that are already holding the permit, not holding those with the opportunity that's in the
6 pipelines that have applied for one. Director, how many people let theirs expire or get away from
7 vacation rental or is that turnover almost nil?

8
9 Ms. McLean: Thank you for the question. Between B&B and STRH permits on an annual there
10 are a just a few that withdraw their permit or say that they're closing their operation or let them
11 expire, there aren't that many but a few do every year, a few do.

12
13 Mr. Freitas: So with this, when they don't renew, if we go with this cap, this revised cap, that cap
14 still stays so others that didn't get a chance or if they're at the max, if someone drops out they can
15 still get that spot is that correct?

16
17 Ms. McLean: That's correct.

18
19 Mr. Freitas: Or once they leave it drops, no. Okay.

20
21 Mr. Carnicelli: Yeah, and to your point Kawika because I think that that's important to bring up,
22 part of I think, and this is just an opinion, part of the reason why the current owners are testifying
23 in favor of competition is because originally the bill was okay, the cap keeps moving as attrition
24 happens, right, and so then all of a sudden you end up with, so they're going oh, what if I forget
25 to renew my permit or whatever it would be, the other part that fascinates me is had the Council
26 not moved the Molokai cap to zero, would they be as concerned? You know, I mean that's just
27 the reality, human nature right? So they're going like, oh they're talking about moving the caps
28 say from you know, 88 to 57 and also they're gonna start deliberating and they're gonna go oh,
29 not 57, zero like they kinda did in Molokai that's just sorta what happened. So I can appreciate
30 their you know fears of something like that repeating itself because it's not unfounded, it happened
31 just a couple months ago. So that's reality, yeah go ahead Director.

32
33 Ms. McLean: If I could add that the Planning Department conducted outreach I believe toward
34 the end of March about phasing STRHs out altogether, and so that idea is in people's heads
35 because we put it there.

36
37 Mr. Carnicelli: Right.

38
39 Ms. McLean: I want to emphasize that something like that is, is a very impactful issue and so
40 that's why we conducted the outreach, we didn't just draft a bill and put it through the process, we
41 wanted to hear from the public and various interest groups so that did also put the idea in people's
42 minds as well as the idea of attrition like Commissioner Freitas asked you know if the cap is here
43 and then someone drops out, the cap still stays there, other people can, can take those places, it
44 doesn't drop as permits expire or are withdrawn, so that's certainly why people are concerned
45 about it because we put that idea out there, so I bear the responsibility for that.

1 Mr. Carnicelli: Commissioner Freitas.

2
3 Mr. Freitas: You know, I also what to address the Kihei number that the Council had I think no
4 change and left it at a hundred but we looked at or the Department looked at it being lowered to
5 match the way you figured out the existing plus those in the pipeline. I like that, I like us to be
6 consistent and I want that that change. I think Kihei already has a lot of those vacation rental
7 condo operations already. They're inundated with non-hotel accommodations so I'm gonna speak
8 up and say, yeah, that one should be changed and I notice that and let's keep it consistent.

9
10 Mr. Carnicelli: Yeah, I don't wanna misspeak and maybe Jacky or Michele can speak to this but
11 I believe that... 'cause the original bill wasn't moving all the caps. I believe it was just what, West
12 Maui alone or something like and then... anyway, but then while it was in the Council they say
13 said, oh why don't we move mine, move mine, move mine and Kelly King said, well no, we need
14 more... anyways Michele's shaking her head you can speak to that and correct all my
15 misstatements.

16
17 Ms. McLean: This bill wasn't discussed in committee; it was moved from Council—

18
19 Mr. Carnicelli: No right, Council.

20
21 Ms. McLean: --straight to you folks, so there was only that one full Council meeting when it was
22 discussed and I believe Councilmember King wanted to get feedback from the South Maui
23 community and so that's why that number wasn't changed but all the rest of them were proposed
24 in the original bill to be reduced down to the current number plus those in process.

25
26 Mr. Carnicelli: Yeah, Councilmember King is very consistent about wanting more community
27 input. Okay, so we do have a motion on the floor which is to leave the caps at the existing... I
28 learned a new word today, diacritical. Mr. Hopper threw a word at me, I don't even know if I could
29 use it correctly, I'm gonna have to go Google it, but is to leave the limits at the current cap number,
30 that's the motion on the floor. So does anybody else want to speak to this motion before we put
31 it for a vote? Okay, Director.

32
33 Ms. McLean: Chair as you said, the motion on the floor is to recommend to the Council that leave
34 the caps as they are, and to not change them as proposed in the bill.

35
36 Mr. Carnicelli: All those in favor, please raise your hand. That is one, two, three. Those opposed,
37 one, two. So my vote's not going to sway anything either way, so the motion, fails.

38
39 *(Motion was made at approximately 01:03:15 of Part 5 of the audio recording.)*

40
41 **It was moved by Mr. Thompson, seconded by Ms. La Costa, and**

42
43 *(Vote was taken at approximately 01:29:46 of Part 5 of the audio recording.)*

44
45 **The Motion to Recommend to the County Council to Keep the Current Caps as They**
46 **Are and to Not Change Them as Proposed in the Bill, FAILED.**

(Assenting – D. Thompson, P.D. La Costa, S. Castro)
(Dissenting – K. Freitas, C. Tackett)
(Excused – T. Gomes, K. Pali)

Mr. Carnicelli: So, we can put another motion on the floor. I think if nothing else, even if we don't end up with a motion we need to memorialize kinda this discussion and even if it's to say, hey listen we were split. You know, it was, you know, some of us wanted this, some of us wanted that, so we at the very minimum need to memorialize what our discussion is and what our recommendation is even if it's you know, split. Anybody else want to make a motion?

Ms. McLean: Chair, if you would like your recommendation to the Council could be that they consider the following comments and so the comments can be representative of the discussion that you don't have a specific motion on the bill itself.

Mr. Carnicelli: Well, I think the one part for me is maybe the motion could be something to the effect of before you make a decision on this, here's some of the information that you guys need to address in making that decision, I mean, that can be our recommendation rather than saying okay a yay or nae which I don't think we're gonna get to, but to say okay, you know there needs to be...maybe our recommendation is you need to have some empirical data to show what it is that, you know, how this is gonna impact the community. The three to one ratio thing, obviously right now it's zero, but if we go historically then in that, in that data of the tourist association how much of those people that are being counted as visitors are second time homeowners and part-time residents, you know like that Canadian that comes for five months is counted, they own something here, second time residents that just sorta come and go a couple times a year they're counted in that, how much GE and TAT is actually generated by these...what other information do you wish the Council use in trying to make this decision? Commissioner La Costa.

Ms. La Costa: Thank you, Chair. Something else that needs to I think be addressed as Dr. Gilbert mentioned even though we get the cases are clustered if you will, you know I think if something is established early on or established in a new legislative piece that there can be more than x, y, z, within you know...if you have 50 houses you can't have more than ten percent or whatever number they come up with so that people know oh, gee I can't even apply for one because there are too many in my neighborhood and it saves the Planning Department time, it saves us time, it saves them time and money so that's just something else that might be something to look at.

Mr. Carnicelli: Ironically I actually...I mean, I understand what you're saying and that can be included in it, I kinda disagree. I personally kinda like the clustering you know, Maui Vista is the street right above Kaanapali like if you're gonna turn left into Kaanapali, you turn right into Maui Vista, it's kinda conducive to that, the north end of Front Street, Halama Street, blah, blah, so I mean we've had this conversation before and so...but I would hate to see the Council take a bill that's about the caps and suddenly start rewriting the whole thing and maybe that's what really needs to be done. You know, maybe that's part of the recommendation is instead of just trying to tinker with the caps, is let's have a conversation about, I mean just as a community maybe we just say, hey listen we don't want that visitor, and I mean, I personally again during COVID don't agree with that but I don't make those decisions. And so, maybe that's the conversation needs to have, it's just like let's open the whole ordinance up again. I personally

1 don't want that to be a part of our recommendation. But I understand how, you know, as a
2 community we may have to especially moving forward out of this. Any other things that you would
3 like to include that the Council consider when making their decision? I mean, it doesn't have
4 empirical either. I mean, I know that you know like Commissioner Freitas, and Commissioner
5 Tackett you guys talked about you know, want to include quality of life, you know, do you want to
6 include the fact that you know, COVID is gonna come into neighborhoods, you know I mean,
7 just...I mean, please add what you think is relevant to what it is that you think that they need to
8 consider in making this decision.

9
10 Mr. Hopper: Mr. Chair?

11
12 Mr. Carnicelli: Yes, Mr. Hopper.

13
14 Mr. Hopper: Maybe a suggestion, if you can't make a set of recommendations and vote or pass
15 those on with unanimous consent, if you're unable to make a recommendation specifically or
16 agree on one, you could I suppose, your options are to wait, I think you have time if you have
17 another commissioner that could come on and maybe get a vote one way or the other by deferring
18 action or the other option is to you know, to agree to send it to Council saying that you were
19 unable to take, to get a consensus of five votes to make a specific recommendation but that you
20 request that they review the minutes for the testimony and discussion to see what was discussed.
21 Those are some options in the event that you're gonna end up with being unable to take vote or
22 you could defer and if you've got maybe if you have another member that will help you to get five
23 votes one way or the other, but those are just a couple suggestions.

24
25 Mr. Carnicelli: Thank you, Mr. Hopper. If we defer, does it open up for public testimony is that
26 what we do or we have to recess?

27
28 Mr. Hopper: Well, I don't know if I'd recommend recessing again. I think you would probably
29 defer and yeah, take public testimony again. The public hearing would technically be closed but
30 because your, it's a Sunshine Law item you would take testimony again. Again, if you...if at this
31 point you can, you can get five votes to recommend whatever you like and your recommendation
32 could be though we were unable to reach a consensus we...you could review the minutes if it, if
33 it appears that you're unable to take a vote. The...I'm just giving you potential options that you
34 could have, but I wouldn't recommend recessing again for another two weeks and not taking
35 testimony. I think I'd advise you'd have to take testimony again.

36
37 Mr. Carnicelli: Okay. Commissioner Tackett.

38
39 Mr. Tackett: I motion, I motion to accept the lowered caps that's my motion.

40
41 Mr. Carnicelli: Okay. A motion on the floor to accept the proposed caps. Is there a second?
42 Seconded by Commissioner Freitas. Thank you. Commissioner Tackett, discussion on the
43 motion.

44
45 Mr. Tackett: For the reason I spoke to before and I think, I think because you said that you would
46 like it as part of the record, I figured that at least this way we can move it down the line. If my

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1 motion fails and the other, and the other planning commission members' motion fails then we can
2 probably defer it in good faith and just move on.

3
4 Mr. Carnicelli: I like that. Thank you. Commissioner Freitas, would you like to speak to the
5 motion?

6
7 Mr. Freitas: I think the Planning Department came up with a really good system it was a number
8 that in some cases was more than the County Council had asked, you know, I think, I think the
9 lower cap is good.

10
11 Mr. Carnicelli: Great, any other discussion on the motion? Seeing none, Director.

12
13 Ms. McLean: Chair, the motion is to recommend to the County Council that they reduce the caps
14 as recommended in the staff memo.

15
16 Mr. Carnicelli: Just point of clarification is Jacky had indicated that the original memo had six in
17 Wailuku-Kahului which would now be eight, correct? Okay.

18
19 Ms. McLean: Yes, and I would also point out that my feeling on the recommendation is that by
20 the time the Council hears this again there could be more in the pipeline and that they should
21 account for those as well. So what it is today might be different than it is in a week or a month so
22 the caps should account for all those in the pipeline.

23
24 Mr. Carnicelli: Jacky.

25
26 Ms. Takakura: Sorry, the two additional was for West Maui.

27
28 Mr. Carnicelli: Oh, okay, from...oh, 63...wait, as part of the record.

29
30 Ms. Takakura: Excuse me, Chair?

31
32 Mr. Carnicelli: Yeah?

33
34 Ms. Takakura: Yes, the original memo sent out had six pending applications for West Maui but
35 then we realized there were two more and so the pending applications for West Maui is at eight,
36 and that brings the Department's proposal for West Maui to 69.

37
38 Mr. Carnicelli: Okay, great. Thank you very much. Okay, so if you could restate the motion since
39 I jumped all over it.

40
41 Ms. McLean: I'm taking liberties here but I believe the motion was to recommend to the Council
42 approval of the proposed bill with the reduced caps taking into account existing permits and all
43 pending applications.

44
45 Mr. Carnicelli: Great, all those in favor of the...oh, Commissioner La Costa.

46

1 Ms. La Costa: Thank you, Chair. Sorry, do we want to put a date like all that are in the pipeline
2 as of today so that if someone rushes in puts their application in, no date? I see Chair shaking
3 his head, Director can you give me some guidance please?
4

5 Ms. McLean: That's your decision.
6

7 Mr. Carnicelli: It's our motion.
8

9 Ms. McLean: It's, yeah, it's your motion. If you wanted to establish the date as of today that
10 would be a different outcome than leaving the date open to account for applications that might
11 get submitted between now and the time that the Council hears it.
12

13 Mr. Carnicelli: So, the current motion does not have a date. Did you want to try to amend the
14 motion?
15

16 Ms. La Costa: Christian it's your motion, I'll let you do the amendment or leave it as is.
17

18 Mr. Tackett: I'm open to you amending it, but as far as I'm concerned, I'm okay with it as it is.
19

20 Mr. Carnicelli: Okay, all those in favor, please raise your hand? That is two, three. Opposed,
21 one, and one abstention. Commissioner La Costa did you abstain? Yes, you abstained?
22

23 Ms. La Costa: Oh, sorry correct.
24

25 So that is three in favor, one abstention and one opposed which then falls to me and I will oppose
26 the motion, so the motion fails.
27

28 *(Motion was made at approximately 01:38:27 of Part 5 of the audio recording.)*
29

30 **It was moved by Mr. Tackett, seconded by Mr. Freitas, and**
31

32 *(Vote was taken at approximately 01:43:34 of Part 5 of the audio recording.)*
33

34 **The Motion to Recommend Approval to the County Council with the Reduced Caps**
35 **taking into account existing permits and all pending applications, FAILED.**

36 **(Assenting – K. Freitas, C. Tackett, S. Castro, P. D. La Costa - Abstained)**

37 **(Dissenting – D. Thompson, C. Carnicelli)**

38 **(Excused – T. Gomes, K. Pali)**
39

40 Mr. Carnicelli: So how about a motion to defer? Commissioner La Costa.
41

42 Ms. La Costa: I move that the discussion on Bill 20-27 is deferred until the next meeting so that
43 we can have more input from additional commissioners.
44

45 Mr. Carnicelli: How about to the next available meeting?
46

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1 Ms. La Costa: That works too.

2
3 Mr. Carnicelli: Okay.

4
5 Ms. La Costa: I amend it to the next available meeting.

6
7 Mr. Carnicelli: Seconded by Commissioner Thompson. So moved by Commissioner La Costa to
8 defer the item to the next available meeting, seconded by Commissioner Thompson. Discussion
9 on the motion? My mouth's stopping working. Mr. Hopper first.

10
11 Mr. Hopper: Just to clarify that I think the intention is to close the public hearing on this matter so
12 that you don't have to...you would not have to do any sort of renoticing in the newspaper but that
13 the...because it would be on a regular meeting agenda you'd still have to post an agenda and
14 have public testimony so I'm not sure if you said the public hearing is closed, but I think just be
15 clear on that, because you're not, you're not recessing...you're deferring to a date certain so I
16 think at this point as long as you clarify that the public hearing is closed but testimony is still open
17 for the next meeting then that is fine, but I just wanted to have that clarified.

18
19 Mr. Carnicelli: Okay, so Commissioner La Costa just for clarity your motion is to close the public
20 hearing and to defer the item to the next available meeting. Is that correct?

21
22 Ms. La Costa: That is correct.

23
24 Mr. Carnicelli: And Mr. Thompson, that's—

25
26 Mr. Thompson: ...(inaudible)...

27
28 Mr. Carnicelli: Thank you. So then, Commissioner Freitas I believe or no,
29 Commissioner La Costa, you as the movant can speak to the motion first.

30
31 Ms. La Costa: It doesn't seem that we can come to consensus whether it's 349 or 278 or however
32 many and I think more voices will lend itself to perhaps more reason or different reason and we
33 can pass something onto the Council that has some teeth in it. Thank you.

34
35 Mr. Carnicelli: I think the more relevant number is 602. Director.

36
37 Ms. McLean: Chair, just want to make a comment that given the way that the votes went having
38 your one additional commissioner still would leave you with fewer than five votes.

39
40 Mr. Carnicelli: Not for the one in favor.

41
42 Ms. McLean: Just a, just a note.

43
44 Mr. Carnicelli: Okay. Thank you. Commissioner Freitas.

45

1 Mr. Freitas: I'd like to speak on the motion. I was actually trying to get a word in before the motion
2 was set, and I have my fellow commissioners kinda think about if I understand this, the Council,
3 members of the Council had forward this to the Maui Planning Commission and it seems like all
4 of them were pretty much okay for them to have sent it to us with one representative didn't want
5 to lower her number, but everyone else seemed to have been okay with it. Again, that doesn't
6 change the fact that that was pre COVID like Chair's been repeating throughout and that's why
7 I'm kinda leaning that way as well that they were kind of waiting to hear what the number was
8 gonna be, not so much that whether there was a cap or not. That's my personal. Thank you.

9
10 Mr. Carnicelli: Yeah, actually this didn't go to committee yet, so...any other further conversation
11 on the motion? Director.

12
13 Ms. McLean: Chair, the motion is to close the public hearing and defer this to a future meeting.

14
15 Mr. Carnicelli: All those in favor? That is one, two, three, four in favor. Opposed, one. So that's
16 Commissioner Freitas opposing, I will vote in favor of the motion to, so that makes it five-one in
17 favor of motion passes with Commissioner Freitas dissenting. So, thank you very much everyone.

18
19 *(Motion was made at approximately 01:44:26 of Part 5 of the audio recording.)*
20

21 **It was moved by Ms. La Costa, seconded by Mr. Thompson, and**

22
23 *(Vote was taken at approximately 01:48:24 of Part 5 of the audio recording.)*
24

25 **VOTED: To Close the Public Hearing and Defer the Matter to the Next Available**
26 **Agenda.**
27 **(Assenting – P. D. La Costa, D. Thompson, C. Tackett, S. Castro,**
28 **L. Carnicelli)**
29 **(Dissenting – K. Freitas)**
30 **(Excused – T. Gomes, K. Pali)**
31
32
33
34

35 Respectfully Submitted by,

36
37 CAROLYN TAKAYAMA-CORDEN
38 Secretary to Boards and Commissions II
39
40

**MAUI PLANNING COMMISSION
PORTION OF REGULAR MINUTES
ITEM C.1
JULY 14, 2020**

Ms. McLean: Next on the agenda under Unfinished Business is County Resolution 20-27 referring to Commission a proposed bill to amend the Comprehensive Zoning Ordinance relating to Short-Term Rental Home Permits on Maui and Lanai. This is the third time that you folks will be discussing this item and Jacky Takakura is the Department lead, and I'll turn it over to Jacky to see if she has any other comments, but otherwise this would be open to the Commission for discussion.

C. UNFINISHED BUSINESS

1. **MS. MICHELE CHOUTEAU MCLEAN, AICP, Planning Director, transmitting County Council Resolution 20-27 referring to the Maui Planning Commissions a Proposed Bill to Amend the Comprehensive Zoning Ordinance Relating to Short-Term Rental Home Permits on Maui and Lanai. (J. Takakura) (Recessed from the June 9, 2020 meeting and deferred from June 23, 2020 meeting)**

The entire text of the proposed bill for ordinance is available at <https://www.mauicounty.gov/1127/Legislation---Proposed> and is summarized as follows:

Section 19.65.030.R. is proposed to be amended to reduce the number of short-term rental home permits per community plan area, with the exception of the Kihei-Makena community plan area for which no change is proposed.

Mr. Carnicelli: Yeah, I guess is I believe that, I believe that there were what, six of us here, we let Commissioner Pali actually have a birthday and she's actually missed a meeting for her birthday which we allowed, but Kellie did you have a chance to review the record and all the discussion and presentation and everything like that?

Ms. Pali: Short answer, yes.

Mr. Carnicelli: Okay, great.

Ms. Pali: I did, Chair.

Mr. Carnicelli: So, then I guess at this point in time, you know, I guess...Jacky if you've got...if there's new information from last meeting to this meeting I'll be more than happy to...

Ms. Takakura: Good morning Chair and Members, no I don't have any further information. I had prepared the presentations into PDFs...report...Hopefully if you needed to review anything it was there for you, but I don't have any further information. Thank you.

Mr. Carnicelli: Thanks, Jacky. 'cause I mean I think we've exhausted this one as far as...but if you want further discussion, we can do that. I think where left last time was, we had a 3-2 vote without Kellie or I casting votes to leave the caps as it, and then I think we had a 3-2 to move the

1 caps as per the recommendation. So, at this point in time, maybe we'll, we'll start again if
2 somebody would like to make a recommendation we'll start there for a motion for a
3 recommendation. Commissioner Pali.

4
5 Ms. Pali: Am I able to participate in discussion at this point or are we just gonna go straight to
6 motions?

7
8 Mr. Carnicelli: No, you can, you can discuss them. We don't have to...I'm just trying to...if nothing
9 else then we can go as far down the rabbit hole as we want, I just didn't know how much
10 everybody's...that you know you weren't here last time, so I think that it would be appropriate for
11 you to share what it is that you think and where you're coming from on it 'cause we all you know,
12 shot a lot of bullets at it.

13
14 Ms. Pali: Yeah, I actually if you allow Chair, I would like to just share my perspective. After
15 listening, I'm kinda one of those that listen to it over and over and over and over, I take notes and
16 then I go back into the recording so you guys sat through it for the many hours, but you know I
17 was able to listen and I just would like to share with you my perspective after listening to all the
18 different sides which I really think is important as commissioners that we remain flexible and then
19 I would like to just give my perspective on things I feel were not maybe addressed and so, after
20 taking all that information this is kind of in summary I'm learning not to be long winded, in summary
21 this is my perspective before we vote.

22
23 Right off the gate number one, what I do like about getting permits through the current process is
24 that we can manage it. I think this is really key piece that we need to focus in on. When an owner
25 wants to do vacation rentals, when they go through the current process they...we get an
26 opportunity to know who they are, where they live, the neighborhood gets an idea immediate
27 neighbors in that surrounding area get notice that this is what they want to do, and if, if they get
28 approved, the minute that they violate let's the complaints I hear are loud noises, stealing our
29 neighborhoods, I work at a hotel, I wanna go home and not deal with visitors. If once the issue,
30 the permit's issued and these problems exist they can...they have a right to complain, they have
31 a right to call in and record that there are things that are disrupting their life and then we have the
32 ability to see the RFS and say, hey it didn't work out like we thought, your noise factor is out of
33 control and we can shut it down. This is a management process and I think we're forgetting that
34 part of doing this is so we can manage these people wanting to participate. That's number one.

35
36 Number two, is I'm always really worried about taking the people's voice away from them and
37 forcing what we believe lifestyles should look like onto people, and I'm gonna tease that out in
38 just a few short sentences. Three large complaints I heard was we don't have short-term
39 rental...we don't have affordable, affordable long-term rentals and it's stealing affordable long-
40 term rentals. Well, now that this commission, I can't speak for past commissions, but now that
41 this commission is realizing that you know, much more about the problem potentially then when
42 the applicants come, if it's a \$3 million house somewhere we all know that this is not an affordable
43 rental. So, check not applicable. Another one is noise factor. Again, neighbors get notice and
44 they can chime in. The neighbors in the immediate area have the ability to testify and chime in
45 and so through this process and transparency, Maui Planning Commission being the

1 gatekeepers, we get to address all these things that people are saying now about why they don't
2 want them at all. We don't get that opportunity to address them when we don't have the system
3 because lets face it most of the things that they're complaining about are the illegals, right, are
4 the people who have no desire to do this legitimately, go through the process, we don't know
5 where they live, we don't get notices, we can't manage it because they're gonna do it illegal and
6 I don't think writing laws toward the illegals are making them any more legal. They still become,
7 you know law breakers and so I just wanted to put that out on the side as one option. There was
8 a testifier that mentioned that if we were to agree to reduce the caps that we would save 71,
9 Michele McLean, are you able to just confirm is that about 71 units would then just be reduced if
10 that was the case? Is that, do you know that for sure? I don't know if that number was accurate
11 or not.
12

13 Ms. McLean: Jacky would have the latest numbers.

14
15 Mr. Carnicelli: Jacky would have it.

16
17 Ms. Pali: Okay.

18
19 Ms. McLean: You know the total number of permits that are allowed and with the change...
20

21 Ms. Pali: It sounds like we might...if we allow this then we would just...it would be saving. I
22 actually think speaking the terminology was that we'd be saving 71 units and if I may, oh it was
23 Councilmember Paltin, okay so she stated caps would save 71 units and that seems small but
24 realizing only 30 affordable homes were added to inventory and the quote was last year, but I'll
25 update the quote, last year would have been 2019 then it made that number 71...she didn't say
26 the word seem essential, but she was alluding that 71 seems essential since we only had 30
27 affordable housing units that came on the market in 2019. And I just wanted to tease that out a
28 little bit that, well we have to...we can't look at one year because you guys know the process on
29 getting an affordable housing project. It's like ten years, 15 years so we should probably look at
30 the bigger picture and say well, in 2018, we had hundreds of units come on for affordable housing,
31 in 2020 we already had, you know, just one off the bat, Kamalani or is it...Kauwahine Village, a
32 120 affordable rentals for 2020, so we may have only had 30 which I would argue that fact
33 because we had Waiale project of 70 units come on in 2019, we also had Makila Kai of 19 units
34 in 2019, and so just trying to make the information fair, I don't know that that was a good way to
35 justify well, saving 71 units in hindsight is large because we only had 30 units, I just want to
36 respectfully say that I don't think that 71 units is gonna help our problem. I don't think this is the
37 way we help our problem. We have other things we can do as a, you know, as a you know,
38 government and as a body to take care of affordable housing. It's not this way, and I just wanted
39 to you know, bring all this up. I'm definitely protective of our neighborhoods. I don't want one in
40 my neighborhood, maybe you don't want one in yours and so if there was a sign that went up next
41 door that said potential rental, you're gonna see me testify for my neighborhood, and that's where
42 the people's voice in the immediate neighborhood, they get to speak up. It's where the majority
43 of Maui says we're not gonna let you speak up and we're not gonna let you have a say because
44 we're just gonna take a blanket approach and say no it's not allowed. I say, let's let the smaller
45 communities decide what they want in their neighborhood and what they don't want. And the cap

1 already was already super conservative. If you think our, you know population is 160,000 plus,
2 plus, plus and we're talking a total 300 and something on the cap, I feel like that was conservative
3 to begin with, and I say when we reach it, we reach it, we're done. So, I don't know that I'm
4 necessarily for lowering the caps. I think the caps are healthy from a management perspective
5 and that's just my take on it. Okay, that was longer than I said I would be, sorry Chair.

6
7 Mr. Carnicelli: And still shorter than most, so Jacky.

8
9 Ms. Takakura: Thank you, Chair. I just wanted to clarify that the existing caps in total is 349, and
10 the Department proposal is 230 permits so that would be a reduction of 119, just for clarification.

11
12 Mr. Carnicelli: Thank you. Thank you. Would anybody else like to chime in at this time?
13 Commissioner Freitas, then Commissioner La Costa.

14
15 Mr. Freitas: In the last meeting, I made a comment and there was a quick response that I wanted
16 to clarify and I'm not sure who can answer this, but the Council members I believe came up with
17 a lower number and we or the Maui Planning had recommended a different number is that
18 correct?

19
20 Ms. McLean: Yes, Commissioner Freitas. Council proposed the number that they proposed and
21 our understanding is that that number was based on the number of active permits and the number
22 in the pipeline and by the time we wrote the staff report to you, we revised those numbers based
23 on the number of permits issued and the number in the pipeline. In some cases, that went up, in
24 some cases that went down. The one notable difference though was in the Kihei-Makena
25 Community Plan region where the Council proposed not changing the cap and my understand is
26 the reason for that is that Kelly King the Council member representing that area wanted to get
27 more input from her community so they just left it as is. The Department went ahead to
28 recommend that that cap also be lowered in the same way as the others just to be consistent so
29 that when it goes back to Council this Commission would have had the opportunity to comment
30 on that concept as well.

31
32 Mr. Freitas: Yeah, so the reason why I'm sharing is that I was using the fact that the majority of
33 the Council members had given a number which I felt they are leaning toward and that is why I
34 was for the lower cap. I prefer the revised one 'cause it gives those that were in the pipeline that
35 opportunity since they started so I totally agree with that. That was my comment and I think Chair
36 said something like they never heard it, which it true, they didn't vote on it, they didn't...that's why
37 it's with us. But there was numbers that came from them which is a lower number. I think we,
38 being called Maui Planning Commissioners plan the look of Maui five, ten, fifteen, twenty-five,
39 thirty years from now and I continue to hear comments that based on COVID we may...it changes
40 your vote on this matter. I don't think that a temporary slowdown, a temporary speed bump in our
41 economy, in our situation here should be used as a reason for a significant decision. There's
42 been talk that people are...during this COVID that you know, unemployment is high, and again,
43 everyone that was hired as a worker at these short-term rentals they're not gonna lose anything
44 by this. The only thing they're losing is based on tourist not coming which has nothing to do with
45 the cap. So, I just wanted to bring that up as I thought about it and maybe at the last meeting by

1 5 o'clock we were running out of gas and our energy and our ability to stay focused was just...was
2 hard, and after the two weeks I thought long and hard and that's what I think we should be voting
3 on. Thank you.

4
5 Mr. Carnicelli: So just for clarification, Commissioner Freitas, the way that something like this
6 normally works is...is cause then you change the Title 19, it comes to us for review, right. So,
7 we hold a public hearing and then based on public hearing we then give just a recommendation
8 back to them. They're still gonna do whatever they want to do, but what normally happens is it
9 goes from Council to Committee where they discuss it, and they have their own input and then
10 they come up with something and then they transmit it to us that step didn't happen and that's
11 what I meant by like they hadn't discussed it. It was just one of those things like it went from
12 Council where the public was told there was going to be no decision made and so no one showed
13 up to testify and then it just came straight to us and so it didn't get sent to committee as it normally
14 would and so that's that step that I said that basically is...and that's what I was alluding to, I wasn't
15 saying like okay, they didn't send us something, they did, but they did it at the full Council, they
16 didn't actually do it at committee which is where you, as they say you know you do the heavy
17 lifting, you do the work in committee not at the Council level so that's what that is, and then, I think
18 at a later time I'll discuss my opinions on the COVID aspects of this. But is there anybody else
19 who would like to chime in. Commissioner La Costa, that's right.

20
21 Ms. La Costa: Thank you, Chair. I have...some additional comments as well. If the cap is
22 reduced...can everyone hear me, I took my headset off? Can you hear me? Okay, thank you. If
23 the cap is reduced will that spur more illegal rentals because people are already renting illegally
24 and the way to stop that is for neighbors to turn people in but obviously that hasn't been going on.
25 I concur with Commissioner Pali in that the regulations are restrictive already and that's a good
26 way to be able to police those that are licensed and I am concerned that the Kihei number is still
27 lopsided at a hundred, you know, with their units and yes, it was suggested that they reduced but
28 if it is left as it is they have a hundred which is much more than all the other areas on the island.
29 So those are my concerns about this. Thank you Chair.

30
31 Mr. Carnicelli: Thank you. Anybody else like to chime in? Christian?

32
33 Mr. Tackett: I think, I think I was pretty clear on my stance so I'm just gonna stick with what I said
34 last time without wasting anyone's time. Thank you though.

35
36 Mr. Carnicelli: Gotcha. Thank you, Commissioner Tackett. Commissioner Thompson,
37 Commissioner Castro. No?

38
39 Mr. Castro: Good to go.

40
41 Mr. Carnicelli: Okay, so—

42
43 Ms. McLean: Chair? Excuse me?

44
45 Mr. Carnicelli: Yes.

1
2 Ms. McLean: You still need to take testimony on this item. I don't think you did.

3
4 Mr. Carnicelli: Oh yeah, that whole testimony thing. Oops. So is anybody signed up to testify on
5 that.

6
7 Ms. McLean: No one has signed up Chair.

8
9 Mr. Carnicelli: Okay, is there anybody that would like to step forward and testify on this particular
10 item, please unmute yourself and if you would like to unmute your video as well. I see Mr. Croly.

11
12 Mr. Tom Croly: Aloha, Chair.

13
14 Mr. Carnicelli: Please state your name for the record.

15
16 Mr. Croly: Hi, Thomas Croly and I'm speaking on my own behalf.

17
18 Mr. Carnicelli: You have up to three minutes.

19
20 Mr. Croly: I did speak to you at your first meeting on this and I just want to add a few comments
21 from you know, the monitoring that I've heard and so forth. As I've stated in my written testimony
22 and at my first one, there was a lot of though that went into the initial caps that were set up.
23 Something that I recognized in the initial caps there were set up which were based on the number
24 of operations that were already in place was that many of those operations were not going to be
25 able to comply with the new law that we established and that was the case, you know people who
26 are trying to rent out or were renting out units that were not dwellings, they had converted farm
27 buildings into rentals and they had added kitchens to their homes and so forth they were not able
28 to get through the permitting process. So, there was culling if you will of the folks that were already
29 out there. But we still do run the problem that existed then and that is there is a demand, a
30 growing demand for this type of use and if that demand is not met by the legal ones it is likely met
31 by those who are trying to skirt the law. So, I do think that it's very important that we, that we
32 have cap numbers that are realistic to the demand and one thing that I do wanna just reiterate is
33 that cap numbers were reduced from 48 out in Hana down to 30 at one time and they were also
34 reduced in Paia from 88 down to 55. There was process that you know it went through when
35 those decisions were made. There has not been a change here in Kihei from the 100 cap and
36 we are nowhere near that, but there was an expectation that many of these luxury oceanfront
37 homes in Kihei would come forward to get permits for this use. Surprisingly not nearly as many
38 as expected did come forward but almost none of those luxury oceanfront homes are rentals or
39 the homes of their residents. They are the second homes of these folks and they continue to be.
40 I would feel better if those were short-term rentals rather than sitting empty a good portion of the
41 year, but it is what it is. So those were just a few comments that I wanted to make sure that the
42 commission considered in their deliberations on this matter. Thank you.

43
44 Mr. Carnicelli: Any questions for the testifier? Mr. Croly, I have one question just because I know
45 you're a numbers wonk and you follow all this stuff.

1
2 Mr. Croly: Sure.

3
4 Mr. Carnicelli: And I'm just gonna assume that you would know a number like, what's the attrition
5 rate per year?

6
7 Mr. Croly: You know, I've looked at it and about every year around ten percent of the existing
8 permits don't renew. They've either sold the property and if they sell the property the new owner
9 is not allowed to you know, make application or they forgot to renew which happens sometimes
10 and then they would have to make a new application and if they forgot to renew and had to make
11 new application something like reducing these caps down would take that opportunity away from
12 them, but roughly ten percent every year of these permitted short-term rentals for one reason or
13 another will not continue to the next year.

14
15 Mr. Carnicelli: Great. Thank you. Any other questions for the testifier? Commissioner Freitas.

16
17 Mr. Freitas: Thank you, Mr. Croly. I've actually used your first testimony a couple of times about
18 this matter. I was thinking that there may have been some people that really wanted this to be
19 phased out and I think the numbers that was selected was more of a compromised number and
20 that compromised number just happen to have been the numbers that was already existing that's
21 the one that came from the Council. So, you did have kind of a complicated number of things to
22 take into account to find out what the correct number would have been, I'm not sure if we are in
23 that position to step back and wait months for that kind of study and report, but I do appreciate
24 you sharing, I enjoy listening to you. Thank you.

25
26 Mr. Croly: Thank you.

27
28 Mr. Carnicelli: Thank you, Commissioner Freitas. Anything else for the testifier? Thank you, Mr.
29 Croly. Is there anybody else that would like to come forward and testify...oh, sorry, Commissioner
30 Tackett.

31
32 Mr. Tackett: Mr. Croly, were you part of the people that actually help create this this, this short-
33 term rental? I believe you were you were part of that from the beginning were you not?

34
35 Mr. Croly: In deed, in deed I've been involved in both the Bed and Breakfast Ordinance which
36 came first and then later the Short-Term Rental Ordinance at that time on behalf of the Maui
37 Vacation Rental Association which I no longer represent but at that time I did, yes.

38
39 Mr. Tackett: Thank you.

40
41 Mr. Carnicelli: Any other questions for the testifier, need for clarification? Thank you, Mr. Croly.

42
43 Mr. Croly: Thank you, Chair.

44

1 Mr. Carnicelli: Is here anybody else that would like to testify on this particular item? Please
2 unmute yourself and if you wish to unmute your video as well. Going once, anybody else like to
3 come forward, going twice, seeing none, we will go ahead if there are no objections, we'll go
4 ahead and close public testimony.

5
6 So, you know one thing that I think Mr. Croly in the ten percent attrition does show is that there
7 still will be some sort of queue if the cap does move say to current there still will be some sort of
8 a queue so let's just say if you know we're full in West Maui and someone sells their home and
9 then that next person will come, it will just be much, much slower queue.

10
11 So, I'm gonna go ahead and weigh in on a couple of things. I think that Christian brings up
12 something very, very poignant in these times and that is putting people in our neighborhoods you
13 know during, you know the pandemic and everything like that, I think that that's something that
14 we really need to look at, and as I stir on this particular item a lot and unfortunately or fortunately
15 people call me about this item, right or they want to talk to me about this and kinda where I'm
16 coming from in today, 'cause you always get new information and then you think about things
17 kinda like you know Commissioner Freitas said is, this is a much larger conversation that needs
18 to be had and that's kind of almost like why I'm, you know apprehensive to say let's move the
19 caps because even though COVID is going to be relatively brief in the course of time, let's just
20 say that, you know, I mean, visitors don't come here till 2021 and then we come back, they
21 dynamics of our island is gonna completely change. Who comes here, when they come here,
22 where they stay, all of that's gonna change and so what I would...I mean, you know if I could do
23 this and it's not really relevant today, but I would like to see the recommendation come from us to
24 be the nine Council members and the Mayor need to sit down and you guys need to have a policy
25 conversation who are we going to be, what are we going to be moving forward? If, you know,
26 and we gotta make a choice. If we're saying like hey listen there's this new visitor that wants to
27 stay in local neighborhoods and that's the way people travel, Europe's been doing it for decades,
28 South America's been doing it for decade, but if we say we don't want that traveler, we only want
29 the resort traveler, that's it, that's the only one we want, I would like to see our policy makers
30 make that choice, and guess what there's going to be a big chunk of tourism that we're gonna
31 lose, and that's okay if we're making that decision clearly. We're saying yeah, we're willing to say
32 we're gonna lose jobs, our population is gonna decrease, you know we're gonna end up in just a
33 whole different economic place. Well, if we're making that consciously, great. This is kinda like
34 nibbling around the edges, like oh okay, well if we just reduce this by a 120, you know, then
35 somehow, we're helping the world in an election year. I just think this is a greater policy decision,
36 and until we make that decision you know, the thing I said is we're trying to pick winners and
37 losers. What if right now, the only people that are gonna travel once we start opening up again,
38 the only people that are gonna travel are the people that aren't in resorts, that they're the people
39 that do want to stay in neighborhoods and that's not a decision that nine or I guess seven
40 volunteers are tasked with making that's why we elect nine people for Council and one person for
41 the Mayor to say like no, you know, I mean back Mayor Carvalho back in the 70's and 80's said
42 we're going away from ag and we're gonna build condos all over the west side and the south side
43 and that's what we made a policy decision to do. So for me, I mean, I don't mean to make this
44 way more complicated than it needs to be, but I just think that until we have a policy decision
45 about who and what we want to be and where we want to go as a community, and we're willing

1 to take the hit for that, 'cause if we're willing to say, hey listen we're gonna get away from tourism
2 then we gotta know that we're gonna lose a lot of people. There's gonna be a lot of local folks
3 that are gonna move to Vegas or wherever it is they're gonna move because we don't, you know,
4 we don't have economic base, and if policy makers are okay with that then that's cool. I'm okay,
5 if that's a conscious choice, but if we're gonna nibble around the edges and say okay, we're gonna
6 remove caps, I think in the...you know as Commissioner Freitas said in talking about ten years
7 from now, twenty years from now when none of us are on this commission anymore okay, it's
8 gonna make an effect somehow but we don't...we've not even done a study. We've not even
9 done a view of what it would do or not, and so, I get that we're not going to lose any jobs by
10 lowering the caps, I do get that, no one's gonna lose, go out of work if we lower the caps at current
11 levels, but if we say there's no opportunity to grow that segment of the economy then we're losing
12 an opportunity and if the Council says we don't want that opportunity, again, I'm fine with it, but I
13 think that that's why for me I'm saying, okay, pre-COVID was a different situation, post-COVID
14 we have hit, literally hit the reset button, literally hit the reset button, so what is Maui gonna be
15 moving forward, and so that's why for me, I'll probably just if passed with voting will stay with
16 leaving the caps as is and not lowering them just because I think that it's putting the cart before
17 the horse, so I will now get off my horse, and Commissioner Tackett.

18
19 Mr. Tackett: So I have a little bit of different take on it ..I understand what you're saying but my
20 take on it is that until your, until resorts are up and running and are at full capacity to offer tourists
21 to go into neighborhoods and to be, to be trading your full-time employment for part-time
22 employment in these vacation rentals so if, if the amount of tourists come, that come over aren't
23 enough to open your Grand but it's enough to keep all your short-term rentals going and then you
24 lose all the people that came over and invested millions of dollars in here is it worth for the few
25 handful of people that are gonna come out and stay in the neighborhood or should we just shut it
26 down and make this a place, Maui this is just a place where people live like we don't need no
27 tourists because you don't need a handful or two or three hundred tourists to run this economy.
28 If you want to run a tourism based economy you need your Marriotts, you need your Hyatts, you
29 need your, your big hotels to be able to open, to be able to have enough people in those hotels
30 to create full-time jobs with benefits, with healthcare for the children, with these types of
31 processes, so I think, I think to be saying that we're, we're doing some kind of disservice to them
32 by lowering the caps, I think that the caps should probably be lowered until such time as you
33 determine whether or not this is gonna be a tourism based destination or not and at that time is
34 your full time employment opportunities do they take a backseat to, to short-term rentals or is it
35 more important to get the tens of thousands of people that worked in the hotels that all have to sit
36 home now, getting those people back to work before we, we work on trying to get people into the
37 residential areas. So, I think, I think first we gotta determine whether or not you want, whether or
38 not you want tourism in this, in this island and if you do, you need to protect your people that are
39 fully invested and employ the most and then you could move onto to the smaller chunks. What I
40 don't agree with is people saying that oh, my son, my son if I make it a legal way to get him a
41 cookie, then he'll have cookies but if I make illegal to have cookies well, he's just gonna steal the
42 cookies anyway, like it cannot be like that. You can't say I'm not gonna lower the caps 'cause
43 they're just gonna do it anyway. If people, if people decide it's against the rules and they don't
44 want to do it anyway then there needs to be something to deter them in place. We cannot be
45 bullied into saying okay, we're just gonna let you have it because if I don't take it from you, you're

1 gonna do it anyway so I might as well just give it to you. You know, I don't think that that's the
2 right way for it to go forward. So, I see you guys point of view on it, but I don't think that it's...if
3 you take that stance it's gonna help the majority of the public. I think it's gonna help a finite portion
4 of the public. And the argument has been made with the million dollars and multi-million-dollar
5 houses that it's not gonna come back into a rental or regular rental anyway. The reason why one
6 of those homes is ten million and not one million is because these kinds of opportunities are here,
7 you know. If you can rent a ten-million-dollar house for \$15,000 a day it will never come down
8 from ten million, but if you couldn't rent it for \$15,000 a day it might be a one-million-dollar house.
9 One lucky sucker that had one good business might be able to afford it but as long as you can
10 get \$15,000 a day for rental because it's out of the, out of the chain or off the charts as far as the
11 type of experience you're giving then that's the reason why you have a ten-million-dollar property
12 as opposed to a one-million-dollar property. So, it all relates to each other no matter which way
13 you, or no matter which road you go down in my opinion. So anyways, thanks for allowing me to
14 express myself on that.

15
16 Mr. Carnicelli: Commissioner Pali. Thanks, Christian.

17
18 Ms. Pali: First of all, I just want to say that I love Commissioner Tackett, and that's one thing I
19 cherish about having all of us here is that we all have different perspectives and opinions and so
20 I just want to give a lot of love and shout out to him and just having the courage to voice that. I
21 do, however, I learned early on in Commission I kinda came in hot, but I'm really big accuracy
22 and fact checking so I just wanted to kind of clarify a couple things if you don't mind. I think the
23 planner, staff planner mentioned that the...all the caps originally were at 349 units, right, 349 total
24 allowed permits. I found something as I was doing all my digging and you know, with the past
25 meetings I missed and someone had created a letter, it was...oh, okay, Tamara Paltin, the
26 Councilwoman she did a letter dated June 26 and it talks about like all these units zoned
27 Apartment and things, I just wanted to put in perspective what 349 which is the current cap put
28 that into perspective when we're talking about hotels, let's make it simple, Grand Wailea alone
29 has about more than I know for sure, more than 700 rooms, just one single hotel has more than
30 700 rooms, so our cap island wide is 349, so even if we had a line, I don't know if Director McLean
31 can confirm if we have a line of 119 people waiting to fill up our caps I'm pretty sure we don't but
32 if we did, okay, and they were all maxed out at 349 they are not...I disagree lovingly disagree that
33 the 349 if all of them are rented the minute COVID, you know we allow them to travel, it would not
34 impact the 40 plus hotels when one hotel alone has 800 units. I just wanna kinda compare that
35 just to be fair, and the other thing is this list that I got that was dated and on top of the hotels this
36 list was about apartments and condos that were currently vacation rentals but not zoned
37 Apartment, out of those 103 condo complexes there were 8,111 units so we're talking 8,000 units
38 zoned Apartment that are doing vacation rentals plus all the hotels I just...I don't...I just lovingly
39 disagree that 349 is not gonna impact us the way it was just reflected and so I just wanted to kind
40 of lovingly point that out. The other things is, I'm with my commissioner I don't want to turn into
41 vacation rental and then not have something for the locals. We do have to fight and preserve
42 things for our local people, our way of life and I'm all about that, but I'm just...we just have to
43 balance it and so I just wanted to clarify that. That's all.

44
45 Mr. Carnicelli: Thank you, Commissioner Pali. I also want to agree—

1
2 Mr. Tackett: I feel the love.
3

4 Mr. Carnicelli: --well, no...guys I want to just also say that is I appreciate the fact that we're gonna
5 disagree on stuff, I've told people more than once I love when we have 5-4 votes, they think like
6 why no, we should have 9-0 then that means you know we're all...it's like no, I have no problem
7 with us disagreeing and expressing our feelings and passionately expressing our feelings and I
8 think that this is good, healthy debate and I think especially for this conversation because I think
9 this is what's happening in our neighborhoods, this is what's happening island wide, and hopefully
10 we can kinda be a bridge of some people that are just becoming dogmatic, right, they're just
11 saying no, this is the way it has to be and they don't want to listen to the other side and then the
12 same thing happens on the other side. I like the fact that it's like here's you know six other people
13 that I love and care about that I, you know hang out with for days at a time, you know every other
14 week and we get you know express ourselves, and so this is why I think for me again is this is
15 bigger than moving the cap. I would love to see this turn into we need to have a broader
16 conversation about the island and where we're headed. So, Kawika I see you leaning in like you
17 want to speak, yes go ahead.
18

19 Mr. Freitas: Commissioner Pali earlier said she like that applicants come through the Commission
20 so we can hear them, understand them, get a better feel for their neighbor...neighborhood, and I
21 just want to use today's earlier application as an example. Here was a house that could have
22 been a long-term rental, it was at probably the size and affordability for our people, our residents.
23 What happens is because the rule says that there is a cap and all of the things lined up, it's very
24 difficult for us in the Commission to turn one down once it gets as far as they have unless there's
25 a overwhelming letters of opposition, and Corporation Counsel had shared that with us before
26 that we gotta make sure that we have a reason why we're turning it down. I sit here and I see
27 one come through and I'm like I don't want it, I don't want it, but after listening and some of them
28 play, play my emotions well, and then end up changing my mind and I end up voting for them,
29 and also it's because there is a limit and we haven't reached that limit and to me, that is again, a
30 reason why I'm for the cap, but I do agree with our Chairperson that you know what this has to be
31 laid out a little bit better and clearer with a lot of things including how will this be enforced for those
32 that if it does go lower for those that will operate illegally that can be another time and stuff, but
33 I'm kind of stuck right now. And I agree with you I like it when we can...we all don't agree on
34 certain things and we share why and we're not afraid, there's not jumping on somebody else's
35 band, and speak for ourselves how we feel that's why we come from a diverse group around the
36 island. So fellow commissioners I appreciate all of you, thanks.
37

38 Mr. Carnicelli: Yeah, and I think like even I can't remember who, I think it was Kellie and I had a
39 conversation and that's why I can't wait to get two new commissioners because when you have
40 nine is it's even a broader perspective and a richer debate so Commissioner Pali.
41

42 Ms. Pali: And then jumping in on Commissioner Freitas, I think I was also looking at that home,
43 the earlier applicant, and I saw the size of it, I saw, you know you can go on Maui County Tax
44 whatever and just check it out, reading the report, I think what allowed me to say, hey, I think I'm
45 okay with the vacation rental on your property because she's giving affordable rental. You see

1 the original application was two, and I'm gonna be honest I didn't...that didn't sit well with me, and
2 I did see complaints and so we could have had the ability to deny it based on the neighborhood
3 not accepting it, but because she recognized our ...(inaudible)...she recognized some of the
4 concerns and she did exactly what applicants should do, she wants to work with us so she gave
5 us the smaller unit which I hope, and we want to encourage her to put that on as an affordable
6 rental price for long-term families and then let her make a little bit extra money assuming if and
7 when she can it might be another 12 months or whatever that looks like so it maybe even offset
8 and subsidize keeping the long-term rental lower. So, I would love to build models like that
9 because if we utilize this the right way, people like her can help us create more affordable housing
10 opportunities and availability to our, you know our residents and so I'm with you, I appreciate your
11 commenting about that.
12

13 Mr. Carnicelli: See guys, and this is the conversation I wish our policy makers were having, right,
14 'cause we can come up with a bunch of other ideas, like I mean, I had somebody call me the other
15 day and say, you know what we need to do, we need to tie an affordable house to every single
16 STRH. You want an STRH permit, you gotta go build not by a credit, not pay few in lieu but you
17 gotta go build an affordable house whether for sale or for rent in order to get your STRH Permit,
18 great conversation, you know, I would love to see something like that happen, unfortunately that's
19 not part of this but yet it is, right, and there's this greater thing that needs to happen.
20 Commissioner La Costa.
21

22 Ms. La Costa: Thank you, Chair. The affordable housing conversation, and I, too, have people
23 that approach me about it, that is more of a county function and maybe a private/government
24 partnership to build affordable rentals and affordable homes to house the people as other
25 Commissioners have said and I concur a house that is multi-million-dollar or a condo on the ocean
26 that pays thousands, and thousands, and thousands of dollars in taxes and upkeep in
27 maintenance is not going to be affordable if it were taken out of short-term rental use. So, the
28 349 as Commissioner Pali said is manini in the scope of how many units that are available. I think
29 that and in concurrence with you, Chair that this needs to be a policy and if we have hit the reset
30 button. I swim in the ocean everyday and the coral is coming back and saw 31 different varieties
31 of fish two days ago including a barracuda that I hadn't seen in years, so as a community, as a
32 county, as people who...you know raise their torches against short-term rentals in their
33 neighborhoods it needs to be a policy set forth, but the 349 is not gonna make a dent in how many
34 units are available and lovingly and respectfully again with Commissioner Tackett and in concert
35 with Commissioner Pali I concur with her summation of that so thank you, Chair and again this is
36 a county issue for ...(inaudible)...affordable housing not forcing people to turn their short-term
37 rentals into affordable housing because some of them just won't cover than that. Thanks.
38

39 Mr. Carnicelli: Yeah, I mean in perspective there's 8,000 hotel rooms in Maui County, 12,000
40 vacation rental condos and 350 STRHs so I mean, that's...but then again, you know like
41 Commissioner Tackett was talking about when you talk about employment, if you want to be an
42 employee it is of the ten largest employers in Maui County eight are hotels, but the 12,000 condos
43 are serviced by small business owners, right, the maids, you know the handyman and those kinda
44 guys. Anyways, I...great conversation, I almost think it would do us a disservice to send a
45 recommendation to the Council that says, move the caps or don't, right, like oh we voted for

1 moving the caps or we moved, you know, voted against moving the caps. If that's what you guys
2 want to do that's great. We can also be, our recommendation is, y'all need to not do anything
3 with this and have a conversation, that could be our recommendation as well, you know so, you
4 know, have community outreach, you know, I mean, we've...this is our third one, we've had a ton
5 of testimony on this item, could you imagine if okay, post-COVID or I mean, I think we had 350
6 people one call or something like or a 150 people on one call, could you imagine if the Council
7 actually did this and how many people would show up, and we could really as a community start
8 to churn what it is that you know we want to do here in the midst of this pause and you know, I
9 mean, just go to, you know the same conversations are being had in Venice where the canals are
10 now clear and there's fish back, you know, Tahoe and all these other places are having the same
11 conversation. I think we need to have a conversation and not just say whether or not we're gonna
12 move our caps or not. But, I'm gonna defer to you guys and see you know if what kind of a
13 recommendation you would like to see us move forward with, and I'm okay with any of it whatever
14 you know we would like to do. Anybody want to come up with a recommendation? Christian.

15
16 Mr. Tackett: I recommend that we recommend that the caps be reduced and the reason why I
17 recommend that the caps be reduced is because we have lots of short-term rentals like you guys
18 said in condo like setting, we have lots of hotels with thousands of rooms like you said in that
19 setting and I think until we get a handle of those on those two things that it would probably be
20 best to keep the...those type of rentals out of our residential lots because no matter which way
21 you guys slice it and whether you love me or don't love me all of that is gonna lead to higher
22 property values and higher cost for people that are trying to buy these properties. So it's my
23 opinion that we should try to ride the ship on that front first and then deal with this that was made
24 later that is continuously spoken about from the people that actually invented it or created in the
25 first place and it's created, it's created to make money, make money out of buildings that should
26 be people's homes so before we start making people making investors monies I think we should
27 put people that work and just want a home to live in in these homes and do our best to keep these
28 property values to something which is manageable which is something that we probably will never
29 be able to achieve but at least we can tamp it down as low as we possibly can and hold it as low
30 as possibly can for as long as we possibly can and that's why I think we should have a lower limit
31 and that, that possibly like Mr. Croly says, he's for it for these reasons, I think possibly maybe it
32 should of never been created in the first place, maybe it should have never happened and maybe
33 we have enough hotels and maybe we have enough condos with the ability to do that built in
34 without having to go down this other road and if people want to do those things, they can purchase
35 those condos to make those types of things happen because that kind of stuff is already in place.
36 So that's my motion and thank you for all your support.

37
38 Mr. Carnicelli: A motion and comment on the motion. So basically, if I could reiterate
39 Commissioner Tackett your motion is to go ahead and reduce the caps as recommended by staff,
40 correct?

41
42 Mr. Tackett: That's correct.

43
44 Mr. Carnicelli: Okay, do I have second? Seconded by Commissioner La Costa. So,
45 Commissioner La Costa I'll let you speak to the motion as well.

1
2 Ms. La Costa: Thank you, Chair. This is a really tough one like you've said and we don't volunteer
3 our time for easy things I don't think. You have to listen to your neighbors you have to look at
4 small businesses. I hear what Commissioner Tackett is saying and I concur with that. In the big
5 picture, it's a very difficult conversation to, you know to have, but I do want clarification. There
6 were two different numbers that were stated in the letter that we had. One was what the Planning
7 Department and then the other was those that are already in the queue so the ones that are
8 approved is one number, those that are in the queue add to another number so I need clarification
9 please on what the actual number is and not just the 349 less the 230, thanks.

10
11 Mr. Carnicelli: Jacky.

12
13 Ms. Takakura: Thank you, Chair. So, in response to the question regarding the number of short-
14 term rental home permits, the existing permits total 212, pending applications total 18, and so that
15 adds up to the Department's proposal of 230.

16
17 Mr. Carnicelli: Thank you, Jacky. Anybody else like to speak to the motion? Commissioner
18 Castro.

19
20 Mr. Castro: Thank you, Chair. I, too, I concur with Commissioner Tackett, you know we have a
21 lotta hotels that are...that employ a lot of workers whether they're bargaining, non-bargaining
22 staff, there's a good chance many of them will not be going back to work and now that the governor
23 has extended till I believe September 1st these companies can't afford to keep 'em on the books,
24 they will be letting people go, you know, and somehow we need to get those hotels filled even if
25 it's a little at a time, we gotta get 'em in there, we gotta save these people's jobs. These hotels
26 paid very good wages, excellent benefits and once that's gone, if they don't get recalled they lose
27 that, and that's gonna be a lot of Maui people that will be out of jobs. So, it's a start. To reduce
28 the numbers I concur with Commissioner Tackett and let it work out, and I believe also that
29 anything that's in the works now should be allowed to go through the process you know, but
30 anything after the decision that's made you know, let it be what it is, but I do concur with
31 Commissioner Tackett. Thank you.

32
33 Mr. Carnicelli: Thank you, Commissioner Castro. Anybody else like to speak to the motion?
34 Commissioner Thompson.

35
36 Mr. Thompson: Sure, thank you, Chair. So, supply and demand have a big bearing on economics
37 it's pretty simple. If there's demand, it's gonna happen, illegal or legal. This way we get to vet it.
38 I don't think we have to worry so much about real estate prices for the next five years. There's
39 gonna be more foreclosures, things are gonna be tumbling huge especially those with second
40 homes and their ...(inaudible)...little condo and they live somewhere else. Guess what, if they
41 got a mortgage, they're in trouble right now. They're not getting money. So, I don't think we're
42 gonna have a huge problem about that. I kinda like that I hate hamstringing property owners, you
43 know government versus this, we're gonna close them off on that and next you can't roosters,
44 and I kinda agree with that, but you can't build your house there because it's my view plane you
45 know, you know it's not. So, we're trying control other people's action. I think we get a little

1 overbearing on that, these numbers that were made they were made...it already went to
2 Commission, they studied the numbers, they did all their, their research on it, we haven't done
3 any of that and now we're trying to second guess what they spent, I don't know how long, we
4 could ask Tom Croly apparently, but we spent a long time trying to do this. Do you I want to see
5 every neighborhood full of Airbnbs, no, I got one next to me or the VRBOs or short-terms, I got
6 one right next door, they're not bad, the guy makes money, million-dollar house, but I'm afraid
7 about restricting people's rights on it too. One by one we're chopping things off and I don't
8 know...maybe...but I kinda agree with you Chair, you throw it back to Council, put it to your
9 committee, go do all your numbers, do the real studies on it and go to your communities,
10 ...(inaudible)...your number it might be in between these two and when we first talking about it I
11 went please can't we just split in the middle, wash our hands and be done with it and there's still
12 a little loose. All these people, I don't think they're making...they're not meant to be huge killings
13 out of it anymore. ...(inaudible)...it's going to be long time, we're not even letting them in and
14 when we do, they're gonna be prescreened, they'll be vaccine and all everything so, so our real
15 estate is gonna take a huge dive, we're gonna have a lot of people going bankrupt. It's gonna be
16 ...(inaudible)... Now worse than some tourist in their new rental car it's gonna be empty, maybe
17 some homeless people will move in...we'll get some use out of it, but the weeds are gonna be
18 growing, it's gonna be a fire problem, we're gonna have some problems here. It's not little, we
19 got some huge problems in front of us. Anyway, that's my two cents, thanks.

20
21 Mr. Carnicelli: Thank you, Commissioner Thompson. Would anybody else like to speak to the
22 motion? Seeing none, Director.

23
24 Ms. McLean: Thank you, Chair. The motion on the floor is to recommend that the caps be
25 reduced as proposed by the Department.

26
27 Mr. Carnicelli: All those in favor of the motion, please raise your hand. That is one, two, three,
28 four. Opposed? One, two. Four to two. So, I guess it does come to me. I will vote, I will dissent
29 and vote against the motion, so the motion fails. Oh, and just for the record, Commission
30 Thompson and Commissioner Pali were the other two dissenting votes.

31
32
33 It was moved by Mr. Tackett, seconded by Ms. La Costa, and

34
35 The Motion to Recommend to the County Council the Caps be Reduced as
36 Recommended by the Department, FAILED.

37 (Assenting – C. Tackett, P. D. La Costa, K. Freitas, S. Castro)
38 (Dissenting – K. Pali, D. Thompson, L. Carnicelli)
39

40
41 Mr. Carnicelli: So, do we have another motion that we would like to put forward? Commissioner
42 Pali.

43
44 Ms. Pali: Do I only have the choice of approve, deny and refer or can I make my own motion?
45

1 Mr. Carnicelli: You can make whatever recommendation you want.

2
3 Ms. Pali: I'm gonna go out on a limb because I hear what my other commissioners are saying
4 and I really appreciate Commissioner Thompson also hitting the other angle about government
5 telling us what to do with our property that it's a tough, tough line and over restricting behavior
6 and I was trying to allude to it, but I think he said it a lot more eloquently. So there's a lot of
7 underlying things that are happening beyond what we're actually talking about but I also want to
8 recognize that we are in COVID and we do want the hotel workers to go back even though I've
9 given you the numbers, now it's literally a drop in the bucket but in respect to all of those things,
10 I would like to make a motion to not approve or what I am saying, I don't want to agree to lowering
11 the caps, but I almost feel like it should be frozen. I feel like we can... 'cause again, we don't have
12 119 people lining up to take up these empty spots. We have 18 in the pipe, so we're talking about
13 19 more applications that could potentially go out, but where are they? They're not here, right?
14 We're in COVID, we're in uncharted time could we put a hold, maybe make a motion to say I'm
15 not for lowering the caps but I want to recommend that you actually put a freeze, a moratorium or
16 something maybe like six months on those empty spots, let the ones go through the process, let
17 the ones that have it, have it, and let's just put a freeze on it and then you know live as usual after
18 the freeze and that would be just in lieu of recognizing that we want our hotel workers to go back
19 to work, we want to get back to normal, I don't know. Sorry, can you make a motion out of that?

20
21 Mr. Carnicelli: Well, is I'm gonna try and maybe clarify what I thought I heard you say.

22
23 Ms. Pali: Okay.

24
25 Mr. Carnicelli: And that is, is to put...okay, rather than moving a cap, we put a moratorium.

26
27 Ms. Pali: Freeze it for new applicants.

28
29 Mr. Carnicelli: Moratorium on new applicants for what period of time, six months. So, a six-month
30 moratorium on new applications, okay.

31
32 Ms. Pali: And that will also give Council and the Mayor to have conversations about the bigger
33 picture.

34
35 Mr. Carnicelli: Okay, so the motion on the floor is to put a moratorium on new permits other than
36 the ones that are in the pipeline, currently in the pipeline for six months, is there a second to that
37 motion? Seconded. Okay, moved by Commissioner Pali, seconded by Commissioner
38 Thompson. Do you want to speak further on it, Commissioner Pali?

39
40
41 It was then moved by Ms. Pali, seconded by Mr. Thompson,

42
43 To Recommend to the County Council to leave the caps as is, a moratorium for new
44 applications exempting applications already in process for six months and during
45 that time come up with a study to justify if the caps should be then moved.

1
2
3 Ms. Pali: Yeah, I think that I want to recognize that this is probably not the time to be talking about
4 this because people can't come here, so it's kind of a wonky situation where we're talking about
5 something that is...it's not irrelevant, but it's irrelevant for the time period because right now
6 travelers can't come and nobody can...all the people with the permits can't even accept tourists,
7 right? We're kind of shut down at the moment, but I know that we're talking about things that will
8 impact us once COVID passes but in recognition of this temporary time let's adjust to the
9 temporary time, but also give Council and the Mayor's Administration time to just work out the
10 bigger kinks and look at the bigger picture and so that's my happy medium I guess.

11
12 Mr. Carnicelli: Commissioner Freitas.

13
14 Mr. Freitas: Thank you, Chair. Could I add maybe a recommendation to Commissioner Pali's
15 motion kind of adding what Commissioner Tackett had said earlier for somehow put a wording in
16 there to take into consideration Mr. Croly's way of figuring out what the right number should be
17 now that it's gonna be six months moratorium to somebody. I mean, when you say send it back,
18 I'm not sure where back is to Committee or Council, wherever that—

19
20 Mr. Carnicelli: Back to the Council.

21
22 Mr. Freitas: Yeah, when we send it back—

23
24 Mr. Carnicelli: Yeah, Council...this is ultimately this is Council's decision. We're just a
25 recommend...we're... they're just gonna get a recommendation from us that says something and
26 then they'll wrestle with it however they want.

27
28 Mr. Freitas: Does that make sense though to really get a real number from Mr. Croly because he
29 had a system of looking at the area and being more specific instead of just what was there plus
30 what's in the pipelines. I think I would be more favorable to that.

31
32 Ms. Pali: So, a friendly amendment asking for research to be done and information to be provided
33 to us?

34
35 Mr. Carnicelli: Or...okay, 'cause I know Mr. Hopper doesn't like when we do a friendly amendment
36 so we're gonna have to do an actual amendment to the motion. Is, so the current motion is to put
37 a hold on new applications for six months, and then would the amendment be during that time to
38 find out what the real number is. We should find out what the, let's see, find out what...I don't
39 know maybe move the number during that, is that kinda what you're trying to say Commissioner
40 Freitas?

41
42 Ms. Pali: Well, we want more information, we want more homework. They did all this homework
43 when they initially put it in but like someone had mentioned, I don't know that they did their
44 homework as well this time around and so just giving us more information and for me, what's the

1 bigger picture, instead of taking small bites what is the cake that we're eating, what are we really
2 taking a bite into, I'd like to see the bigger conversation happen.

3
4 Mr. Carnicelli: Is that kinda what you're saying is also Commissioner Freitas?

5
6 Mr. Freitas: Well, I think—

7
8 Mr. Carnicelli: Or are you going in a different direction with it. I kinda feel like you're going to
9 someplace else with it.

10
11 Mr. Freitas: Well, sort of taking a systematic way of coming up with the number like how Mr. Croly
12 provided. He had a system. He looked at various things that will affect a number. I think the
13 Council wanted to lower it. They discussed it, but instead of coming up with a real thought out
14 number, it just said use what's there now and that's it. So, they really didn't...their number that
15 they picked is...was not...maybe they discussed it, but they never really applied their discussion
16 and got a system the way Mr. Croly has mentioned, so I would...can we say, listen to Mr. Croly
17 and what his...

18
19 Mr. Carnicelli: That would be bad, no, we're not doing that, we're not doing that.

20
21 Mr. Freitas: Well, work it in a way that takes a more...(inaudible)...okay, sorry.

22
23 Mr. Carnicelli: ...(inaudible)...

24
25 Ms. Pali: Are you asking that they have to justify why reducing the number? Because they...to
26 me they picked a number by just reducing it to what it...as is, and no more future. So that was
27 that their number but maybe are you looking for more reasoning as on how they came to that
28 number?

29
30 Mr. Freitas: Yeah. Create a fair system so that Kihei doesn't get to have the higher number and
31 these are the guys have to go lower, whatever the system should be all of the districts should
32 have the same not favoritism to anyone, and then Councilmember King can have her meetings
33 in the next six months and give her what she wanted and then come up with that number 'cause
34 I believe it should be lower over there too.

35
36 Mr. Carnicelli: Commissioner La Costa you've raised your hand a couple of times.

37
38 Ms. La Costa: Just gonna say what Commissioner Freitas did is that we need to come up with
39 finite numbers for each of our community areas, Kihei specifically, hundred and everybody else
40 has 88, 49, 33, hike so I think that that needs to be done in this period as well.

41
42 Mr. Carnicelli: So, I'm forgetting the word right now, but essentially we're kinda coming full circle
43 back to almost where we started and that was that we want them to actually come up with a study
44 of supply and demand to then justify what or you know, a...to come up with a number rather than
45 just moving it straight to where we are, is that sorta what we're saying here. Okay, I see some

1 head nods. So, in the meantime, we're still okay with and I'm trying to think what the amendment
2 would be, and maybe, maybe Director's scribbling again, although is so we have a moratorium
3 for six months, during that moratorium we would there to be a study and some actual data to
4 justify moving or not moving the caps, and Commissioner Thompson.

5
6 Mr. Thompson: Was gonna add that zero is I think is more a emotional response than a pragmatic
7 real one, so it's not...(inaudible)...not a study or something that's fair and unbiased.

8
9 Mr. Carnicelli: Got it. So, I guess we'll say...Director did you write what maybe an amendment
10 would be or look like?

11
12 Ms. McLean: What I'm hearing is that you're recommending approval of the reduction of the caps,
13 but only for a period of six months so it's adopted as an ordinance it would have a short duration
14 and that during that six months you recommend that the Council collect data, perform research
15 and do more community outreach to determine if after that six months what changes to the caps
16 if any would be appropriate.

17
18 Mr. Carnicelli: No, that's not. The motion is just a moratorium on new permits leaving the caps
19 as is.

20
21 Ms. Pali: That's right. That's right, thank you.

22
23 Mr. Carnicelli: Leaving the caps as is, a moratorium on new permits for six months and during
24 that time come up with a study to justify if the caps should be then moved.

25
26 Ms. McLean: Okay, effectively that's the same thing if you—

27
28 Mr. Carnicelli: Not really.

29
30 Ms. Pali: No, it's not. I'm not approving the reduction of the caps that's to me very different. Sorry
31 to disagree, but I disagree.

32
33 Ms. McLean: No, no, no, I'm saying the practical result is the same. The motion is gonna be
34 what, what you guys say it is, so of course, I can't change that, but your permits that are in the
35 pipeline are acceptable under your motion, those can continue to be processed?

36
37 Ms. Pali: Of course, yeah.

38
39 Ms. McLean: Okay. Okay.

40
41 Mr. Hopper: Okay, Mr. Chair?

42
43 Mr. Carnicelli: Yes, Mr. Hopper.

44

1 Mr. Hopper: Just to kind of get us to where we are, as I understand it there was a motion made
2 for a moratorium for six months on any new permit applications and then there was a motion to
3 amend that motion to add that there would be additional, I guess, review by the Council based on
4 available data to determine if there should be permanent reductions in the cap or not. Just so
5 you know I...the idea of a moratorium is generally something that would need to be passed by
6 ordinance and if that goes to the Council they would need to consider if that revision to the
7 ordinance is something that would need to go out to the Planning Commissions again because
8 that's different than what you're reviewing right now. You're reviewing right now whether to reduce
9 the caps. I think if it was done to say it's a temporary reduction in the caps that's maybe a little
10 bit more in tune with the current ordinance. If it's done as a moratorium, we would need to look
11 and see if...I think that would have to be done by ordinance. I think for Lanai that was actually
12 proposed and considered, so there's probably a model for doing that, but one issue would be if
13 that would need to go back to the commissions from Council for them to rereview all of that and
14 get public testimony on all that. I think that's an okay recommendation to make if that's the
15 recommendation and you can do it, but just to know that might not be something the Council can
16 put into an ordinance and pass without sending it back to the commissions again because that's
17 a pretty significant revision to the current ordinance just to note that, but I think it's a proper
18 recommendation if that's what the group wants to recommend.

19
20 Mr. Carnicelli: Thank you, Mr. Hopper.

21
22 Mr. Hopper: And...so just to note, right now I think you're on the motion to amend the main
23 motion.

24
25 Mr. Carnicelli: Right.

26
27 Mr. Hopper: I think we did clarify what the motions were, but—

28
29 Mr. Carnicelli: Well, I don't even think, I don't even think we actually have an actual motion, we're
30 still trying to clarify what that amendment would be.

31
32 Mr. Hopper: Okay, I think it's fair to discuss.

33
34 Mr. Carnicelli: I don't think we have, officially have an amendment yet.

35 Mr. Hopper: Yeah, I guess if you want to discuss specifically what the amendment's going to
36 entail before actually making a motion you can, but it be a good idea to be clear on the what the
37 proposed amendment is before making the motion just so you know, I thought it was to...for the
38 Council to receive basically, receive additional data on the STRH issue and determine whether
39 there be permanent changes to the caps.

40
41 Mr. Carnicelli: Well, and—

42
43 Mr. Hopper: But you can clarify that as you see fit.

44

1 Mr. Carnicelli: Part, part of what you're saying too, Mr. Hopper, which would kinda maybe make
2 this way more complicated than it needs to be, but again, Council is gonna do whatever they want
3 is if we say, okay we want a moratorium and then study and come up with factual data on the
4 caps and then change the caps that moratorium would have to come to us and then back to them
5 and then probably that look at the caps would then have to come back to us because it would be
6 a new thing and then go...so I mean, it's almost like it would have to bounce back and forth twice
7 and I don't seen Council doing that, but at least I think what I would like to see come out of here
8 is at least them get an understanding of what it is that we would like. You know, I just pragmatically
9 I don't anticipate them following our recommendation. They're gonna do what they want to do
10 which is fine, but I'd like for them to at least understand the flavor of what it is that we're gonna
11 do. I don't think that they're gonna review the minutes and cull through everything of what it is
12 that we've done over the course of three minutes, but I think if the recommendation can at least
13 get them to understand what our concerns are that would be good. Commissioner La Costa.

14
15 Ms. La Costa: Thank you, Chair. So, Mr. Hopper, if you're talking about a moratorium and all of
16 the hoops with which everyone has to jump through would your suggestion be that we put a freeze
17 on the current number that is the...the freeze on the number with only those being processed that
18 are the queue right now and then discuss it at a later time? I'm trying to figure out what makes
19 the most sense to get this resolved, thanks.

20
21 Mr. Hopper: Well, if your recommendation is just a moratorium on all new permits that's,
22 that's...I'm not gonna speak for or against what you, what you would like to do. I guess it would
23 be possible if you...the issue before and in the draft ordinance is what are the caps, what should
24 the caps be, should they be reduced or left where they're at or some in between, so that's what
25 you're being asked to recommend on. What I'm hearing is you're thinking of just a
26 recommendation that we would put a moratorium on any new permits. That's a different thing
27 than saying we are going to cap the...we're going to amend the caps to reduce them to an amount
28 that is consistent with how many applications we currently have. If you do either one of them,
29 you'll have a similar effect, though the moratorium would be a more temporary thing, so the idea
30 with a moratorium though is because that's not part of your original proposal. If you wanted to
31 reduce the caps and a recommend a number that's within your original purview of the ordinance,
32 I think. If you want to look at a moratorium that is something that may be a bit different than what
33 was sent to you from the Council and so the Council may need to when it makes amendments to
34 that bill to draft a little bit different of a bill. The issue might be that the other planning commissions
35 hadn't reviewed that and so they would need to see that as well. Again, I'm not the final on that,
36 but that's something that raised a concern because you are talking about recommending
37 something that's a little different than what originally came to you. You know, you can recommend
38 whatever, you would, you would like. I just wanted to raise that as a potential issue that the
39 Council might not be able to act on that recommendation without coming back to the commissions.
40 I think any cap reduction whether it's permanent or temporary is probably something that is within
41 the purview of this ordinance and could be acted on by the Council a bit more quickly, but again,
42 if you want to recommend a moratorium for six months, I would you know, that would have to be
43 put into an ordinance, the Department couldn't just say we're going to stop processing permits,
44 so that's...you'd need a revised ordinance I think and that's where the issue comes up.

1 Mr. Carnicelli: Right, is the part of the issue here is, is that that this is a pre-Covid resolution so
2 we're trying to current Covid reaction to a pre-Covid reso, but anyways, Commissioner La Costa.

3
4 Ms. La Costa: Thank you, Chair. And so, my additional question to Mr. Hopper is you mentioned
5 a temporary reduction, if that is a concurrence of the Committee can at some point it be reinstated
6 if community input is such that they want to go to the actual number initially proposed under the
7 ordinance, thank you.

8
9 Mr. Hopper: What the Council may do in that case is say we're gonna reduce the caps, but that
10 bill would have some type of sunset clause or maybe we can look into doing something like that
11 that would say the caps would go back to the original numbers or to say after six months there's
12 a required review by the Council that would be done after that to consider whether the caps are
13 appropriate. I think the original STRH bill in fact had a two-year review period that the Council
14 would have to revisit that. Now it's a little difficult on whether that's binding on the future Council
15 if they just don't act on it are there consequences, but you could potentially look at a temporary
16 reduction in the form of a bill that would have a sunset clause although I hadn't looked into those
17 in the past so that might be a little more complicated than we'd...(inaudible)...temporary there are
18 things I think could put in the legislation such as saying that the Council shall revisit it at the
19 conclusion of six months or to have some type of a sunset clause that would go back to the
20 previous caps that would be ...(inaudible)...because you'd be amending the Code automatically
21 bring the caps back to what they were at and I don't know if we've looked at anything like that
22 before, but those would be a couple of potential options for you.

23
24 Ms. La Costa: Thank you, Mr. Hopper.

25
26 Mr. Carnicelli: Commissioner Pali.

27
28 Ms. Pali: Okay so with that said, then I would withdraw my motion that was on the floor.

29
30 Mr. Carnicelli: Commissioner Thompson, you withdraw your second? Yeah, okay. So, new
31 motion from someone?

32
33
34 **After Discussion, Ms. Pali withdrew her motion and Mr. Thompson withdrew his second to**
35 **her motion.**

36
37
38 Ms. McLean: Chair, could I make a suggestion?

39
40 Mr. Carnicelli: Director.

41
42 Ms. McLean: We could if the Commission wants to send no specific recommendation on the
43 specific cap changes but we can compile your comments, indicate the different motions and the
44 different votes and just convey this discussion to the Council if you're not able to get a vote one
45 way or the other then we can just say you weren't able to get a majority vote for these different

1 motions but these are the issues and concerns and questions that you expressed today and in
2 the prior meetings.

3
4 Mr. Carnicelli: Here's the question I have for you in that is we'll be able to review what it is that
5 you're gonna transmit before you transmit it?

6
7 Ms. McLean: We could have a letter for you to review at the next meeting.

8
9 Mr. Carnicelli: Okay, so if we can't come to...let's give ourselves a couple more minutes here to
10 see if we can actually agree with a recommendation and if not, then I would like to do that...I
11 would...before...and not that I don't trust Staff, not that I don't trust the Department but I think that
12 I would rather have our words, you know, be transmitted rather than you saying what we said.
13 Commissioner Pali.

14
15 Ms. Pali: I don't know if this is appropriate to ask or not and so I don't know if it goes to legal
16 counsel, but are we allowed to understand whatever we recommend would recommending one
17 thing or another would it change the dynamics of Council and how they approach the topic? We're
18 not allowed to know that, okay.

19
20 Mr. Carnicelli: Oh, no, no, no, I don't think we will know that. I mean, I'm...I'm sorry, I shouldn't
21 have shook my head because it was cynic in me that with saying is...guys, here's the other part
22 of this is I love the fact that we really want to get this right, I love the fact that we wanna get this
23 right and we are churning on this and three meetings later and maybe even four meetings later
24 and most of the Council members won't even look at our recommendation.

25
26 Ms. Pali: Okay, okay—

27
28 Mr. Carnicelli: I mean, I'm just saying that—

29
30 Ms. Pali: --I got one.

31
32 Mr. Carnicelli: I'm just saying that is I mean they're not even going to look at it, they're gonna just
33 do whatever they want to do. They're going like okay, that was...you know by ordinance, by
34 Charter it has to go to planning commission, but that's you know, whatever—

35
36 Ms. Pali: Okay, got it.

37
38 Mr. Carnicelli: --and we're gonna do whatever we want. So, I'm must as...I'm just wearing my
39 cynic hat and Commissioner Freitas.

40
41 Ms. Pali: Okay, so let me try one more motion.

42
43 Mr. Carnicelli: Oh okay.

44

1 Ms. Pali: In lieu of Commissioner Freitas I would like to put a motion on the floor that I recommend
2 studying the current demand in each region, I think that's what he was trying to allude to, and set
3 the caps to meet each current demand. That's my motion. Did I get that...(inaudible)...

4
5 Mr. Carnicelli: Moved by Commissioner Pali, seconded by Commissioner Thompson. Discussion
6 on the motion. Commissioner Freitas.

7
8
9 It was then moved by Ms. Pali, seconded by Mr. Thompson to Recommend to the Council
10 to study the current demand in each region and set the caps according to the demand.
11 Commission is taking no action to change the caps at this time until the study is done.

12
13
14 Ms. Pali: So, the discussion is that—

15
16 Mr. Carnicelli: I'll go to Kawika, I'll go to Kawika and come back to you. Commissioner Freitas.

17
18 Mr. Freitas: So, would that mean it stays, in other words, we for now do not raise the cap, however
19 we want County Council to do the study and come back with a hard number so that we can...we
20 know that there was thought put into it and it makes sense. If that's the case, I, I, yeah.

21
22 Ms. Pali: The motion would be do nothing at this time until you do the study so we can come to
23 us and we can make an informed decision.

24
25 Mr. Carnicelli: Commissioner La Costa.

26
27 Ms. La Costa: Thank you, Chair. What we are talking about for timeframe? This has been like
28 your poor little old horse that can no longer run, you know, it's just been reviewed and reviewed
29 and reviewed and reviewed and reviewed and it goes back to the Council, it goes into Committee
30 of appropriate, it comes back to us and how many months and we have to kick this around the
31 corner again. So, I think that what this body needs to do in my humble opinion is to make a
32 decision, submit it to Council and let them run with the ball. So, I think that we need to not just
33 say here you get to have it. If you're going to send it back then we need a timeframe on that to
34 come back to us because this is making me crazy. Thanks.

35
36 Mr. Carnicelli: It's not coming back to us. I'm telling you right now, it's not coming back to us.
37 There's not a chance it's coming back to us, so what we can say is I mean, I think part of our
38 recommendation is, hey listen if you guys are gonna move the caps get empirical data, right? Get
39 empirical data, don't just move the caps because, no, to say oh, go get the empirical data and
40 then come back to us again, then we'll be able to give you an opinion, that's not happening. So,
41 we can just say, listen before...our recommendation is go get empirical data and study the supply
42 and demand before you move the caps. Commissioner Freitas.

1 Mr. Freitas: It's very similar to how they've set the limits now. I'm sure they're...it wasn't just
2 whoever was on, they had to come up with a number with data. Now the question, are you sure
3 it's not coming back to us or are you thinking it's not coming back to us.

4
5 Mr. Carnicelli: No, I...they're not gonna send it back to us again.

6
7 Mr. Freitas: Okay.

8
9 Mr. Carnicelli: I mean, I don't want to sound like a cynic but they're the decision makers, we're
10 nothing more than a recommendation. I don't see a decision maker and again, take personalities
11 out it, take...(inaudible)...then it come back to them, they're not gonna send it back for a second
12 opinion, I just don't see them doing that, I just see that you know, they're gonna say, okay well if
13 you're saying get empirical data, and then we get empirical data, okay now we can make the
14 decision we don't need to give...get your opinion again once we have the empirical data.

15
16 Mr. Freitas: No, but—

17
18 Mr. Carnicelli: So, I just don't see it happening that way.

19
20 Mr. Freitas: But let's say we vote no change to the cap, and it's because of the data missing, but
21 really in this group of commissioners if they really did that data and Mr. Croly came up with that
22 number that was perfect for each one would that have changed you vote because it seems like
23 there are other reasons that people didn't vote. What I'm trying to say is, we want to leave it
24 because this, this, this, this was...there was not enough information or whatever and one is that,
25 but what other reason would have allowed us to vote, yes, put that as some of the reasons why
26 we said no or are you saying when we say send it back with no change they don't care why we
27 voted that is that kinda your...what you're trying to say?

28
29 Mr. Carnicelli: Well, I'm not gonna say don't care, but is—

30
31 Mr. Freitas: I would hope they care.

32
33 Mr. Carnicelli: —is, no, and that's just it, and that's why I'm saying is I'm not gonna say they don't
34 care 'cause they do care I mean, they wouldn't have sought office if they didn't care. They do
35 care, and so I apologize if I've implied that they don't care and that they don't listen and again, I
36 have to...you know, I'll apologize to all nine of them for that, but what I'm saying is, is I agree with
37 you in that if it would have come to us with empirical data, with a study it would have been easy
38 for us to make a decision, right. This was a reso that was floated before Covid, the world blew
39 up, and now we're trying to sort through it going okay, what are we doing or not without a study,
40 without anything and that's, as I understand it what Councilmember King had even said pre-Covid
41 was going we haven't studied this. We haven't gone to the community and asked them. We
42 haven't said like listen what we are gonna do or not, how is this going to affect everything? So,
43 to me, it's almost like...it's...it is the middle ground in my opinion to say, listen guys before you
44 make a decision study it, and I apologize if I've offended any of the Council members, not my
45 intent.

1
2 Mr. Freitas: Again, sorry Chair, but I think this whole cap move was started by Council Paltin in
3 west side only, was her desire and then everybody jumped on.

4
5 Mr. Carnicelli: Right.

6
7 Mr. Freitas: So, by our decision we kind of delayed the wishes or such for Ms. Paltin, but it is
8 what it is.

9
10 Mr. Carnicelli: Okay, so we do have a motion on the floor. If, Director if you could restate it
11 please?

12
13 Ms. McLean: Running the risk of getting it wrong again, I believe the motion is to take no action
14 on the caps until the Council conducts research into the demand and the community feeling in
15 each region and then you would recommend that the caps be set accordingly. That you'd like to
16 see it again based on that research, but that's their prerogative.

17
18 Ms. Pali: Yeah, so the wording, I wrote it down, recommend studying the current demand in each
19 region and set caps to meet current demand and whatever you need to add to make that.

20
21 Mr. Carnicelli: Commissioner Thompson as the second does that agree with what it is that you
22 had seconded?

23
24 Mr. Thompson: Yes.

25
26 Mr. Carnicelli: Okay, thank you.

27
28 Mr. Thompson: You know, funny is that our committee is split, I imagine our community will be
29 just as split.

30
31 Mr. Carnicelli: Agree.

32
33 Mr. Thompson: So, it's gonna be a tough one.

34
35 Mr. Carnicelli: So, if there's no other discussion on the motion Director why don't you state it or
36 Kelly you can restate it and then we can...

37
38 Ms. McLean: The motion is for the Council to study the demand in each region and set the caps
39 according to the demand and that's taking no action, this Commission is making no
40 recommendation to change the caps at this time.

41
42 Mr. Carnicelli: Until that study is done. Okay. That is...Commissioner La Costa.

43
44 Ms. La Costa: Thank you, Chair. I need some clarification though there was no time frame set
45 in there so that this doesn't go on ad nauseam so I think that I don't know how to change it if that

1 needs to be a restated motion, rather than a friendly amendment, a restated motion to include
2 some kind of time frame whether it's sunset or whether it be affirmative. Thank you.

3
4 Mr. Carnicelli: Commissioner Pali.

5
6 Ms. Pali: So my understanding is that we would recommend that they take that action to study
7 and once they do that we hope if they were to take our recommendation then they would make
8 that decision and so am I putting a time frame on when they should do the study, do you want a
9 time frame on when you think it's coming back because I also agree that they're not gonna ask
10 us for a second opinion, this is our first and likely final opinion that we give them to do the study
11 prior to making their final opinion. So, what am I putting the time frame on exactly?

12
13 Ms. La Costa: Well, I think that it...for the community's sake, for this debate that goes back and
14 forth, that people want answers and they want it in a time frame that is acceptable just to leave it
15 open without any kind of you know, finite time is just saying, well whenever you get to it. It's not
16 gonna help the community decide whether they want 349 or 230, so I think that there needs to be
17 you know, no later than November 30th or whatever date you want to put on your motion so that
18 it does finally come to some vote from the Council. Thanks.

19
20 Ms. Pali: Would you like me to recommend—

21
22 Mr. Carnicelli: If I could, if I could address it, hang on, hang on, Commissioner Pali is
23 Commissioner La Costa is I understand what you're saying but this was a Council initiated reso
24 that they wanted to have fast tracked during budget. They wanted us to do this during budget
25 and they would have gotten it back right away after budget and they were gonna run with it, and
26 then Covid happened and everything blew up. So, this is something that they actually, you know,
27 Tamara Paltin who is the Chair of the Sustainable Land Use and Planning Committee, this is her
28 bill, this is her baby, she wants to move on this. I don't think we need to give them a timeline. I
29 really...I mean, I get what you're saying but I don't see them sitting on this. This is something
30 that's really initiated by them and they're driving so I don't think that we need to say, hey listen
31 you better do this within this time 'cause I think that that's what we're gonna do, and especially if
32 they're gonna do a study, they're gonna try and do it lickety split in my opinion, that's just an
33 opinion, but if we want to put a timeline on the motion that's fine too.

34
35 Ms. Pali: I don't mind, I don't mind recommending, I don't mind just saying that we recommend
36 that you get this done within 90 days or something like that 'cause it's still a recommendation,
37 right, so...

38
39 Mr. Carnicelli: Study is not going to happen in 90 days though, that's the unfortunate part of this.

40
41 Ms. Pali: Okay, well whatever P. La Costa, Commissioner P. La Costa, I'm just saying that I
42 would be willing to entertain a recommendation of time frame. I don't think that it would matter.

43
44 Mr. Carnicelli: Commissioner La Costa do you have a timeline that you'd like to put on it and what
45 portion of it you'd like to put a time line on.

1
2 Ms. La Costa: Thank you, Chair. I think that a recommendation should be within six months. If
3 it is a fast track item for the Council then they most certainly would get it done within that time. I
4 just think that it...we need to have like you said, before empirical data so that our communities
5 will go okay, if you know, if I can only go 35 here then that's what they decided. So, this can't be
6 hanging out there forever, and ever, and ever, thank you.

7
8 Mr. Carnicelli: Fair enough—

9
10 Ms. Pali: I'm okay with that change.

11
12 Mr. Carnicelli: Okay, so we have an amendment to the main motion by Commissioner La Costa
13 to include a six-month timeline, seconded by Commissioner Pali. Vote on the amendment to
14 include timeline, those in favor of including the timeline, please raise your hand? So that is one,
15 two, three, four, five in favor. Opposed? Commissioner Tackett has abstained so the motion
16 passes 6-0.

17
18
19 It was moved by Ms. La Costa, seconded by Ms. Pali, then

20
21 **VOTED: To Amend the Motion to Include a Six-Month Timeline.**
22 **(Assenting – P. D. La Costa, K. Pali, D. Thompson, K. Freitas,**
23 **S. Castro, C. Tackett – Abstained)**
24

25
26 So now back to the main motion as stated including the timeline is what's now on the floor. Any
27 further discussion on that recommendation to the Council? Seeing none, Director if you would
28 actually read the motion.

29
30 Ms. McLean: To recommend to the Council that they study the current demand in each region
31 within six months and set the caps according to the demand.

32
33 Mr. Carnicelli: All those in favor of that motion please raise your hand. That is one, two, three,
34 four, five. Opposed, Commissioner Tackett. So dissenting is Commissioner Tackett. Motion
35 passes 5-1.

36
37 It was moved by Ms. Pali, seconded by Mr. Thompson, then

38
39 **VOTED: Recommend to the County Council to study the current demand in**
40 **each region within Six Months and set the caps according to demand.**
41 **No recommendation to the change the caps at this time, until that**
42 **study is done.**
43 **(Assenting – K. Pali, D. Thompson, K. Freitas, S. Castro,**
44 **P. D. La Costa)**
45 **(Dissenting – C. Tackett)**

1
2 Mr. Carnicelli: Congratulations, Commission. That was, that was actually really good work guys.
3 I mean, I think that, you know, I've often said in situations like this if everybody walks away
4 unhappy then probably got a good result. So hopefully everybody walks away unhappy.
5 Commissioner Castro.

6
7 Mr. Castro: Thank you, Chair. What I'd like to say is that while we can agree to disagree, in the
8 end what needs to come is what is in the best interest of our communities.

9
10 Mr. Carnicelli: Agreed, and that's the part that I think is cool...or go ahead Commissioner Tackett.

11
12 Mr. Tackett: Well said.
13
14
15

16 Respectfully Submitted by,
17

18 CAROLYN TAKAYAMA-CORDEN
19 Secretary to Boards and Commissions II
20