

PLANNING AND SUSTAINABLE LAND USE COMMITTEE

Council of the County of Maui

MINUTES

August 7, 2019

Paia Community Center

CONVENE: 6:00 p.m.

PRESENT: VOTING MEMBERS:
Councilmember Tamara Paltin, Chair
Councilmember Shane M. Sinenci, Vice-Chair
Councilmember Kelly T. King
Councilmember Alice L. Lee
Councilmember Michael J. Molina
Councilmember Keani N.W. Rawlins-Fernandez
Councilmember Yuki Lei K. Sugimura

STAFF: David Raatz, Supervising Legislative Attorney
James Krueger, Legislative Analyst
Clarita Balala, Committee Secretary

Kathy Kaohu, Executive Assistant to Councilmember Tamara Paltin
Dawn Lono, Executive Assistant to Councilmember Shane M. Sinenci
Don Atay, Executive Assistant to Councilmember Shane M. Sinenci
Gary Saldana, Executive Assistant to Councilmember Michael J. Molina

ADMIN.: Michael J. Hopper, Deputy Corporation Counsel, Department of the Corporation Counsel
Michele McLean, Director, Department of Planning

Seated in the gallery:

Jacky Takakura, Administrative Planning Officer,
Department of Planning

OTHERS: David Dantes, M.D.
Francine Aarona
Susan Clements
Greg Mebel
Jen Russo, Executive Director, Maui Vacation Rental Association
Nicole Hokoana
Andrew Grier
Rob Hilbun
Bonnie Marsh
Tim Wolfe

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Tatiana Botton
Konnie Newbro
Mike Newbro
Thomas Croly
Brian McCafferty, Teens on Call
Robert Oswald
Davis Kahakauwila Cortez
Margit Tolman
Nohelani U`u-Hodgins
Kutira Decosterd
Albert Perez, Executive Director, Maui Tomorrow Foundation
Kimo Kahakauwila
Valerie Toro
Sarah Shewmaker
(29) additional attendees

PRESS: Kehaulani Cerizo, *The Maui News*
Paul Aker, *Maui Alert (Facebook)*

CHAIR PALTIN: . . . *(gavel)*. . . Aloha. Good evening, Paia. The time is 6:00 p.m., August 7th. Will the Planning and Sustainable Land Use Committee come to order. I'd like to ask everyone at this time if they can please silence any cell phones or noise-making devices. And seeing as how we're in the Paia District, I was going to ask our Councilmember from this district if he wouldn't mind introducing the Members to you all.

COUNCILMEMBER MOLINA: Oops, sorry about that. Good evening and aloha, everyone. Thank you very much for attending the Planning and Land Use Sustainable [sic] Committee meeting here in Paia. I would like to thank your Committee Chairman, Tamara Paltin, for holding this meeting out here in the community for these two very important items. So, mahalo, Chairman Paltin. Let's start with introductions, over to my right is a longtime former Councilmember. She's back with us representing the Wailuku area, Ms. Alice Lee. If you can give it up for Alice. She brings with her a lot of experience, and next to her is one of our fantastic freshmen, we have Ms. Keani Rawlins-Fernandez, representing the island of Molokai. And now over to my left we have representing the East Maui area, Mr. Shane Sinenci from heavenly Hana. And from Kihei, the Chairman of the County Council, Ms. Kelly King. And from Upcountry Maui we have Ms. Yuki Lei Sugimura. And I believe we have all seven Members present. Just for your information, non-voting Members of this Committee include Councilmembers Hokama and Kama who are not here tonight. But I'm sure they're monitoring this meeting tonight. So, with that being said, Madam Chair, would you like to introduce the Staff? I'll turn that over to you. And thank you very much for attending, ladies and gentlemen.

CHAIR PALTIN: Thank you, Mr. Molina. From Corporation Counsel we also have Michael Hopper, who's Deputy Corp. Counsel. From the Department of Planning we have

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Director Michele McLean. And our Committee Staff tonight we have Clarita Balala, who's our Committee Secretary. James Krueger, our Legislative Analyst. And David Raatz, our Supervising Legislative Attorney. So, now that introductions are all finished, I wanted to, based on this morning's Committee meeting with Tasha Kama, I really liked how she had a little bit of information before the testimony so that people could hone in their testimony exactly on what it is we're discussing. So, prior to taking public testimony I'd like to have Director McLean just give us like a brief chronological history, especially for those of us on the Council that just were elected this year. We, some of us may not have the chronological history and not understanding of why this is such a controversial issue. So, maybe if she can give us a brief chronological history on that item and also about how we got here today because at one point, these bills were passed first reading and somehow, they came back to the Committee. So, my office has been getting questions about that. So, I'd just like to clarify that information, as well as if she could briefly hit up the important points about what Bill 145 and 146 are. And then, I'm asking my fellow colleagues if they have questions based on her presentation, if they can write them down because I want to hold that questions until after you all have a chance to give your public testimony. And so, you know, I'm just asking based on Director McLean's presentation if you can keep the testimony tight to the items on the agenda, which is Bill 145 and 146. And, you know, I think she can eliminate some of the confusion regarding the testimony that we've gotten concerning B&Bs because some of the testimony seemed to think that we were going to do something with B&B's, that wasn't up for this agenda. So, any questions on that procedure so far? Okay. So, brief presentation, no questions, public testimony, close public testimony, then Members can ask more questions if they need clarification. So, at this time, Director McLean, if you can take it away? Thank you for coming and explaining your depth of knowledge on the fly for us.

MS. MCLEAN: Thank you, Chair. I'm Michele McLean, the Planning Director, and I actually live just right down the street. I'm a Paia resident, I have been for 15 years. So, this issue hits home with me, literally. A little bit of background, the Paia-Haiku Community Plan was adopted in 1995, and there's language in this plan, and I'm going to read straight from it, it's not very long, that says limit visitor accommodations to owner-occupied bed and breakfast establishments that are residential in both scale and character. Any proposed bed and breakfast should not be situated near the shoreline so as to avoid the proliferation of this use and subsequent changes in the character of the region's coast. So again, that was adopted in 1995. Jump ahead to 2012, the Council adopted the short-term rental home ordinance. Now, bed and breakfasts as the community plan says, and as our bed and breakfast law says, are owner-occupied, the owner proprietor runs the B&B. Short-term rental homes you don't have to have any onsite presence. The owner doesn't have to live there. The owner can live off-island and rent out the entire place. So, in 2012, the Council adopted the short-term rental home law and allowing this use Countywide, and established caps for the different community plan regions and established a cap of 88 short-term rental homes for Paia-Haiku. And so, after that law was adopted, the Planning Department started issuing STRH permits and then we continued to talk about this conflict that we saw where the community plan said limit these things to

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owner occupied B&B's, but then the much more recent County Code said you can do short-term rental homes up to 88 in Paia-Haiku. So, how do we reconcile these two things? So, we drafted two bills, one to change the community plan, the other to change the STRH ordinance and we took these bills out to the community. We had a meeting in Paia, and we had a meeting in Haiku and got different feedback from Paia and from Haiku which makes sense for those of us who live here. And so, new bills were drafted merging those two together. While this was going on, the Planning Department stopped issuing new STRH permits for Paia-Haiku until this conflict could be resolved. So, we have nine pending short-term rental home permits that we've been holding, some for quite a few years until this situation could be resolved because we don't feel like we should be issuing them given this community plan language. So, we have a handful that have been waiting. And then, depending on how this resolves, we may be able to continue processing those. Now, what's in front of the Council are two bills, one would amend the community plan to allow short-term rental homes but to say that neither B&Bs nor short-term rental homes can be abutting the shoreline. So, just those properties that are right on the shoreline, whether B&B or STRH cannot have them in the community plan. Then, another bill would amend the Short-Term Rental Home Ordinance to reduce the cap from 88 down to 65 and it says, but you can't have any STRH's that are within the SMA. That's a much larger area than just the shoreline. Once you get out of Paia Town, the SMA pretty much follows Hana Highway. So, no new STRH's makai of Hana Highway. In Paia Town, that line comes a little bit farther up. So, it's a little bit more mauka of Hana Highway. So, those are the two proposed bills in front of the Council. The Chair mentioned to me, and as she mentioned in her comments, none of this has ever been intended to change B&B's. The only thing that would change for B&B's would be new ones that are right on the shoreline might not be allowable. But it's never questioned that B&B's are okay in Paia-Haiku. So, anyone concerned about B&B's, those, there's never been talk about limiting those except for ones that are right on the shoreline. For existing B&B's and existing short-term rental homes, there has also not been discussion or concern, on the shoreline or not, about those being allowed to continue and those being allowed to be renewed. So, anyone who has a permit, at least the discussions that have happened to date, it's never been a question that those couldn't continue to be renewed and continue operating the same way that they have been ever since those permits have been issued. So, we're really talking about new ones. If we wanted to talk about renewals of existing ones, that would be a new conversation that this Council would have. So, the issues really in front of us, really in front of the Council are, do you want to amend the community plan to allow short-term rental home, new, let me make that clear, new short-term rental homes in Paia-Haiku, and if you do, where can those be allowed, is it just not on the shoreline, or not in the SMA? 'Cause that's the nature of the restrictions that are in the bills right now. And again, there really hasn't been a question about B&B's except for abutting the shoreline, that's where we're looking, the bills are looking for a limitation in the future. I mentioned that there were, the cap right now is the same for B&B's and STRH's. There are currently 49 permitted B&B's in the Paia-Haiku Community Plan area. So, that's 49 out of the cap of 88. There are currently 44 permitted STRH's in Paia-Haiku, and the cap is 88. And so, another thing that the bills in front of the Council would do would be to reduce that cap. What's proposed right now is reducing it to 65. So, that would

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allow the existing ones in the pipeline to be approved, and also a handful more after that. So, that's pretty much a summary, and if that's good with the Chair, then I'll be available for questions.

CHAIR PALTIN: Thank you. Thank you, Director McLean. And then, one other thing that my office had been getting questions on is this, these two bills had gone through first reading, and then there was a question as to why it's back in Committee. And my understanding of that situation was, it was the last meeting of the previous Council and they didn't have the votes. There were five Members, and they didn't have a unanimous majority, yeah, they didn't have the votes. And so, that's why it ended back in Committee. Is that how everyone remembers it? Okay. So, and then, my intention for today is to really listen to you guys and see, you know, if it sounds like it's overwhelmingly you want us to pass these bills, we can call for the question. If you want something different than the bills, we can have a discussion and see if we can iron it out. If you want something radically different from these bills, I just have been informed that it will need to go back to the Planning Commission. So, it's really in the community's hands is the way I feel. We want to hear from you, we want to know exactly what you're feeling in regard to if you like these bills, you don't like these bills, you want us to go back to the table, you want small amendments. So, that's how I feel. I want to know because I don't know, I'm not from Paia and I don't hang out too much over here, but I like you guys. It's a cool place.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair, I have a quick question before we start public testimony.

CHAIR PALTIN: Sure.

COUNCILMEMBER RAWLINS-FERNANDEZ: So, in your comments when you said radically different, or radical changes, amendments to what we currently have before us, would that include, would radical, would this fall under radical, either choosing about the shoreline or SMA area?

CHAIR PALTIN: I'll defer to our legal counsel on that.

MR. HOPPER: I don't want to get too much into deliberation about changes of the bill, to the bill, but generally, it's relatively rare that something has to go back to the Planning Commission because as long as it's within the purview of the Commission, basically something that they could've considered at their meeting, then the Council has broad discretion to make amendments. For example, zoning conditions are frequently added to zoning bills that are, as long as they are related to impacts of the project they don't, those specific conditions don't always have to be reviewed by the Commission. So, generally speaking, no, those would not have to go to the Planning Commission. But again, when the amendments are considered, I think I would be here to consider what they would be and advise on that issue.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

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CHAIR PALTIN: Is that --

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Mr. Hopper.

CHAIR PALTIN: --good enough clarification? Okay. Alright, so, our agenda item today, we have one item on the agenda. It's PSLU-24, and the short-term rental homes in Paia-Haiku Community Plan area. So, I'm going to open up public testimony at this time. For individuals testifying today, please sign up with the staff. Testimony will be limited to the item on the agenda today. Pursuant to the Rules of the Council, each testifier will be allowed to testify for up to three minutes per item. When testifying, please state your name and the name of any organization you may be representing. If you're a paid lobbyist, please inform the Committee. With that being said, our first testifier signed up for PSLU-24 is it looks like David Dantes, M.D., and he's testifying for himself as an individual.

. . .BEGIN PUBLIC TESTIMONY. . .

MR. DANTES: Aloha, Madam Chair and Members. Thanks for the opportunity. I'm pretty happy with the way these bills are currently worded. I do think that restricting new short-term rental homes to, preventing them from being permitted within the shoreline management area may be overbroad. And I guess I would prefer to see that they were not allowed to abut the shoreline. I think the shoreline has a lot of significance to people that were born and raised in the islands and preserving that for non-commercial use is I think maybe consistent with the State's, the State Legislature's intention in passing the shoreline management regulations initially. My wife and I have a permitted B&B in Haiku. And I do want to comment that our business has been impacted by the proliferation of illegal short-term rental homes and illegal bed and breakfasts, and we've worked with different Councils, and Mayors, and Planning Departments over the years to try to promote strengthened enforcement. And I applaud the language in one of these bills that says that there should be strict enforcement against those illegal rentals. I understand that people need to make a living. But they also need to conform to the regulations that have been duly adopted. They need to pay taxes, and they need to respect the community. As far as the number of permitted short-term rental homes, I'll confess that I was never a big proponent of the short-term rental home ordinance. I'm certainly not suggesting that it be repealed, but I'd be satisfied if the number of short-term rental homes in this district were allowed to be increased by 50 percent up to, I think 65 is the proposed number in the bills. And I guess that's everything I have to say. But I appreciate the chance to address you.

CHAIR PALTIN: Thank you, Dr. Dantes, for your testimony and your presence. Members, any questions for Dr. Dantes? Chair King?

COUNCILMEMBER KING: Thank you for being here . . .*(inaudible)*. . . Dr. Dantes, is this on?

MR. DANTES: It's on.

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COUNCILMEMBER KING: Okay. I just, 'cause I wanted to clarify something you said about increase it because I believe we're decreasing it from 88 to 65, the number.

MR. DANTES: Sorry, I didn't articulate that clearly. If you decreased it from 88 to 65, that would still allow an additional 50 percent more than the existing number of permits to be allowed.

COUNCILMEMBER KING: Okay. So, you're just, but you're good with that number?

MR. DANTES: I am.

COUNCILMEMBER KING: Okay. Thank you.

CHAIR PALTIN: Members, any further questions for the testifier? Seeing none --

MR. DANTES: Thank you.

CHAIR PALTIN: --thank you so much. So, next up we have Francine Aarona on PSLU-24. Her title is kupuna, and she's testifying on behalf of herself as an individual.

MS. AARONA: I don't like my behind facing you or them. I like you to see my face. My name is Francine Aarona. I'm known as Aunty Mopsy Protect Paia as you can see. I had a whole testimony to explain to you about what has been going on, but Michele did a beautiful job, mahalo. I'll just start with this, it happened when we faced the Planning Commission meeting and questioned Mr. Spence when he was the Director about the bills that were presented at that time was to amend the community plan. In 2012, they allowed short-term rentals without amending the community plan. So, that brings us here today. The community plan is not amended. So, if you look at it, only B&B's are allowed, no short-term rentals. But we cannot say to you who have short-term rentals that it is your fault, it is not. It just so happens it happened that way, and that brings us here. Only the people who are surrounded by short-term rentals can truly tell you how they feel. I invite all of you to come and visit me at 37 Ae, and I live on the shoreline. I am surrounded by them, some good, some not so good. You want shoreline rentals to exist? Well, let me tell you of an incident that happened this afternoon. I have a roped off area that says no trespassing. The erosion is so bad, and I can share pictures of why they have a hard time going down to the beach, even on my side it's very dangerous. When I called out to them that they were trespassing, he and his son ignored me and kept walking. The words that came out of his mouth was stop yelling. Well, I'm yelling at you because you're over there and I'm way over here and you're trespassing on my property. How many of you who own or take care of short-term rental, for someone who lives away, own shoreline rentals? How many of your tenants respect our shoreline? How many of them respect the turtles that come on shore to rest? Are you even here to witness how your guests handle themselves around residential areas? I am trying very hard to keep kapu aloha. It is not only for the mauna, but our way of life that we are trying to uphold in our lahui. Enough is enough. I am in favor of honoring those who have short-term rentals now because it

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is not their fault. However, today, I was going to be in opposition to amend the plan completely. But it wouldn't be fair. I have friends that own short-term rentals and they have the greatest respect for our community. You want us to have aloha? We welcome you with the breath we breathe, with the love we share. In return, you accept, and you take, and you take, and take. As I said earlier, enough is enough. Mahalo.

CHAIR PALTIN: Thank you, Auntie Mopsy. Members, any questions for the testifier? Ms. Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Aloha, Ms. Aarona.

MS. AARONA: Aloha.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo for your testimony this evening. So, you mentioned in your testimony that you were, you had planned to come here and oppose the, both bills? And so, I just wanted clarification on where you stand on both Bill 145 and 146.

MS. AARONA: Yeah, I had plans. But it wouldn't be fair, it wouldn't be fair to you who have short-term rentals. And the only reason I had that thought in mind is because we have much, we have many. Even as our Planning Director says, we have nine on hold. We have so many illegal rentals out there. Would they cover the cap if they were brought to the table and make them legal? We don't know that. And I feel just like Ms. Paltin says that I'd like to go back to the drawing board. I'd like to go back to the table so we can all get educated together. We were on the last reading. We were on our way. The community was on their way in agreeing to this. But it got tabled because how many of you really understand what is happening? For those of you who don't even know how the bill is read, have you even looked at the community plan? And that was the reason why I was going to say okay, table this whole thing. But I am in agreement as we were last year for what is on the table now.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, you support both Bill 145 and 146 as written?

MS. AARONA: Yes, I do.

COUNCILMEMBER RAWLINS-FERNANDEZ: And, so, there's a discrepancy between the two --

MS. AARONA: Well, I would...

COUNCILMEMBER RAWLINS-FERNANDEZ: --one says shoreline, abutting the shoreline, and one says SMA area.

MS. AARONA: I would like the SMA to --

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COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

MS. AARONA: --be in, going because I wouldn't like that either. Somehow it has to be worked out where both of it is for the community.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. Aarona. Mahalo, Chair.

CHAIR PALTIN: Members, any other questions for the testifier? I just had one quick one, Auntie Mopsy.

MS. AARONA: Yes?

CHAIR PALTIN: So, the 65 number, is that what you're okay with? Or did, were you referring to the 44 permitted and the nine on the waiting list, or the 65 is okay?

MS. AARONA: The 65 is okay. But how many more illegals out there that can be legal? Are we going to surpass that 65 number? But I like the number now, and if the nine is good, then fine. You know, that would be okay, that would be in agreement.

CHAIR PALTIN: Okay.

MS. AARONA: But then, I would cap it at that.

CHAIR PALTIN: Thank you, thank you for your presence and your testimony, sharing your testimony with us.

MS. AARONA: Mahalo.

CHAIR PALTIN: So, the next testifier is Susan Clements, and she's testifying for herself as an individual.

MS. CLEMENTS: Good evening, Chair Paltin, Director McLean, Corp. Counsel, Members of the Committee, and Council Staff. That was very powerful testimony, and you know, I wish we could go back to the drawing board in 2012 'cause I was there. My name is Susan Clements, and I am in support of Bill 145 and 146. I am happy to see these two bills submitted by the Planning Department which establishes consistency between the community plan and the County Code. Both bills clearly state the intent of the bill so as to avoid proliferation of these uses and subsequent changes in the character of the region's coast. I am not opposed to short-term rentals. But I feel they should be located in appropriate areas. In areas where they already exist, I feel we need to evaluate the impacts to our shorelines and marine life and find a reasonable solution. In this case, we need to protect our beaches and shorelines from continued degradation from overuse and development. One of the main highlights in the Maui Island Plan is that coastal zone management will be integrated to protect those areas of the island that contain critical marine resources. Someone asked me when I decided to drop everything and come tonight, if I live in this area, and I don't. I live in Omaopio. But this issue affects our whole community. I recently testified against the

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proposed STR by my neighbor who recently purchased the property, and this is generations of ag lands in Omaopio. So, when this hits close to home, you become more aware of the issues and the impacts to our whole community. So, in the year 2000, the annual visitor count was 1 million people to Maui County, in this year, Maui County is anticipating 3 million visitors. Maui is changing at such a fierce pace, and it's apparent that we are reaching a breaking point. Residents are frustrated and have to deal with trespassing, lack of respect, lack of shoreline access, congestion on our roadways, including the now one-way lanes to Hana and Honokohau. Short-term rentals, including illegal rentals, are hurting the availability of affordable housing, our infrastructure, our natural resources, but most importantly, our communities. And I am happy to see this item being addressed because it is a start and I hope it generates additional conversation. So, thank you very much for your time.

CHAIR PALTIN: Thank you. Members, any questions for the testifier? Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: I guess I'll...mahalo, Chair. I guess I'll ask this of all the testifiers so if people could clarify since the bills that we have before us is a proposal to reduce the existing cap to 65 from 88 and one bill proposes to prohibit new permits, that one says abutting the shoreline and one says within the Special Management Area. So, would you share with the Council if you support the reduction to 65, and if you would be in support of either abutting the shoreline language, or the language that says within the Special Management Area.

MS. CLEMENTS: I am in support of reducing the number to 65, and I think what kupuna Aarona said is if you don't live next to a short-term rental, you really don't understand what it's like. And I think the impacts to the community and the character of the neighborhood does change. And so, I am in support of lowering the number. And I am in support of abutting the shoreline.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo. Mahalo, Chair.

CHAIR PALTIN: Did you have a question, Chair King?

COUNCILMEMBER KING: Well, I just, I just wanted to clarify the last statement because the question that Councilmember Rawlins-Fernandez has is in the difference between not allowing any more in the SMA, and not allowing any. So, the SMA would cover abutting the shoreline and then some. So, that's a bigger area. So, I think that that...

MS. CLEMENTS: Okay. So, it would be the SMA.

COUNCILMEMBER KING: So, you are in favor?

MS. CLEMENTS: Yeah, the Special Management Area.

COUNCILMEMBER KING: Thank you.

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CHAIR PALTIN: Members, any further clarifications of her testimony? Seeing none, thank you for your testimony. Thank you for coming tonight. Next up we have Greg Mebel, who's testifying for himself as an individual.

MR. MEBEL: Thank you guys for coming out to Paia. I appreciate it, welcome. So, I am in support of 145 with a change. So, the change is the abutting shoreline portion. So, the reason is, if you look for seven years there's been a cap of 88. There's only 44 that are actually permitted, it's really hard to get a permit. Why is that? Because there's already mechanisms in place so that the neighbors can come in and the Commission can look at each issue, each individual one and decide, does this change the character, or does it not? Now, I think that the issue--thank you--I think that the permit that the previous testifier may be testified against was denied. So, that possibly just shows that this program as it is, is already a good program. It already has the safeguards in place. So, I would say, 145 I support except for the abutting shoreline part. There's already safeguards in place for that. For 146, the SMA, this is a huge area. So, what we're saying is a good part of Paia, none of Kuau, none of makai of Hana Highway all the way to Huelo can now have short-term rentals, they're not allowed within the SMA. So, that's kind of like saying we're not going to allow STR's on the North Shore. People come here from all over the world. This is a mecca of the world for big-wave surfing, for kite surfing, for windsurfing, for downwind paddling, for foiling. Those people, they're all going to still come here. So, the question, if we're going to put a prohibition on, that prohibition never works. That's how we got to the place to create this really rigorous program that we have already. So, I would say, let's let the program work. We only have 44 in 7 years. So, why we're talking about, you know, changing the number? It can be 65, it can be 68, or 88, it's slightly irrelevant 'cause after 7 years we're only at 44 because it's already so rigorous. So, I would say, I don't, I'd say don't support 146. Let's have our program work the way it's supposed to, the way we discussed it originally. Let neighbors come in for each individual application and decide about the character of their neighborhood. Again, like I said, prohibition doesn't work. It's going to force everything underground. It gives people no option to become legal and, am I done, or do I have a margin?

CHAIR PALTIN: Yeah, if you can just wrap it up.

MR. MEBEL: Yeah, I'll just wrap it up. Basically, you know, the reason that we had this program originally and that I shouldn't, I don't think we should turn back the clock on that is because before we weren't collecting taxes, the County wasn't insured against liability, guests, there were no regulations for County safety for guests in households. The shops and the restaurants were going down and people for local jobs had to commute to Wailea or Kapalua or Lahaina. So, thank you. I really appreciate you coming out.

CHAIR PALTIN: Thank you. Members, any questions for the testifier?

COUNCILMEMBER KING: No, I don't have any questions for you. But, Chair, can I just clarify some information with Ms. McLean? Because when we passed this originally last year, and if you look in the minutes from...Ms. McLean, Director McLean? Okay,

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so, when we passed this bill out of first reading in the previous term, in the minutes it says there were 48 permitted and 12 pending. So, but everybody keeps saying that there are 44 now and 9 pending. So, is that, which number is the correct one that we should be working off of?

MS. McLEAN: The numbers that I gave today are the most current numbers.

COUNCILMEMBER KING: Okay.

MS. McLEAN: So, of the numbers from before, either some of those pending ones got denied or they withdrew, and then of the existing ones, they may have chosen not to renew, or they may have been revoked.

COUNCILMEMBER KING: Okay. Great, thank you. Thanks for clarifying.

MS. McLEAN: Forty-four current, and then, 9 pending.

UNIDENTIFIED SPEAKER: Or if somebody sells the house.

CHAIR PALTIN: Members, did anyone have questions for Mr. Mebel? I had one question. So, when you said you support 145, but you wanted to change about the shoreline, you wanted to just delete it, or you wanted to change it to, what did you want to change it to?

MR. MEBEL: So, the nature of the shoreline here is that it's mostly second homes. So, at this point, people who are buying on the shoreline, if they are not, if they're not allowed to even have a path to become legal, then their options are just to stay empty. And that's what we'll have, we'll just have empty, an empty shoreline, empty houses on the shoreline. So, I would say, in answer to your question, I would say to delete that language about abutting the shoreline because the issue about character or shoreline or anything is already addressed within the existing program.

CHAIR PALTIN: Okay. Thank you for the clarification. Alright, so, our next testifier is Jen Russo, and she's testifying on behalf of Maui Vacation Rental Association, and her title is Executive Director.

VICE-CHAIR SINENCI: . . .*(inaudible)*. . .

CHAIR PALTIN: That can be your question. Just a sec, we'll, okay, can you restart the clock for her because that was ten of her seconds. Just a sec. Okay, go.

MS. RUSSO: Aloha, Planning and Sustainable Land Use Committee Members. My name is Jen Russo. I work for the Maui Vacation Rental Association. Thank you for holding this meeting, listening to these testimonies, and considering what we have to say. I'm in favor of amending the Paia-Haiku Community Plan with some changes. The STR application program has been thoroughly vetted by the County Administration and the community. We have a sanctioned legal STR system. So, the community plan

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language needs to reflect this update. However, the language in Bill 145 stating no new B&B's or STRH should be permitted, should be revised. Tourism is our number one industry here. Growing up here all through school we're told this and told to seek jobs in this industry. Our visitor industry is changing. Demand for vacation rental accommodations is growing. This is the way people want to travel. Recent figures from the Hawaii Tourism Authority show bed and breakfasts and rental home accommodations up 5 and 15 percent respectively. Our legal permitted system allows our County to meet this demand and properly tax and benefit from having that industry on our island. And in fact, we've recently seen Oahu and Big Island following in Maui's footsteps with their own ordinances. If we want to have control over properties on the coastline, the STR application process already has triggers that deny the approval of applications that change the character of that place. Neighbors of these properties also have a say in the application process, and this permit process is one of the only times we really have to scrutinize what people are doing with their coastline properties. So, removing this process means there will be less control of what happens to properties owned on shoreline. Removing this process means more properties will seek illegal methods of running a vacation rental to meet this demand. Right now, we have 44 short-term rental permits active in the Paia-Haiku area. These legitimate small businesses play a contributing role in the community between the number of employees and extra taxes they pay. So, rather than eliminating permits while we are below our cap, we should be focusing on how to eliminate the illegal vacation rental industry for good. The vacation rental industry comprises 29 percent of this County's real property tax revenue, bringing in a projected 101.4 million this year. By supporting our legal sanctioned permitting process this allows the County to bring in the tax dollars to maintain the community and have resources to protect our land and environment, protect the shoreline, and create much needed affordable housing. Thank you for considering my testimony.

CHAIR PALTIN: Thank you, Ms. Russo. Member Molina has a question for you.

MS. RUSSO: Okay.

COUNCILMEMBER MOLINA: Good evening, Ms. Russo. So, again, I just wanted to clarify so now you're --

MS. RUSSO: Yeah.

COUNCILMEMBER MOLINA: --speaking in an official position of the MVRA --

MS. RUSSO: Yeah.

COUNCILMEMBER MOLINA: --so, Bill 145 you do not support as far as the banning or not allowing new STRH's and bed and breakfasts in the SMA area? So, you'd like that language, you're not in favor of that?

MS. RUSSO: Right, we would like...

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COUNCILMEMBER MOLINA: Okay. And 146 you're okay with the cap, reducing it from 88 to 65, or are you against that as well?

MS. RUSSO: We prefer to see it left at 88.

COUNCILMEMBER MOLINA: Left at 88? Okay. Thank you.

MS. RUSSO: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR PALTIN: Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo. So, if, the proposed language does not ban new permits. It says no new bed and breakfast homes or short-term rentals should be permitted on properties that abut the shoreline so as to avoid a proliferation. So, it, the language doesn't propose banning it altogether, just those that abut the shoreline.

MS. RUSSO: Right. So, we would like to see it revised to where if you have a property abutting the shoreline, you can still apply to get a permit and the Planning Commission can decide if it feels that there is a proliferation, then they can decide against it rather than just having the flat no.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, similar to the testifier before you --

MS. RUSSO: Correct.

COUNCILMEMBER RAWLINS-FERNANDEZ: --you're testifying that you would prefer to have that language stricken from the proposal?

MS. RUSSO: Yeah, we feel if there's that much prohibition, it will drive the industry underground, more illegals will happen.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo for your clarification.

MS. RUSSO: Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR PALTIN: Sure thing. Any other questions for the testifier? Seeing none, thank you for your testimony.

MS. RUSSO: Thank you.

CHAIR PALTIN: Okay. For our next testifier is Nicole Hokoana, and she's testifying on behalf of herself as an individual. He's going to help you adjust it.

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MS. HOKOANA: Aloha, Councilmembers. My name is Nicole Hokoana, and I am a resident of this area and I was raised in this area as well as generations of my ohana. And so, I'm here to present my feedback. I think the language is really confusing and it makes hard, it hard for people to actually provide accurate testimony. I think, number one, is saying no new short, no new permits in the shoreline. And so, yes, no new permits in the shoreline. Number two is, speaks to language about reducing the number, correct? Personally, just since this is an opportunity to provide testimony, I would only support, you know, B&B's, owner-occupied because I've seen so many local families try to apply for homes, or try to not apply, you know, try to secure homes and there are, you know, homes are bought by people on the West Coast, by people in Canada who come in with cash asking for, I mean, offering more than the asking price. And I've seen that with people, from my friends and family members that have tried to purchase a home. And I think short-term rentals, I just, I don't like anything about it actually. And I, I'm not sorry, I don't feel sorry, I don't feel sympathy for people who have these businesses. I don't even, I mean, honestly, I don't care because if you want to stay in a shoreline on this island, there are plenty of places in Kihei, in Kaanapali from the Napili coast all the way to Makena. There is plenty of shoreline that is reserved for visitors that want to come here. And yet, people are arguing that we should open up our rural areas, tourists want to stay in our rural areas. Our communities are transformed. I was raised in this community here and this community here has at least four short-term rentals in there. Does that change the fabric of this community? Absolutely. I want to see protection of our shorelines. I don't want any more development of our shorelines. Already it's hard enough to access our shorelines. The shorelines have changed. And yes, they are owned by people that don't live here. So, one of the previous testifiers said, oh well, they're just going to stay empty. You know, for me, I don't care if they stay empty. If the second owner on the mainland or wherever in the world they live, if they have a second home that they're not able to make any income on, I don't feel sorry about that. I have no sympathy. And I'm sorry that that sounds harsh, but that's just the way I feel. And my closing comment is on the license plate when I pulled in, I drive a Honda Accord 2009 old model, I work like most people who are like me, and anyway, I parked near BNBOTM and his Mercedes has that license plate. And I cannot tell you how angry that makes me feel because I'm tired of the exploitation, I'm tired of our needs being put to the side so that we can make way for the needs of visitors. Like we need to put our people first.

CHAIR PALTIN: Thank you. Members, questions for the testifier? Ms. Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Aloha, Ms. Hokoana, mahalo for your testimony. So, I just wanted to clarify, are you in opposition to the bills, the bills presented?

MS. HOKOANA: Okay. So, the first one is, so restricting any new permits from abutting the shoreline, right?

COUNCILMEMBER RAWLINS-FERNANDEZ: So, one bill amends the --

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MS. HOKOANA: The community plan.

COUNCILMEMBER RAWLINS-FERNANDEZ: --Paia, yeah, Haiku Community Plan --

MS. HOKOANA: Right.

COUNCILMEMBER RAWLINS-FERNANDEZ: --and yeah, so, it, no new permits --

MS. HOKOANA: No new permits.

COUNCILMEMBER RAWLINS-FERNANDEZ: --on the, abutting the shoreline.

MS. HOKOANA: Right.

COUNCILMEMBER RAWLINS-FERNANDEZ: And then...

MS. HOKOANA: So, I'm in support of that.

COUNCILMEMBER RAWLINS-FERNANDEZ: You support that?

MS. HOKOANA: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. And then, the Bill 146 amends the ordinance, the STRH's --

MS. HOKOANA: To reduce the numbers.

COUNCILMEMBER RAWLINS-FERNANDEZ: --and it reduces it from 88 to 65 --

MS. HOKOANA: And the SMA, it includes the SMA.

COUNCILMEMBER RAWLINS-FERNANDEZ: --and yeah, prohibits the SMA.

MS. HOKOANA: I love it, thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo.

CHAIR PALTIN: Oh, we have one more, more questions for you.

MS. HOKOANA: Yeah?

CHAIR PALTIN: Member Sinenci?

VICE-CHAIR SINENCI: Thank you, Ms. Hokoana, for being here. Not so much of a question, but I just had a comment because today at our Affordable Housing meeting today they presented us with a number of 9,000 affordable homes that's needed for the really

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low-income families. So, I just wanted to, you know, share that with you because we do have an affordable housing crisis.

MS. HOKOANA: Yeah.

VICE-CHAIR SINENCI: And a lot of these STRH's do take up some of the inventory for local families to live in.

MS. HOKOANA: Right.

VICE-CHAIR SINENCI: So, I just wanted to share that with you.

MS. HOKOANA: Thank you. And I also wanted to add, you know, an earlier testifier said something about neighborhoods, allow neighbors to enforce. My only feedback on that is like, typical local families are not going to come here and testify. Typical meetings are held in Wailuku during business hours. It's really difficult to get there. It's really difficult to find out about these meetings. And as a, culturally, we're not people that speak and, you know, that come out and oppose. Something happening on Mauna Kea is a little bit different. But, you know, culturally, we try to get along and we try to not make waves. And so, you know, coming out in strong opposition is kind of against our nature.

CHAIR PALTIN: So, I had a question. Sorry, you know, because this is currently in my Committee, various different people been coming and letting me know their opinion. And one person had this suggestion and I wanted to know your feedback on it. They were saying for this district, being that housing is an issue and B&B's are allowed, and the definition of B&B is owner-occupied --

MS. HOKOANA: Owner-occupied.

CHAIR PALTIN: --what, how would you feel about short-term rental homes, or changing the definition for this district to be not owner-occupied?

MS. HOKOANA: Owner...

CHAIR PALTIN: Like it has to be, have an on-site manager but it doesn't have to be the owner.

MS. HOKOANA: For the definition of a B&B or as a, of a short-term rental?

CHAIR PALTIN: Short-term rental.

MS. HOKOANA: 'Cause short-term rentals don't have owners here, right?

CHAIR PALTIN: Yeah, so, the person that came and spoke to me said like maybe an innovative solution for this particular district would be to have short-term rental

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homes with an on-site manager who doesn't have to be the owner. And in that way, it could provide housing for the worker. Just wondering your feedback.

MS. HOKOANA: You know, then, they could hire a resident manager. I mean, I don't know. You know, that's a home that a family could live in. That's the way I feel.

CHAIR PALTIN: So, you're supportive, or not supportive of that?

MS. HOKOANA: No, I don't think it would change what's, I don't think that would create enough, a significant enough change, you know.

CHAIR PALTIN: Okay. Thank you for your time.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair, sorry, one more question?

CHAIR PALTIN: Oh, sure.

COUNCILMEMBER RAWLINS-FERNANDEZ: I didn't catch myself when I was asking. So, the bills conflict. One says SMA, one says abutting shoreline.

MS. HOKOANA: So...

COUNCILMEMBER RAWLINS-FERNANDEZ: Which language...

MS. HOKOANA: SMA.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo.

MS. HOKOANA: Okay.

CHAIR PALTIN: Okay. Thank you, Ms. Hokoana. The next testifier we have is Andrew Grier, and he's testifying on behalf of himself as an individual.

MR. GRIER: I can't believe I figured that out . . . *(adjusting mic stand)* . . . Thank you for the opportunity to testify regarding Bill 145. In particular, I would like to address the importance of Bill 145 as it relates to STRH applications that have been accepted by the Planning Department, deemed complete, and are on the doorstep of approval but have been arbitrarily stalled for over one year. On February 20, 2018, I submitted an application for an STRH permit. On March 5th, the application was entered into the KIVA database. My mailing date was May 19th, and on the 25th of July I had my site visit from my planner, Jared, and I passed. Those are the specifics to my application. There is a conflict between the 1995 community plan and the current STRH ordinance of 2012. The community plan provides goals and objectives as they relate to transient visitor accommodation on the North Shore. Ordinance 3941 is legislation that was vetted over ten years with countless testimony and spanning multiple Councils. Ordinance 3941 is specific and enforceable. This ordinance has provisions and quotas to assure that there is not an oversaturation of transient accommodation, and that

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neighbors have a say about applicants' plans. The stringent rules on off-street parking and noise levels also give neighbors an avenue for assuring that no permitted STRH is causing any disturbances. Also, with the current quote of only 88 STRH permits over all of Haiku and Paia, the permitted STRH's would not appreciably change the character of the region and would offer some benefits. The Paia-Haiku Community Plan being reviewed was completed in 1995. The STRH ordinance was approved much more recently in 2012. One would think that the current ordinance would be a more applicable source to rely upon. Prior to July 2018, the Planning Department had issued many STRH permits, all the time fully aware of the conflict between the community plan and the ordinance. When myself and others submitted our applications, the Planning Department was fully aware of the conflict. The Department took our money and accepted our applications anyway. There are inconsistencies with STRH permits that were issued earlier in 2018. So, it is troubling that all the applicants may not have been handled equally. The Planning Department should honor the standards at the time of our application. If the Department felt that they could no longer issue permits because of the conflict, the Department should've notified the public prior to their application and grandfathered all accepted applications under the standards at the time of the submittal. There will always be two sides to the STRH issue, some will approve, and some will oppose. But when it comes to upholding the law and being transparent and fair with the community, that is an issue of good government, and on that issue, there is only one side to be on. Bill 145 was passed in its first reading eight to one. I ask the Council to hold the second reading of the Bill 145 this evening and pass Bill 145 without further delay.

CHAIR PALTIN: Thank you, Mr. Grier.

MR. GRIER: Sorry about the shaking.

CHAIR PALTIN: Any questions? Member Molina has a question for you.

MR. GRIER: Okay.

COUNCILMEMBER MOLINA: Thank you, Andrew, don't shake. Just a simple question for clarification. So, your STRH, is that on the shoreline area?

MR. GRIER: No.

COUNCILMEMBER MOLINA: Oh, okay.

MR. GRIER: Yeah, so, I don't really have, I don't, I'm commenting mostly on Bill 145. It aligns the two, it allows the Planning Department to continue processing those of us who are just been left out in the cold.

COUNCILMEMBER MOLINA: And you're in favor of all applications that have been accepted by the Department prior to this legislation, that they be grandfathered in? Is that what you were saying as well?

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MR. GRIER: Yeah, it seems particularly unfair that they would take your application and your money and while they already knew that there was a conflict and then refuse to process it. If that was the, you know, if that, the correct thing to do would've been to say, okay, as of this date, we have a conflict, we are not taking any more applications and those who had applied prior to that would then be grandfathered in under the rules of which they applied.

COUNCILMEMBER MOLINA: Okay. Thank you.

COUNCILMEMBER KING: Chair, just a real quick question?

CHAIR PALTIN: Chair King?

COUNCILMEMBER KING: Thank you, Chair. So, Andrew, yours is one of the nine pending applications?

MR. GRIER: That's correct.

COUNCILMEMBER KING: Okay. And then, how much did you pay for your application fee?

MR. GRIER: I can't remember. I think it was \$650.

COUNCILMEMBER KING: Okay. Thank you.

MR. GRIER: But it's a, that's a small percentage of hiring a consultant, paying for the home inspection, making the changes to the property that are necessary for, to comply to the rules, and then, your property's sitting empty also while you're waiting for a decision.

COUNCILMEMBER KING: Well, aside from your property sitting empty, can you give us a rough estimate of how much you've spent?

MR. GRIER: Three thousand dollars.

COUNCILMEMBER KING: Okay. Thank you.

MR. GRIER: Thank you.

CHAIR PALTIN: Any further questions for the testifier? Seeing none, thank you for your testimony. Next up we have Mr. Rob Hilber, Hilbun, sorry, Hilbun. And he's testifying on behalf of me...him.

MR. HILBUN: Right, and I just heard about the meeting like about 20 minutes before it started. So, I'm not up on the bills. I think I pretty much oppose both of the bills. The SMA zone is crazy because the coast here like, you know, there's not even beaches on most of the coast. It's just rugged rocks. And I've been running this reef for 37 years, I was one of the windsurf invasion crew and I also have an electrical company

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and I've done that for the last 37 years. But I also standup, I kayak, I've kited. I probably got more runs down this reef. So, I know this coastline intimately well from here all the way to town. Paia's a totally different story with the SMA and shoreline access than it is up at like even Kuau Point they made two accesses, one by Mama's Fish House and another one halfway down through the neighborhood. So, there's no parking and basically there's, I live right at the top of this next hill and I bought that property when A&B broke it out of the cane field, and I built my home on it in 1999. I've gone through the B&B process which I now am a proud owner. It took me 2 months shy of 20 years. The process is incredibly hard. Me and my wife did it the first time. She actually died, so, I'm a widower now from that, and then, it fell apart. And then, me and my neighbor decided, okay, we're going to do this. And he's a building, commercial building contractor and I'm an electrical contractor. I deal with the County all the time. We could not get it done. I finally had to hire somebody to do it. That's how hard the process is to get through. And you've got a pile of papers like this, pictures, CD's, it's crazy. So, to make it any more layered and hard for anybody compared to what we already have I do not see the point. And the SMA thing would not be fair, particularly up here where we are at Kuau 'cause there's a County beach there. We're all, I'm clear up on the highway at the top of the hill. I shouldn't even be in a flood or SMA zone but it's just where they drew the line, just like when the County changed my property from Interim to Ag, never contacted us, never did anything. One of the guys went down to do some remodeling a couple years later and they said oh, you can't do that, you're in Ag, and we went what? And they went oh yeah, there was a thing in the paper. But we were never contacted as homeowners or anything that they were going to switch our land and that screwed us up on a whole bunch, cost us a whole bunch of money to get around different things and we finally got it done anyway. Just dealing with the County is a nightmare for everybody that I've ever met. So, thank you very much for your patience. Thank you.

CHAIR PALTIN: Any questions? Ms. Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo. Aloha, Mr. Hilbun, I have a question. Mahalo, mahalo for your testimony. So, the purpose of Bill 145 is to make consistent what is currently happening, meaning that the 1995 Paia-Haiku Community Plan didn't allow STR's. And this amendment would allow STR's. So, but you said that you were opposed to it.

MR. HILBUN: Well, the, I'm just opposed to any more regulations coming from the County 'cause I know what the process ends up being like and I've been an electrical contractor for the last, since 1984, a licensed. So, I've dealt with the County on all kinds of different levels. It's totally fractured. The building department doesn't have anything to do with the Planning Department. It's all little fiefdoms up there and it's crazy. And we're notorious throughout the State and even on the mainland, people talk about the Maui County and how screwed up it is. So, it's just, that's just the way it is.

COUNCILMEMBER RAWLINS-FERNANDEZ: So, 145 doesn't add additional regulations, it just makes consistent the community plan to what is currently happening.

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MR. HILBUN: And like I say, I didn't study those bills.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

MR. HILBUN: And so, I would not venture, is all I know is I'm totally against X'ing B&B's out of SMA zones. If they're right on the beach and they're impeding access, then that's a case-by-case thing. But like in our neighborhood where there's a full public beach and a full parking lot and everything, then we're in the SMA zone. So, we could be impacted where we wouldn't have really any impact on the beach at all outside of trying to keep the street lights and stuff so the sea life doesn't get disorganized, the shearwaters and, you know, and we've, I've been trying to get the State to turn down some --

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo.

MR. HILBUN: --of those anyway. Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo for your response.

CHAIR PALTIN: I think we have one more question for you. Member Sugimura?

COUNCILMEMBER SUGIMURA: So, you're clarifying, that's what I wanted to know. And so, the, what do you, how do you feel about the caps then for 88 to 65?

MR. HILBUN: You know, I don't know enough about it to really comment. I would just, I mean, it sounds reasonable to me because --

COUNCILMEMBER SUGIMURA: Okay.

MR. HILBUN: --the SMA's I do know, not the SMA, excuse me, but the short-term that people don't live in the home and people that own multiple homes and do that, that's totally not right. But, you know, for a private B&B person that owns their home, they should be able to have the right to do what they want to do with their home. You know, particularly, I've still got family living with me, you know, on and off, my 17-year-old and, you know, then to put all these stipulations on the B&B people I just think it's over government.

COUNCILMEMBER SUGIMURA: So, this is about short-term vacation rentals.

MR. HILBUN: And I just said, the short-term rentals is a totally different thing. People that don't live there, and we've got the thing going on in Wailea, I work over there in houses that nobody lives in that are just incredible. The rich people are banking their money now, buying properties just so their money is in a property, not in a bank. And we, you know, that's happening all over. That's a huge impact and it's just placing people even in Beverly Hills and Manhattan, that's happening.

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COUNCILMEMBER SUGIMURA: Okay. So, you're yes or no on the cap? Just curious.

MR. HILBUN: Okay. I'll go yes.

COUNCILMEMBER SUGIMURA: You don't have to.

MR. HILBUN: I'll go yes on the cap.

COUNCILMEMBER SUGIMURA: Oh, you go yes? Okay.

MR. HILBUN: Okay.

COUNCILMEMBER SUGIMURA: We're keeping tally. Thanks for working hard.

CHAIR PALTIN: Okay. We got five more testifiers currently signed up. The next one is Bonnie Marsh, and she's testifying on behalf of herself as an individual.

MS. MARSH: Good evening, Council and participants. I presently have a permit for a B&B in Haiku Town, and I will testify that it was very difficult to do. But I did do it on my own and was able to get through many obstacles. And the main thing for me is my neighbors and staying pono with my neighbors. And also, the unlicensed one, when I tell my guests they have to pay tax they look at me like I'm crazy. And I say well, you need to pay tax because I'm a permitted B&B and this is what...as if you're in a hotel. So, that just shows me how many unpermitted B&B's there are. Getting back to the short-term rental, I'm in favor of the short-term rental being reduced in number. I would like to see maybe a modification of shoreline and the SMA zones reduced as far as how many guests they can have in their short-term rental. I mean, I have guests all year 'round. They use the beach also. So, I understand the local neighborhood and the character of the neighborhood, and again, we do have that in place. When I went to get my B&B permit, I had two neighbors that opposed because the parking. Well, I modified my property so I would not impact my neighbors. So, that is the responsibility of the person who has that rental. But I would propose not to get rid of, but to reduce the number of guests that they are allowed and not oppose an owner, the freedom of an owner to express themselves through an STRH, and also to reduce the number I think that that is appropriate. Thank you.

CHAIR PALTIN: Thank you. Members, questions for the testifier? Miss, Chair King?

COUNCILMEMBER KING: Well, first of all, I want to congratulate you for doing, I was going to ask, I keep wanting to ask people do you really need a consultant? So, it's nice to hear from somebody who didn't have to.

MS. MARSH: And I do help others too because --

COUNCILMEMBER KING: Yeah.

MS. MARSH: --I tell them they can do it on their own.

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COUNCILMEMBER KING: Okay. So, my question to you is we keep hear, we've heard from people who have said the cap, putting a cap on it causes illegal activity. But we haven't even reached the cap and we have illegal activity. So, in your opinion, maybe how many, do you have any estimation of how many illegal short-term rental homes there might be in this area, Paia-Haiku?

MS. MARSH: I don't, I don't. But I do...

COUNCILMEMBER KING: Is it a lot or is it...

MS. MARSH: Well, I feel that it is. I mean, if you looked on Airbnb or you look on VRBO or in Craigslist there's many, many, many. I know that the Planning Department has tried to decrease that number but it's very difficult. But I do feel more attention should be applied towards that because --

COUNCILMEMBER KING: Yeah, well, we are. But I...

MS. MARSH: --I do pay more taxes. My tax status was changed, liability insurance.

COUNCILMEMBER KING: And we are trying to do that.

MS. MARSH: All that.

COUNCILMEMBER KING: We've been working on that for a while --

MS. MARSH: Right

COUNCILMEMBER KING: --simultaneously.

MS. MARSH: I know Elle was big on spearheading that.

COUNCILMEMBER KING: I just am trying to get a handle on why people think the cap has something to do with that because we haven't reached the cap in any area and there's a lot of illegals.

MS. MARSH: Well no, I'm not talking about the cap. I'm for reducing the cap.

COUNCILMEMBER KING: Okay. Thank you.

MS. MARSH: Thank you.

CHAIR PALTIN: Members...I had one question, or a clarification. So, I don't understand how reducing guests in the shoreline area...

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MS. MARSH: Well, we'd have less impact. So, if you okayed a short-term rental, instead of having six bedrooms that they would have one to two. You know, so it wouldn't be as much of an impact on the neighborhood and the character of the neighborhood.

CHAIR PALTIN: Okay. But you know that, I mean, the Planning Department would be the ones to enforce it.

MS. MARSH: Of course, of course.

CHAIR PALTIN: And so, you want to, instead of reduce the guests, you're talking about limit the number of bedrooms in a shoreline area? And you think one is good?

MS. MARSH: One to two bedrooms because you can have a house with seven bedrooms, you know, I don't know if there's any cap in relation to how many bedrooms you could have in your short-term rental.

CHAIR PALTIN: Okay. Thank you, that's clear, more clear to me what you're saying. We had a couple more testifiers sign up so disregard my previous count. Next up we have Tim Wolfe, who's testifying on behalf of himself as an individual. And his title is property owner, B&B permit holder. And just reminding you that it's not for B&B's, it's mostly...

MR. WOLFE: I understand. Thank you all for being here tonight and thank you for being here tonight. My situation is that my wife and I are privileged to own a couple of properties, one of which has a long-term rental on it which we maintain in a good price range for local people 'cause we believe that that's important. The other property has a licensed B&B, and at that property we just recently renewed our permit there. So, we're good for three years, and now five years more. The process for getting that permit, I have to applaud the County and the Planning Department for putting together a really rational kind of process with reasonable sorts of limits and with some help from some consultancy, thank you very much, our permit went through in about 60 days. We did everything legally. We followed the rules. We worked hard, and by we, I mean me, worked hard to make this happen. But following the advice of a consultant and moving forward it costs us for that first three years it was an \$800 permit and a \$1,500 or so to put together all the facts and figures, et cetera, that were required, boomba. So, I am not unhappy about the process. I have a situation though that isn't covered by any of what's going on here with the STRH's. A fellow across the street bought a three-bedroom, two-bath house that has an ohana unit as well. He was here for some time working at the mill as an engineer, and then his family called him back to the mainland to work with the family business. So, it's right across the street, I know the guy really well, the neighborhood really loves him. I took on the task of being his property manager for that one property which is a legal state of mind. The three-bedroom, two-bath house is in long-term rental as is the cottage. Now, he's interested at some point in the future of being able to come and enjoy that cottage himself and maybe his family from time to time. But there's no mechanism in existence where I could get a short-term, where I could put this gentleman in his own property for a three or four week vacation and then the rest of the time offer it in

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rental as a rental property short of putting it in a six-month long-term rental which is a really awkward way of working that out. So, we're looking at a short-term rental housing permit. But I've held off on making application knowing that this situation is so up in the air and so volatile. But I don't see why this gentleman should be penalized, if you will, in the use of his own property, but being stuck with having to either get an STRH, which may not be available, or you know, stick with a long-term rental. I'm in favor of keeping the cap at 88 and not reducing it to 65. Thank you for your time.

CHAIR PALTIN: Members, questions for the testifier?

MR. WOLFE: Good.

CHAIR PALTIN: I got one.

MR. WOLFE: Alright.

CHAIR PALTIN: The three-bedroom, two-bathroom with ohana, is that on the shoreline?

MR. WOLFE: No, no, no. This is a neighborhood in Haiku. It's up, it's up in Haiku Town. The other property that we have is also in Haiku 96708. Nothing to do with shoreline.

CHAIR PALTIN: Okay. And your feelings on the shoreline?

MR. WOLFE: The shoreline, if it's a bed and breakfast owner-occupied I feel that like a previous testifier said, the property owner really ought to have the discretion to decide whether he wants to try and get a permit. I do believe that the permit process, some people say, oh, it's impossibly complicated. It's not so difficult, but it should be entered into. And one of the main challenges I think that the County has is dealing with illegal vacation rentals. I know that there's attempts to get enforcement together. But I think the limits ought to be left the way they were when these ordinances were first established. I think the 88 is a reasonable amount. If you keep, if you try and squash it down, I think that you're going to see the proliferation of illegal rentals as part of that process.

CHAIR PALTIN: Okay. Thank you for your clarification. No further questions?

MR. WOLFE: Thank you.

CHAIR PALTIN: Thank you. Okay. Next up we have Tatiana Botton, who's title is a resident owner in Paia, and she's testifying for herself as an individual.

MS. BOTTON: Good evening, Councilmembers. Thank you very much for doing this meeting and having the local residents come and speak on their behalf. I'm a resident in Paia. I have a property on the shoreline located at 33 Nalu Lane in the heart of Paia. I've been waiting for three years to get a short-term rental permit. I've been on the process with you guys for three years now. And on July 2018 I was scheduled to have my

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hearing for my application, and we paid the fees, I prepped my house for the permit, I sent the letters to all the local residents, and I had zero complaints about my permit. And the week of my hearing it was cancelled, no explanations of why. I know there's politics involved about the process. So, I guess I just waited and I'm here to hope that you guys will accept my permit. I live in Paia. All my neighbors, most of my neighbors are short-term rentals. I like to see the homes occupied; I don't like to see them empty. I like to know that there's people next to me in a house when I walk down the alley which is 33 Nalu Lane, which is behind the old Chevron gas station. I'm not here to tell you guys what to do. I'm not in politics, I'm just a resident. I totally support the idea of affordable housing. I think it's important for the island. I think maybe there's a way that we can all work together where an additional tax gets put on local residents, shoreline residents who put their homes for rent and it goes into an affordable housing fund that can be tracked, and then something can be built with that. I would like to see something like that with some of our tax dollars. That's about it.

CHAIR PALTIN: Members, questions for the testifier? Ms. Sugimura?

COUNCILMEMBER SUGIMURA: Just thank you for your patience. And I think the Planning Department was reacting to this discrepancy that we're trying to sort tonight that you're participating. So, basically what have you been doing with your property if you haven't --

MS. BOTTON: Well, so...

COUNCILMEMBER SUGIMURA: --have you rented it out to a long-term renter?

MS. BOTTON: No, three years ago I wasn't coming to the island as much. And even though I'm not involved in politics, I'm really involved in the community. I own a gallery in Paia, and I own another commercial building at 151 Hana Highway which is going to be developed into another project. So, I'm really involved in the community. I recently bought a farm. So, I'm spending more and more time in Maui and in Paia. And so, even though my short-term rental application didn't get accepted, even if it were to get accepted, and I hope it does, the time that it will get rented will be minimized because I will be spending more and more time here on the island.

COUNCILMEMBER SUGIMURA: Oh, so, you'll be living there?

MS. BOTTON: Yes.

COUNCILMEMBER SUGIMURA: So, maybe not even a short-term vacation rental, but you'll be doing a bed and breakfast maybe?

MS. BOTTON: No, it's only a three-bedroom house. So, I really can't really do a bed and breakfast. It's a very small, it has tiny little place, just a shoreline.

COUNCILMEMBER SUGIMURA: Thank you.

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MS. BOTTON: You're welcome.

CHAIR PALTIN: I had another question. So, if it's not a B&B and it turns into a short-term rental then where do you live?

MS. BOTTON: I live on the mainland and I come to Maui as often as I can and I'm, since I started the process three years ago I've been coming more and more to Maui.

CHAIR PALTIN: Oh, okay, I see. So, you would prefer that the shoreline language is taken out of 145 is...

MS. BOTTON: That is correct.

CHAIR PALTIN: Okay. Alright, thank you for the clarification.

MS. BOTTON: Thank you.

CHAIR PALTIN: Oh, Chair King?

COUNCILMEMBER KING: Thank you for being here. Did you come over just, come to Maui just for this hearing?

MS. BOTTON: No, I actually was on Maui and I was notified of the hearing --

COUNCILMEMBER KING: Oh, okay.

MS. BOTTON: --and I was happy to actually be here for that.

COUNCILMEMBER KING: Okay. So, you said you were discussing about, or suggesting we put an extra tax on, because, you know, we have a special, a separate category for short-term rentals tax. Are you talking about a tax on top of that for --

MS. BOTTON: That is correct.

COUNCILMEMBER KING: --our shoreline?

MS. BOTTON: Yes, if --

COUNCILMEMBER KING: Oh, that's interesting.

MS. BOTTON: --the discussion here is about affordable housing, which I think is very important, I'm personally, I cannot speak for any other resident, but I'm not opposed for certain taxation that will go for affordable housing.

COUNCILMEMBER KING: Okay. Okay. I was just curious 'cause you rarely hear people asking to be taxed more.

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CHAIR PALTIN: Thank you. Thank you...

MS. BOTTON: It's a quid pro quo. Thank you.

CHAIR PALTIN: Thank you for your testimony. Okay. Next up we have Konnie Newbro, who's testifying on behalf of herself as an individual.

MS. NEWBRO: Hi, thank you for your time. I am a resident. I've had my property here since 1998. I believe my husband is going to be speaking after me. If I understand what we're talking about, I think the, one of the questions is you want to make, the proposal is to make the community plan with short-term rental home, have that be available? I do agree with that. I don't agree with the shoreline. We do live off the shoreline. But we have taken a lot of time and energy to make sure that the beaches around us, my husband goes every Sunday and picks up the beaches, he patrols the neighborhood. We ever have any illegal activity, he's out there in the neighborhood helping our neighbors. And we do have several bed and breakfasts, and I believe one short-term rental home in our particular area. I would not be adverse to making sure that the, we take care of our shoreline, that we take care of all of the animals and the sea life that we have, and that we maybe have community, like a community financial pool that we all pay into that we can do improvements. We've created a park there. My husband started a nonprofit called Malama Kaulahao. There's a beach out there. We're there to protect the iwi. So, I think there's a lot that you can ask these people if they're getting the privilege of having a short-term rental home application, that they can give back in return. It is a privilege to do that. It's a privilege to share our island with other people. But it's also our opportunity to educate people on how we take care of our property and how we take care of our island. So, the other question I think was the shoreline, having the wording shoreline in there. I don't think we should. I think that would restrict too much if we use the word SMA or anything like that. The application process is quite arduous. I have, I submitted an application. I didn't do it with a consultant. You really have to be very thoughtful in what you're going to do and what, and how you're going to run your business. And hopefully that will weed out anybody that isn't going to be respectful of what you're asking them to do. I think that's it. Thank you for your time.

CHAIR PALTIN: Thank you. Members, questions? Seeing none, thank you for your testimony.

MS. NEWBRO: Okay.

CHAIR PALTIN: Next up we have Mike Newbro, also testifying on behalf of himself as an individual.

MR. NEWBRO: Thank you, Council. Yeah, I've, we've been residents here on Maui for over 20 years. My family's been in Hawaii for six generations. We are a long-time family that treats Hawaii with a lot of respect. And as my wife explained, we've had a lot of involvement in protecting the shoreline here. I, my feeling is that the SMA restrictions

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are not going to solve the problem of affordable housing. If anything, ironically, I think it ought to be that they restrict it on the mauka side of Hana Highway because that's where, by restricting it on the shoreline, that's not affordable housing and it won't be given, just the market factor of, you know, expensive housing is typically on the water. So, I don't think that it is a problem for renting, whether short-term or B&B property if it's on the shoreline necessarily because that's where people are going to pay the rent. We are not a shoreline property. But I think if the goal of the Council is to provide affordable housing, it's a complicated situation. It's not going to be solved by restricting 20 units out of the thousands of units here on, in Paia-Haiku, to think that that is going to create affordable housing. I think that, you know, I'm equally frustrated by the impact that the tourism has here on our island. I get just as frustrated by the traffic and everything that goes through Paia. But I think that the process right now that is used to vet these permits I think is, as my wife said, is arduous and I, but I think it's effective, and I think the effort should be put into going after the people that are not following the rules and are going after permits, or excuse me, that are not getting permits to rent their property. You know, we, our properties, we have a property that, we have an ohana that we've rented long-term for many, many years. We have another property that's also not on the shoreline, but we've rented for long-term. And we, our son has now left for college, we are empty nesters, we are looking for a way to increase our income but to have the flexibility, like a lot of these people have spoken, to say that if we were to not be here full-time and go see our son on the East Coast, that we could come back to a home and stay in it if it is being rented when we're not here. And that's a situation that I think is a hard thing to just categorically say if it's in the SMA or, you know, that you can't do that. So, thank you for your time.

CHAIR PALTIN: Thank you, Mr. Newbro. Members, questions? Ms. Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Mahalo for your testimony, and mahalo to you...oh, Mr. Newbro?

CHAIR PALTIN: Oh, we got a couple questions for you, a couple questions.

COUNCILMEMBER RAWLINS-FERNANDEZ: A quick question.

MR. NEWBRO: Sorry.

COUNCILMEMBER RAWLINS-FERNANDEZ: I didn't grab the mic fast enough --

MR. NEWBRO: No worries.

COUNCILMEMBER RAWLINS-FERNANDEZ: --when your wife was up. I wanted to ask what your position is on the reduction from the 88 to 65.

MR. NEWBRO: I don't think that's going to make any, improve the situation. I think given the thousands of units here --

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COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, okay.

MR. NEWBRO: --20 units is not going to solve the problem. I'd say leave it at 85. But again --

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay, 88.

MR. NEWBRO: --enforce the rules.

COUNCILMEMBER RAWLINS-FERNANDEZ: But and thank you to you and your wife for listening to my questions to previous testifiers and making sure that you included those answers in your testimony. Mahalo.

MR. NEWBRO: Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR PALTIN: And Mr. Sinenci would like to ask you a question as well.

MR. NEWBRO: Sure.

VICE-CHAIR SINENCI: Thank you, Mr. Newbro, for being here. As a long, I just had a question kind of off the cuff. But as a long-term resident, are you experiencing any beach erosion on the North Shore?

MR. NEWBRO: Absolutely, yeah, and the Kaulahao area that I've been, I was the person that headed the group that got A&B to donate that land. We put a conservation easement on it. Dana Hall is my partner in that project and there's been incredible erosion down there and we deal with it constantly. But, you know, the beach is interestingly not impacted as much as the bluff that it has more impact.

VICE-CHAIR SINENCI: Has it impacted some of the homes?

MR. NEWBRO: No, fortunately, the way --

VICE-CHAIR SINENCI: Not so much?

MR. NEWBRO: --our neighborhood is situated we are back behind the shoreline that is open space. So, we're technically not oceanfront. There are oceanfront homes. And in our situation, out of the eight homes in our neighborhood, interestingly four of them are vacant most of the time, which is evidence of the fact that these more expensive homes, we've been there back when it was affordable, now it's not. And sadly, half the homes in our neighborhood sit empty because mainland owners leave them empty. I would rather have people renting them short-term and, you know, have the happy kids running around the neighborhood enjoying this place than to have it sitting empty, personally.

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VICE-CHAIR SINENCI: Alright, thank you.

CHAIR PALTIN: Members, any further questions? Seeing none, thank you for your testimony.

MR. NEWBRO: Thank you.

CHAIR PALTIN: Next up we have Thomas Croly, who's testifying on behalf of himself as an individual.

MR. CROLY: Aloha, Councilmembers. I'm Tom Croly and I am testifying for myself. But the reason that I came here today, 'cause I'm not a resident of Paia-Haiku, I'm a resident of Kihei, in fact I'm BNBTOM, but more about that later. I'm a resident of Kihei. But Catherine Clark, who I worked with closely when we helped to, you know, formulate the short-term rental and the bed and breakfast ordinance is, she is a resident of Kihei [sic] and she sent you testimony that I hope that you have a chance to read her three-page testimony. It really goes to the root of all the questions here. And I just wanted to make sure that it didn't get overlooked, and also because she and I, and Auntie Mopsy, I think are the only people who have been at all of the meetings associated with this issue over the past two years. One of the things that we're trying to resolve here is the conflict, of course, between the community plan and the Code, and what's being proposed and so forth. And I do want to point out, as Catherine did in her testimony, that the Planning Commission, when they considered this issue, shoreline, no shoreline, the language they came up with was don't allow a short-term rental abutting the shoreline if, and the key word here is if, it causes the character of the neighborhood to change. And that really is already in the ordinance. The ordinance is about making sure that these properties aren't changing the neighborhood, the character of the neighborhood. So, giving someone the opportunity to apply for the permit but maybe be turned down because they say, well, this permit is going to, you know, break the camel's back and it shouldn't be allowed. That's part of that, the ordinance. The second thing is there's kind of a thought process that's put forward that if someone can't get a permit, then what they will do is rent long-term. Most of the owners seeking permits are like Ms. Botton who came up here. They own a second home here. They have no intention of using it for a long-term rental. They use it themselves on a regular basis. And that was the purpose for one permit per person. So, you can only get a permit for your second home that you own here on Maui. So, the idea that if they don't have the opportunity for a permit, they'll make it a long-term rental, in almost all cases of people who have spoken to me about can I get a permit, that's not something that they're looking for in any way, shape, or form. I'm quickly running out of time and I wanted to bring to your attention a few numbers that I came up with. One of them is I counted the number of parcels that are on the oceanfront from Baldwin Beach down to Hookipa Beach. There's 84 parcels that front the ocean. Nine of those parcels have been granted a short-term rental permit, and Ms. Botton, who you heard from earlier, has one application that's pending on the oceanfront. And one of those parcels has been granted a bed and breakfast permit. From Baldwin Beach all the way to the end of, or from Hookipa Beach all the way to the end of Haiku there's approximately 50 parcels. Okay. None of which have a

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short-term rental permit, or a bed and breakfast permit, or one pending at this moment. I'm running over time here. Oh, and anyone buying a new home I think, I hope you understand, they may not apply for a permit for a period of five years. So, it's not going to drive speculation. Thank you.

CHAIR PALTIN: Members, questions for the testifier? Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. So, I just wanted to clarify, are you in support of Bill 145 and 146 or do you oppose them?

MR. CROLY: Thank you for the question. Both, Ms. Clark who I'm trying to speak on behalf of, since she's the resident here, and myself, we support the, both of these bills with one change made to each one, that is we don't think the cap should be reduced from 88 to 65, and we don't think there should be a restriction put, either the SMA or the oceanfront. We believe that the ordinance deals with both of those issues by not changing the character. So, we would strongly encourage you passing both bills but amending them to remove the restriction of SMA and along the shoreline. Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo for the clarification. One last question. So, a previous testifier said that the nature of the shoreline now is second homes. Do you suppose that was always the nature of the shoreline of this area?

MR. CROLY: You know, I can't say always. I've only lived here in Maui for 18 years.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. I'll rephrase.

MR. CROLY: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Do you suppose that STR's change the nature of the shoreline area?

MR. CROLY: Thank you for that question. No, I don't think the availability of an STR permit, the availability of an STR permit which is what we're talking about here, in any way, shape, or form changed the shoreline. Whether we never had an STR permit available or whether we made them available, that had no impact whatsoever on the character of the shoreline.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo for your testimony.

CHAIR PALTIN: Member Lee has a question for you as well.

COUNCILMEMBER LEE: Hi, Tom. I'm not sure if this is a question for you or Ms. McLean, but assuming that we agree with you, that we pretty much just pass the portion that puts these types of uses in conformance with the community plan, would you, and I don't know, Ms. McLean, would you accept the idea of anyone who does have a B&B or a short-term rental home within the SMA, get an SMA permit?

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MR. CROLY: The existence of the home in the SMA is, requires the SMA permit. So, the very existence of the home required them to get it for the home. The use that someone's applying for when they apply for a short-term rental permit, by the way we structured this ordinance, should be, if it's operated correctly, no different in terms of the impacts that the shoreline would have, whether it be a short-term rental, or whether it be a second home, or whether it be, you know, someone's home. So, I don't see where they should get a second SMA because of the permit because we aren't changing the impacts because of the way the ordinance has been structured.

COUNCILMEMBER LEE: Well, it is different because it's commercial. So, Ms. McLean, is it possible to require an SMA permit in these instances? Okay. My thinking is first of all, you know, we do want to encourage long-term rentals, yeah, more than short-term rentals. And, but some of you are saying well, it wouldn't make a difference. But those people who live in the neighborhood are really entitled to a certain amount of privacy, a certain amount of tranquility as any neighborhood, yeah, in the County of Maui. But when you insert a commercial activity, then you are in a sense changing the character of that neighborhood, right? So, wouldn't there need to be a special review and even requirement, like an SMA permit, for anybody new going in into the neighborhood wanting to do a short-term rental or a B&B? Wouldn't you think that would be fair?

MR. CROLY: Ms. Lee, before we had the short-term rental ordinance, every permit that came through, came through as a conditional permit. And that meant that every aspect of it was evaluated by all the various different agencies within County government, and sometimes within State government. And the decision was made back in 2001 when they stopped processing these conditional permits that, you know, these all kind of have the same use, the same impacts. So, can't we come up with an ordinance to streamline this process, so we don't have to go over each one separately? And the streamlining of the process is what led to the bed and breakfast and short-term rental bills that are very strict in terms of how, how many people can be there, what the quiet hours are going to be, no parties are ever allowed, all the parking must be onsite, all the buildings must have proper permits and so forth. So, the idea of making the process more difficult isn't going to get you a better or solve any particular problem that you might have. But the existence, what you just expressed that the neighbors might not be good with another short-term rental going in, they have that ability to file a, you know, a complaint or an objection to the application. And the Planning Commission has and does regularly deny permits because of the impact, the neighbors saying we feel that there'll be negative impacts to us. So, I wouldn't put aside the, what the Planning Commission has already been doing in denying many, many permits through the years that have come passed them when neighbors have said we don't want this in our neighborhood.

COUNCILMEMBER LEE: Okay. Because I do see this as a commercial use and it's not the same as, you know, nobody renting next door.

MR. CROLY: But indeed, a long-term rental is a commercial use as well. It's just a matter of term.

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COUNCILMEMBER LEE: Well, the use is a little different, long-term and short-term, short-term is more of like a, more like of a hotel use.

CHAIR PALTIN: Was your question answered? Did you have more questions?

COUNCILMEMBER LEE: Yeah, I did.

CHAIR PALTIN: Okay.

COUNCILMEMBER LEE: I do. My concern, if we don't have that extra oversight for uses on the ocean, on the shoreline is, you know, there will be impacts to the shoreline, you know, because people will be on the beaches. And unfortunately, when there are too many people on the beaches it prevents the local people from going to use it. So, that's my concern that, you know, I'm not against these people trying to make money. But on the other hand, we have to weigh what are the negative impacts versus, you know, what's acceptable to the whole neighborhood. And I just wondered if you, if you perhaps had another suggestion as an alternative to some, what's in these two ordinances?

MR. CROLY: Well, as I pointed out, I believe there are 134 properties in the Paia-Haiku region that abut the shoreline. So, if we're just talking about abutting the shoreline, we're talking about 134 properties. Honestly, I don't care whether those 130, 125 people who don't have a permit, whether they can or can't get a permit. I don't care. But I think that taking away their opportunity to apply for a permit without some reasonable basis for doing so is just in general not fair. But it's your kuleana, you guys decide whether or not, you know, it's appropriate to allow any more permits on the shoreline except for of course, Ms. Botton, who made her application in good faith before the rules were changed. And then, the SMA, again I don't see any fundamental difference when you're driving down Hana Highway that the makai side should have one set of rules and the mauka side should have a different set of rules.

COUNCILMEMBER LEE: Yeah, well, the thing that bothers me is that, you know, a lot of these resort, well, visitor accommodations should be in the visitor regions, you know, Kaanapali, Wailea, et cetera. So, when it comes down to the local areas that kind of bothers me. Thank you.

CHAIR PALTIN: I just had a question kind of like regarding the, I guess the discussion that you were having. My perspective is a little bit different. Like when you made the statement that you don't think that it would have an effect, and I heard previous testimony say, you know, that people want to come over here to downwind, kite surf, wind surf, and like that, and yeah, this is a good area for that. But how do, is there any mechanism to say like we're only going to rent in the winter to those types of people? Like say you rent in the winter to somebody on the shoreline in a short-term rental home and they think, they came here in June or something and they want to go do the exact same thing and now we have like a high-surf advisory. And then, I mean, I would think that's a different type of impact than a resident, or a long-term rental

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that, you know, knows in the winter during a high-surf advisory you don't do any kine on the shoreline. So, I mean, is there any mechanism to say like, you know, people that rent on a short-term rental home on a shoreline have to be somewhat maa to the ocean or, I mean, I think that's an impact that hasn't been addressed by the, by any of the testifiers.

MR. CROLY: Thank you for that insight. Some of the Planning Commissioners had the same concern and something that the Planning Commission put in place recently was that short-term rental should, needs to make their visitors, or their guests aware of proper protocol with respect to entering and being safe on the ocean, as far as not interfering with local uses, making sure that they're manaa [sic] about they don't own the beach, they can't chase people away from the beach, that they understand that they should be using reef safe sunscreens and those things. So, that actually is an ongoing effort right now that, let me say, the permitted people would get that. But someone who's a second homeowner or an unpermitted operator, they're not going to get those insights that have now become part of the permitting process.

CHAIR PALTIN: And then, so, if somebody were to have a short-term rental home and their guests for whatever reason violated that needed education. Would that be grounds for revocation of their short-term rental on the shoreline?

MR. CROLY: I don't know that I would go straight to revoking their permit. But certainly, we would want to make someone aware. We would, you know, we know who they are, we know who they're renting, that they've got a permit, make them aware that your guests have had an impact and you have broken the terms of your permit. Now, if those terms are broken, I think we have it in the rules three times in a year or something like that, then the Planning Department can revoke a permit, or they can choose to not renew a permit. So, yes, ultimately, it could result in someone losing their permit. I wouldn't take it to, if one of your guests does something wrong, immediately you're, you know, you lose your permit. But there is a process in place for that.

CHAIR PALTIN: Okay. Thank you. Chair King has a question as well.

COUNCILMEMBER KING: Thanks for being here, Tom. And you mentioned that you've been active in getting this ordinance, the original ordinance passed? So, how did you reconcile the conflict with the community plan back then? Because the community plan said no short-term rentals. You fought for the ordinance that put the cap in there. And what did you do, what was your thought about the community plan?

MR. CROLY: Well, it came up in discussion, but it didn't come up in, in terms of someone reading the community plan and saying here's what it is.

COUNCILMEMBER KING: Well, I'm asking you.

MR. CROLY: Right.

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COUNCILMEMBER KING: Did you read the community plan and see what it said?

MR. CROLY: So, here's how I reconciled it. The rules that we put in place were never envisioned in 1992 and 1995 when this was, when the community plan was adopted. The idea of what is a short-term rental, the short-term rental in Maui County, the one that's permitted here, has to have an on-island manager, has to show that their buildings are allowed to exist, have to show that they're properly permitted, has a limit on the number of people...

COUNCILMEMBER KING: Okay. You don't have to go into the detail, but just answer my question.

MR. CROLY: Okay. But all those things addressed what this said, which was we don't want there to be a resort. We don't want there to be an unregulated place that doesn't have someone...

COUNCILMEMBER KING: No, but the community plan clearly said that they wanted only owner-occupied --

MR. CROLY: Right.

COUNCILMEMBER KING: --bed and breakfasts.

MR. CROLY: So, we addressed the owner-occupied thing in the ordinance with the fact that there has to be an on-island manager, and that on-island manager needs to be present at the home within one hour of any call from a resident. So, the feeling was that addressed the same concern.

COUNCILMEMBER KING: Okay. That was your opinion?

MR. CROLY: That was my interpretation of it, yes.

COUNCILMEMBER KING: Okay. Thank you.

CHAIR PALTIN: Okay. Thank you. So...

MR. CROLY: Thank you for your questions.

CHAIR PALTIN: Sure thing.

MR. CROLY: Thank you for your consideration.

CHAIR PALTIN: Members, I just want to do a temperature check. We have five more testifiers. Do we want to power through and then take a break?

COUNCILMEMBERS: Power through.

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CHAIR PALTIN: Okay. Alright, so, next up we have Brian McCafferty, testifying on himself, for himself as an individual and he wanted to say that he's an employee or officer of the organization Teens On-Call.

MR. MCCAFFERTY: Aloha, folks. A lot of good testimony. I learned a lot this evening. So, I would just like to comment, bill number or ordinance number 145 on the shoreline, I agree that the impacts on the shoreline for existing neighborhoods, the older neighborhoods in Paia and so forth, should be real minimal. So, whatever it takes, that's what I hope that goes. Ordinance number 146, the cap being reduced from 88 to 65, I don't really see where it's going to be a big difference of 23 in reducing the permits from 88 to 65. But why I wanted to speak this evening, just for a moment, is in my line of work I'm aware of issues that are very important to young people, and not just teenagers, but people in their 20's and 30's. I've been doing this for 25 years. So, they're all, a lot of our early people are now parents and so forth and they have teenagers of their own. So, it's important that our local people of all cultures have affordable rentals. And the way many of us see it, these unpermitted short-term rentals, of which we know there are many, many, many, the County I understand last year hired a firm to track 'em down. Is that correct? What kind of results have they gotten? I hope they've gotten some good results because if you could hold their feet to the fire, the unpermitted ones, 88's fine for Paia and Haiku and so forth. But everybody should be permitted and paying the higher tax rate. And if you hold their feet to the fire, that's going to put more long-term rentals on the market because some of them aren't going to go through the process. I fully agree with short-term rentals having to have owner-occupants because there's a lot of abuses that have been occurring as we know, I heard earlier testimony and it's all true. People coming from far away buying a second home, third home, and they have all kinds of reasons and excuses how they can make a short-term rental out of it. So, and have a manager who can just be there within an hour, he can live somewhere else. So, we don't need the loopholes. We need affordable rentals for all of our young people ages, in their 20's and in their 30's, in their 40's. They shouldn't be paying \$1,200 for a room, I'm sorry, and that's what it is. And that's why I thought I'd speak tonight. Thank you.

CHAIR PALTIN: Thank you, Mr. McCafferty.

MR. MCCAFFERTY: Enforce it, enforce this stuff. Thank you.

CHAIR PALTIN: Members, any questions? Member Molina?

COUNCILMEMBER MOLINA: Good evening, Brian. It's nice to see you. And let me just start off, I've always, you know, looked up to you first for all of your great work with the youth and the fact that, and the second reason is you, you're so much more taller than me. But thank you for bringing up the illegal operations that are going on. Are you, or have you ever discussed with the Department, I mean, you may know some areas, some folks that are operating illegally? Have you --

MR. MCCAFFERTY: Yes, yes, we all do --

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COUNCILMEMBER MOLINA: --touched base with...

MR. McCAFFERTY: --I'm sure we all know some. And, you know, it's not my intention to rat anybody out. But if you hired an agency, if you hired an agency to bird dog this situation, and if they're earning their money, if we know, then they can find out too. They're getting paid to find out. So, let's hold their feet to the fire and make them earn their money and come up with some results. That's all.

COUNCILMEMBER MOLINA: Yeah.

MR. McCAFFERTY: Yeah.

COUNCILMEMBER MOLINA: Okay. I agree with you. To be fair, those who are legal...

MR. McCAFFERTY: But that's going to help everything, it's gonna help everything a lot. And Paia-Haiku is a popular place for windsurfers and all, you know, the recreational gang, that's fine. But they should, where they stay should be permitted. And we need more affordable rentals for not just young people, but you know, all the ones. And if I may just say briefly, affordable housing, Skill Village was put together years ago, 30 years ago. A&B donated the land to the County, the County built the housing, nobody's payment was more than \$350 a month. Now, I know a dollar's not worth as much now as it used to be, but they could still do it and have nobody's payment be more than \$1,000 a month. And that would be really affordable housing. Four hundred thousand dollars is not affordable housing. Okay. Thanks. Thank you.

COUNCILMEMBER MOLINA: Thanks, Brian.

CHAIR PALTIN: Thank you. Member Rawlins-Fernandez, you had a question?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR PALTIN: Mr. McCafferty, we got another question.

MR. McCAFFERTY: Okay. Thank you. Yes, sir...yes, ma'am.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo for your testimony. I, you mentioned that you think STR's should be owner-occupied. I was just wondering if you knew that STR's that are owner-occupied are B&B's. So, bed and breakfasts are required to be owner-occupied, whereas STR's are not.

MR. McCAFFERTY: Oh, I see. Well, I think STR's should be owner-occupied too. Yes, definitely because these people come and buy, their land, the guy said earlier they're land banking the money. And you get no interest in the bank, you get interest if you own land and it keeps going up. So, they're doing this and so, yes, they should be owner-occupied, yes.

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COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo for that clarification. So, you support B&B's but are, oppose STR's?

MR. McCAFFERTY: Well, unless they're owner-occupied --

COUNCILMEMBER RAWLINS-FERNANDEZ: Right.

MR. McCAFFERTY: --and permitted.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo. Mahalo, Chair.

CHAIR PALTIN: Yeah, thank you for the clarification. Next, we have Robert Oswald who's testifying on behalf of himself as an individual, to be followed by Davis Kahakauwila Cortez.

MR. OSWALD: Good evening, Chair and Councilmembers. Thank you for the opportunity to testify. I'm going to follow Bruce with this, talking about enforcement. But my wife and I...oh, Robert Oswald, I should've mentioned my name. I live in Haiku with my wife. We run a B&B in Haiku. I know you're going to ask about the position on the two bills, so I'll just say it. Jen spoke on my position, articulated it very well about the two bills. I support both bills with changes stated, no SMA or shoreline restrictions. So, just to get through that, I know we're powering through, I'm trying to do this in one minute. The issue with STR's, to me it's all about bad behavior associated with STR's. But I'm not convinced that people are, that people in that surrounding, are they reporting the problems with the STR's, are they calling in RFS', yeah, and just nothing's happening? Well, that's the root of the problem. I mean, anybody can misbehave if it's at a B&B, or an STR, or a long-term rental, or anything. It's a behavior problem, not a classification of use problem. So, I just wanted to get that out there. And concentrating on the illegal ops, I got a lot of time left, I'm going to try not to use all of it. I just had a thing I just read tonight on my phone. It's an Airbnb review from somebody that just stayed at my B&B. I got five stars; I was very happy about that. But I wasn't happy about one of the comments that was written in the text of this review. The text, she was complaining about having to pay the Hawaii taxes, okay, the GET and the TAT. Now, that's all over my Airbnb ads, it's all over my marketing, there's something included in every communication that I sent to her between booking, or you know, in the booking process and it was all over the place. She wrote in her review I didn't know about this tax, what's this tax all about? So, okay, she didn't read the fine print. But what I really want to bring up here and mention is that she said in her review I stayed at four places, including ours, and this is the first I've ever heard of a tax. Okay. So, there's a single data point for you. Maybe the ratio is three to one unlicensed to licensed. She stayed at four places, one charged taxes and that's the first she ever heard of taxes. So, thank you.

CHAIR PALTIN: Members, questions? Member Sugimura?

COUNCILMEMBER SUGIMURA: Thank you. So, before you leave, I just want to say thank you for doing the process legally because --

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MR. OSWALD: Oh, thank you.

COUNCILMEMBER SUGIMURA: --we hear complaints from neighbors of the illegals, and some do not want to do an RFS, so they don't want to report their neighbor. But there's frustration and, you know, but that's a very interesting statistic that you just shared. So, thank you.

MR. OSWALD: Thank you.

CHAIR PALTIN: Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. So, you said that you're a B&B permittee?

MR. OSWALD: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: You have a permit for a B&B?

MR. OSWALD: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, and in your testimony you mentioned that, you know B&B, STR, it doesn't really matter, it's a behavior problem. Would you say as a B&B permittee that you have a little more control or accountability to ensuring that your guests follow the rules that you have posted?

MR. OSWALD: And how, 'cause I got something to lose. If I don't have a license, I don't have anything to lose. Why would I care?

COUNCILMEMBER RAWLINS-FERNANDEZ: Right, and you're there to ensure that it's, the rules are followed?

MR. OSWALD: Oh, I'm definitely there, yeah. Of course, of course.

COUNCILMEMBER RAWLINS-FERNANDEZ: Right, and STR's, they have like property managers somewhere else.

MR. OSWALD: I don't want to say anything bad about STR's. I think it's how they're run, how they're managed, does the owner care about the, what the neighbors think? I don't want to say anything bad about STR's.

COUNCILMEMBER RAWLINS-FERNANDEZ: Right.

MR. OSWALD: I don't think the change from 65 to 88 matters either. You've got, if I may, there's a road by my house. Okay. Street racers love it. Okay. It's posted 30 miles an hour. But the speeding on it is 50, 60, whatever. They love peeling tires going up the hill 'cause they can peel tires longer. All kinds of fun being had on that road.

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Dangerous? Sure. Posted limit's 30. So, if someone, you know, in an administrative role said oh, well, we'll just lower the speed limit to 25, you know, it sounds to me like this 88 to 65 thing. You got so many out there that 65, 85, what's the difference? Get a handle on the enforcement, and then you can have some meaningful limits. That's all.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo.

MR. OSWALD: Thank you.

CHAIR PALTIN: And one more question from Member Sinenci to clarify.

VICE-CHAIR SINENCI: Thank you, Mr. Oswald, for your testimony. I just had a clarification. So, your tenant, well, she paid for the TAT tax --

MR. OSWALD: Oh yeah.

VICE-CHAIR SINENCI: --that was part of your agreement?

MR. OSWALD: Absolutely, yeah.

VICE-CHAIR SINENCI: That tax went on to your payment?

MR. OSWALD: Correct. Oh, she paid it, yeah.

VICE-CHAIR SINENCI: Okay. Thank you.

MR. OSWALD: Definitely. Yeah, they pay it on the check-in when they come to me.

VICE-CHAIR SINENCI: Thank you.

MR. OSWALD: Okay. Thank you.

CHAIR PALTIN: Okay. So, next up we have Davis Kahakauwila Cortez, to be followed by...who's testifying on behalf of himself as an individual, to be followed by Margit Tolman.

MS. CORTEZ: Hi, thank you. Hi, good evening. I'm Davis, and I'm just representing myself being because I'm also a homeowner and a renter. I do support a lot on long-term. This short-term, what I'm noticing in this viewing here is very unfair. I say no is because, you know, I, my family's been here and I'm on the seventh generation. And watching my family from Paia camp, not Skill, what is it called now, Skill Village, okay, yeah. And I was born in that, in those eras. And seeing what the government and what they've done with the rich people coming and buying up our lands, you know, my land tax went up? It used to be only \$638. I just my land tax, 1,336 bucks just because of these short-term, I mean, short-term rentals or either the, your, what is that called, B&B's, yeah, those too, they come and go. I have some illegal ones around

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my neighborhood also and I do not live by the shoreline, I'm sorry. But I live in the mountain side and they come all the way up there, just zooming like they own the place, you know, tourist that come. I do not support the vacation rentals being because they have already ruined our islands of what we have today. My children can't even afford what they have. Can yours? No. So, why does these rich people come over here and buy us up and just turn around, and I'm not mistakenly, they turn around, they barely even have it two years and they're selling it. That's why my land tax went up because three of them in my neighborhood went up and sold their properties. And the one that bought it, one of them, I'm sorry to say, turned it into a short-term and also B&B. So, you know, that's not fair. It's not fair for my kids and our generations. Come on, all of you guys who are from here know better. These people are ripping us off and that's not fair. And for the 145, no on the cap and what is the other one? No, the cap is 146, I think it is, the cap was 146.

COUNCILMEMBER RAWLINS-FERNANDEZ: The current cap is 88, and the reduction is 65.

MR. CORTEZ: And yes, I feel that they should cap it no matter what because they need somebody to investigate why everybody else gets to do what they want. And all the legal people who do it, I'm really good that they do that. But for the ones that trying to do short-terms and add on extras and extras, they're making money off of us and all of us is stuck paying for all of you guys bills. So, why are we stuck paying more taxes when they should be paying more taxes on this, not the people of Hawaii. Support us, not destroy the locals. And I think number 145 is no, period. Thank you.

CHAIR PALTIN: Members, questions for the testifier? Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I'll help you. So, 145 amends the community plan, 146, Bill 146 amends the ordinance --

MR. CORTEZ: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: --and reduces it from the current cap of 88 to 65 and you said you...what is your position on that?

MR. CORTEZ: I feel that it wouldn't matter because they'll do it anyway. So, either way you go low or high it wouldn't matter. They'll still do it anyway, illegally. But I still support lowering it because they should --

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

MR. CORTEZ: --to help us, our kids, our families, everybody's. That's what I feel, from here, all the way to Hana, that's what needs to be done is support us because they're selling more land under your noses, every one of you by going behind our backs and paying for the taxes, and they turn around and they get the property automatically. It's happening. My family, it happened to my family in Kihei. We owned, we used to own across the shoreline. Now, Makani Kai, three investors came in and took our land and sued my grandmother for 1.2 million taxes, just because the investors wanted our

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piece. So, we lost it. And what's now there, a townhouse short-term rentals. Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo.

MR. CORTEZ: Sorry.

CHAIR PALTIN: Members, any further questions? I just had one question. I'm assuming that you are for the, keeping it out of the SMA? Okay. Just double checking. Okay. Next up we have Margit Tolman, who's testifying on behalf of herself as an individual, to be followed by Nohelani U'u-Hodgins.

MS. TOLMAN: Good evening, Council and Staff. Thank you for coming out to Paia-Haiku. My name is Margit Tolman, I'm a business owner here in Paia Town for more than 20 years. I have a small property management company. And I just heard, it's pretty clarified but Bill 145 will amend our community plan, which does not allow STR's at this point, but the amendment will. And then, there's a clarification about near the shoreline will be abutting to the shoreline. I personal, I can agree with this bill. However, I want to put some thought into the shoreline. As Tom mentioned, 137 properties, 9 have a license to do B&B or short-term rental. There are still residents who are lucky owning a property on the shoreline. I would hate to see that the opportunity will be taken from residents if they have a choice, we have to sell the property to an investor, or we can change and have a B&B and have enough income to keep the property. I just want to have, you know, food for thought to look at in a different way. Bill 146 is the STR bill. It will reduce from 88 to 65 and I don't think that will make really a difference for our housing crisis. However, if this is, you know, the community wishes, then that's what it is. We have only 44 licenses, the opportunity was given for many years. As many testifiers said, a lot of operations do not have the license, but they had the opportunity in the past to come forward. The shoreline SMA, that is a really big area. Here in Paia, yes, it's close. But if you go towards Haiku, on the, everything makai of Hana Highway, Holokai Road is far away from the ocean and there's a cliff. So, those properties have the least amount of impacts at all. I just don't feel it makes a big difference. But as it's written right now, I support both bills in order to get in compliance with the community plan. And I just want to mention one example. I manage a property here on the shoreline in Paia. The owner is 95 years old. He bought the property more than 50 years ago. He had 6...he has 6 children, more than 20 grandchildren, and more than 45 great-grandchildren. These, this is a big family. They use the property. There are some very moderate homes on it, nothing special. The homes are getting rented for \$400 and \$350 for four people. This is available for families who never can experience a vacation on the shoreline. And I don't feel bad about it. I think we give a lot of aloha to those visitors. And I'm glad we have a license and we can continue doing so. Thank you for listening.

CHAIR PALTIN: Thank you. Members...Member Lee?

COUNCILMEMBER LEE: Hi, I have a question. Did you say there are 137 parcels along the shoreline?

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MS. TOLMAN: That's what I heard with the, from Tom Croly.

COUNCILMEMBER LEE: Okay. And then, you said there were nine STRH's or B&B's of that 137?

MS. TOLMAN: That's what I heard.

COUNCILMEMBER LEE: Oh, okay.

MS. TOLMAN: Let me know if I misunderstood that. But that's what I...

COUNCILMEMBER LEE: Okay. You don't really know? You're just --

MS. TOLMAN: No.

COUNCILMEMBER LEE: --repeating what somebody else said?

MS. TOLMAN: Exactly.

COUNCILMEMBER LEE: Okay. Because my question was going to be, of the 137, how many are illegal, and how many are legal?

MS. TOLMAN: I don't know.

COUNCILMEMBER LEE: Okay.

MS. TOLMAN: I represent only licensed places and not unlicensed places. I really don't know.

COUNCILMEMBER LEE: Alright, thank you.

MS. TOLMAN: Yeah.

CHAIR PALTIN: Members, any further questions? Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Aloha, Margit. Mahalo for your testimony. I just, I wanted to see if you knew, and I know Director McLean read this earlier that the abutting the shoreline really isn't a proposal, that the 1995 plan said that bed and breakfasts' should not be situated near the shoreline --

MS. TOLMAN: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: --as to avoid...okay. You knew that it was part of the '95 --

MS. TOLMAN: Yeah.

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COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. That's all.

MS. TOLMAN: Yeah, I understand that.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo. Mahalo, Chair.

CHAIR PALTIN: Sure thing. Any further questions? Seeing none, thank you for your testimony and your presence. Next up we have Nohelani U`u-Hodgins, to be followed by Kutira Decosterd.

MS. U`U-HODGINS: Thank you. Hello, my name is Nohelani U`u-Hodgins. Thank you for having us here today. I'm a little bit nervous, which I think most local people are when we're coming out to testify. So, maybe we don't have everybody's voice represented when we get some of these short-term rentals, or even B&B's permitted. As my cousin Nicole just said, we have that, I'm going to keep it to myself, kitchen table discussions only. So, to answer your guys' questions, Bill 45 [sic], consistency with the community plan, I would like to not include short-term rentals if...that would be great. But we already have 44. So, I don't know what we're going to do about those if they're going to be existing nonconforming, which I think is a very, it's a more accurate term than grandfathered, right? So, we're not talking about grandfathers, we're talking about existing nonconforming short-term rentals. That's a different story than grandfathered. And then, for 146, supporting the reduction to 66, that would be great. I know we only have 88 short-term rentals, and I know this is not about B&B's but 88 B&B's as well. I think it's important to look at this cumulatively. So, we're not just talking about only 88 and then that's it. We're talking about 176 potential ones, legally, and not the illegal ones. So, there's that. SMA, I would love it if it could be disallowed in the SMA area. I understand that it might be a little bit arbitrary when we're talking about the Paia versus Haiku, and everything of makai is, everything makai of Hana Highway in Haiku might still be allowed in the SMA, great. However, everything in Paia is in SMA. All of Kuau is in SMA. And my grandma who's watching my baby back there lives in Kuau. She's surrounded by short-term rentals. We have another family property across the street on the shoreline. My family is from Paia, my grandma, my grandma's grandma, everybody, we're all from right here. Right there in fact, the green house that you could see when it was light is my family home. And I appreciate that guy's comments when he thinks it's just about bad behavior that makes us anti-rentals, it's not. I wish it was, but it's not. You're really losing the sense of community and knowing your neighbors. I know, I used to, I take that back, know all of my neighbors when I was living there. When we would have trick-o-treats, every single house participated. I knew everybody, Feliciano's over there, Pinheiro's over there, Lonzaga's on this street, and my cousin lived in the beginning of the neighborhood. So, we knew everybody, and now we have four just as I drive around, and those are only the ones with the signs. So, I don't know about the ones without the signs, which makes them illegal. So, it is not just about enforcing bad behavior. It is not just about making RFS'. It's about losing our sense of community where we live. And I appreciate people like to surf. That's great, but that shouldn't supersede

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our sense of community and our homes where we belong. And that's all I have to say for now.

CHAIR PALTIN: Thank you. Members, questions? Member Molina?

COUNCILMEMBER MOLINA: Thank you, Nohelani, for your testimony, and especially from your age group. A personal question first, who's, your dad is Bruce?

MS. U'U-HODGINS: Yes.

COUNCILMEMBER MOLINA: Yeah, okay, alright, thank you.

MS. U'U-HODGINS: Yes, I'm sure you guys are all too familiar.

COUNCILMEMBER MOLINA: And your family's a long-time family in this area.

MS. U'U-HODGINS: Long, long, long, long, long.

COUNCILMEMBER MOLINA: From your contemporaries, you see a tremendous need for long-term rentals in the area?

MS. U'U-HODGINS: Yes, yes, that would be great. I mean, we're all well aware of our housing shortage, which is sad beyond belief where it is like amazing if my friends can buy a house. And it is even more amazing still if they can rent a house. So, it is, we're reducing our inventory for people to stay here, which by the way, when we're selling short-term rentals, when we're advertising it, we're included in your advertising. This, we are what makes all of this beautiful. So, if you're going to take us out of here, what are you really selling, you know? Not us, not you, but you really don't know the definition of aloha.

COUNCILMEMBER MOLINA: Thank you.

MS. U'U-HODGINS: We see it.

CHAIR PALTIN: Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. So, mahalo for your testimony, Ms. U'u-Hodgins.

MS. U'U-HODGINS: Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: So, it sounds like you actually don't support the reduction to 65, it sounds like you actually support something closer to 44 plus 9 pending, which is 53?

MS. U'U-HODGINS: Yeah, I mean, I, in honesty I support none. But I guess if we have to settle for 53, we gotta do what we gotta do. So, I mean, yes, it's a yes.

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COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo.

MS. U'U-HODGINS: Yeah. Anything else? I'm good to go.

CHAIR PALTIN: I just hope you get more used to to public testimony and come out more often and...

MS. U'U-HODGINS: I'm pretty shaky right now. I'm really glad I'm not seeing the majority of the people and just you guys.

CHAIR PALTIN: No, just, you know, keep testifying --

MS. U'U-HODGINS: Thank you.

CHAIR PALTIN: --and encourage more people to testify on any and all objects, issues. Thank you. Next up we have Kutira Decosterd, to be followed by Albert Perez.

MS. DECOSTERD: Good evening. You must be all hungry by now. I want to keep it short. I arrived in Maui in 1985. I live out in Huelo and I bought a piece of jungle with no electricity, no water, nothing. I would have been the first one who got the permit, but I was out of town visiting my parents in Switzerland. So, I've only number three who got a legal B&B permit. I worked hard for it because there was no ordinance and I helped constructing that. And I know it was lots of work. But I wanted to be legal. I do not want to do something which I cannot stand up and I want to do it right. For me, right, it was in my heart that I would like to share with people an experience which is more ecological, sustainable, eco. And I started in 1988 when I bought that land. So, over 30 years I take care of a big piece of land. I'm farming, I have a bamboo farm, I do agroforestry, I have food, and I teach young people. And yes, when my guests come with the legal B&B I teach them how to love the land. But why I'm here is I care for the ocean, and I understand you are in Paia much closer. I'm out in Huelo. When I say I live in Huelo at the cashier, Huelo, how do you get anything out there? Yeah, it's not the little B&B's or whatever. It's tourism is coming so much more than when there's one cashier at Mana Food. These are the people who come to the ocean and to the beaches. And when I hear that eight more hotels permitted or want to come to get permits, more people, more tourism, that's mass tourism. I think we need to look how many more hotels can be built on Maui. Where do we stop there? If stop right to have those, make our hotels expanding, maybe we can keep our beaches a little bit more less tourism. I just was, had my 30 years anniversary with my husband and we went to Venice and I lived in Europe half of my life, I'm over 60 now, but when I was there, we had to almost take a lottery to go over a little bridge. Now, we need to get a lottery to may go up to the Haleakala, maybe a lottery soon to get to the ocean. It's not the little B&B's or I don't care about the STR, I care about how many more tourism do you want to have here? That impacts our oceans. That impacts our life and our life of living here. And I'm here because I love Hawaii, I care about Hawaii, and I would like to see sustainability, sustainability in the agroforestry

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and our sugar land organized with good food. That's my passion. Thank you for listening and I hope you get to eat soon.

CHAIR PALTIN: Thank you. Members, any questions for the testifier? Seeing none, thank you. Mr. Perez is up, testifying on behalf of Maui Tomorrow Foundation. He is a registered lobbyist for the organization and his title is Executive Director.

MR. PEREZ: Well, I feel like I'm so close to you folks. Good evening, and thanks for coming out to Paia. I apologize, I'm going to read a lot of my testimony because I've been thinking about everybody else's testimony, and I just want to share my evolving manao with you. But bottom line is I think that this is your chance to have an impact on our housing shortage and help our local residents to afford homes. You know, if we can get a handle on the short-term rental especially, that is going to be one of the main things that stops the speculation and gives us our neighborhoods back. 'Cause that's what's happened. The original idea with tourism, if you go back, I've just been reviewing a whole folder on Wailea from the '60's, all the way back in the '60's. The original idea was we're going to bring tourism in here to rescue our ailing agricultural economy and we're going to keep the tourists over there and our neighborhoods we can have over here for ourselves. That was before Airbnb. So, and these bills that you're considering do not affect existing legal B&B's or short-term rental homes. So, that should be very clear to everybody. The short-term rental homes in particular have direct impacts on long-term residential housing crisis. The owners can rent the short-term rental homes out for much more money per month than our local residents can afford, and this means that they can afford to pay higher prices for these homes, prices that local residents like me cannot afford. I keep getting priced out by people who come from the mainland and they buy this thing, and the next thing you know, it's an illegal Airbnb, and they're all over the place, as we all know. Allowing short-term rental homes with resident managers is not a solution because it would still increase the value of the property beyond the reach of our local residents. And by the way, saying that a cap on legal short-term rental homes will encourage illegal vacation rentals, that's like saying that we shouldn't enforce against DUI because then people are going to drink and drive. It just doesn't make sense. The solution is better enforcement. So, as far as, to be specific, for Bill 145 we would prefer no short-term rental homes at all. But we already have 44 existing as a result of the community plan not having been followed over the years. So, this is an attempt to reconcile the two, the ordinance with the community plan. So, we would support with the revised language that new B&B homes or short-term rental homes shall not be permitted on properties within the SMA. So, taking the language and making it much more concise. I would support the SMA language, stop speculation that it's driving out the few remaining local residents who live in the SMA, and I think the testifier, a couple before me, had a much better way of saying it. But when you live in a neighborhood and there's a lot of short-term rental homes, you don't know who's going to be there the next week. So, your community is gone, and that is one of the impacts. It's not just about whether they violate or not. And why should the burden be on the residents, the long-term residents to report those people who are in the short-term rental homes violating the rules? It should not. So, and then, as far as the number of visitor facilities, yes, there are eight new hotels proposed, or eight new or expanded

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hotels. And the Maui Island Plan already says to limit visitors to 33 percent of our residential population. We're already at 41 percent. So, that's a good reason to stop any kind of new visitor accommodations. As far as Bill 146, we support that with amendments. Take the 44 existing short-term rental homes, add the 9 that are pending, that's 53 and that's what the number should be capped at. I just want to let you know, I keep attending these Maui Planning Commission meetings, and I'm almost pau by the way, they keep approving the short-term rental homes. And even when they have doubts, they are advised that they have very few options for denial and that if we're concerned about it, that we need to take our concerns about the short-term rental homes to the Council. So, you folks have the ability to stop the Planning Commission from basically automatically approving all these things. So, in addition though, to Paia-Haiku, I would also ask that there be reduced caps on short-term rental homes in all the community plan areas, existing plus whatever's pending. And this will not hurt existing short-term rental homes, and those that are pending have a chance to be approved. After that, we will stop making the problem worse. So, let's finally, let's put tourism back where it was originally intended in our destination resorts and give us our neighborhoods back, lower the price of long-term housing. This is your chance to have an impact on our housing shortage and help our local residents to afford homes. Thank you.

CHAIR PALTIN: Thank you. Members, questions for the testifier?

COUNCILMEMBER SUGIMURA: So, just for clarification, could I?

CHAIR PALTIN: Member Sugimura?

COUNCILMEMBER SUGIMURA: For clarification, for 145 you're saying yes, and for 146 instead of 65, or 88 to 65, you're saying 53 as the cap?

MR. PEREZ: The second one is correct.

COUNCILMEMBER SUGIMURA: I'm sorry, 145 and 146, sorry.

MR. PEREZ: One forty-six we're saying 53 --

COUNCILMEMBER SUGIMURA: 53.

MR. PEREZ: --but for 145 we're saying that the language should be changed to be more certain. Instead of the word "should," it has to have "shall" to have the force and effect of law, shall or shall not. So, my wording that I'd put was, new B&B homes or short-term rental homes shall not be permitted on properties within the SMA.

CHAIR PALTIN: Member Sinenci?

VICE-CHAIR SINENCI: Thank you, Albert, for being here. And then, for clarification you also said no STRH's in community plan areas?

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MR. PEREZ: I was hoping that ordinance could reduce the caps in all of the community plan areas and not just Paia-Haiku. And I don't know if that's --

VICE-CHAIR SINENCI: Yeah, and that was part...

MR. PEREZ: --too much of a change to go back to the Planning Commission or what. But we don't need to just stop the bleeding here. We need to stop the bleeding all over Maui County.

VICE-CHAIR SINENCI: Alright, thank you.

MR. PEREZ: Thank you.

CHAIR PALTIN: And Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: You're in high demand. Mahalo for your testimony, Mr. Perez. So, you mentioned in your testimony that the Maui Planning Commission basically said that their hands are tied and that they're going to continue to approve STR applications because the Council needs to put in stricter enforcement, or stricter guidelines or criteria? Did I paraphrase that correctly?

MR. PEREZ: Well, I didn't say that their hands are tied. But they have certain criteria --

COUNCILMEMBER RAWLINS-FERNANDEZ: It's becoming more difficult.

MR. PEREZ: --that are in the ordinance that you folks have the control over. And it's very hard for them to say no if the short-term rental applicants check all the boxes. Just because they don't want any more short-term rental homes, that's not a reason for them to deny.

COUNCILMEMBER RAWLINS-FERNANDEZ: So, the criteria, there's about what, nine items in the criteria, one of them is that if it's not consistent with the community plan, another is if there's a high density of STRH's --

MR. PEREZ: Right.

COUNCILMEMBER RAWLINS-FERNANDEZ: --another is if it's, if there's a, the cumulative impact on the community. So, and the list goes on, and I think that the Maui Planning Commission actually has a lot of ground because the existing community plan here, that alone, people saying that their neighbors are all STR's, that's higher density of STR's in the neighborhood and these are all like boxes to check to deny applications.

MR. PEREZ: Yeah, I agree with you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Do you agree?

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MR. PEREZ: I agree with you, Councilmember. However, we tried, and the Planning Commission approved the last one because they were told that they really didn't have much to stand on. So...

COUNCILMEMBER RAWLINS-FERNANDEZ: Who were they told by?

MR. PEREZ: Huh?

COUNCILMEMBER RAWLINS-FERNANDEZ: Who were they told by?

MR. PEREZ: The Corp. Counsel. So, I don't remember exactly what was said, but the bottom line is that there were some people who wanted to deny it but they were told that really the solution for denying is here with this Council by making the language more clear or removing the ability to approve short-term rental homes altogether. In particular, the case that I was testifying on, there was one home left in the neighborhood that wasn't a short-term rental home and that was used as justification to approve it, which to me is the opposite of what you just cited.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo.

MR. PEREZ: That was that movie star couple that was in the paper.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo for your clarification and for your testimony.

CHAIR PALTIN: Chair King?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

COUNCILMEMBER KING: Hi, Albert. I just, you just kind of prompted another question. So, you're saying that the Planning Commission was suggesting to you that we remove their ability to approve short-term rentals?

MR. PEREZ: That was...

COUNCILMEMBER KING: Because they think their hands are tied and they have to approve every single one?

MR. PEREZ: That would be what I would characterize as paraphrasing the advice of the Corporation Counsel.

COUNCILMEMBER KING: Okay.

MR. PEREZ: He said, if I recall correctly, he said your solution is not here, it's with the County Council.

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COUNCILMEMBER KING: Okay. Because I've, I, you know, I've been told in the past that complaints from the neighborhood are reason enough to deny a short-term rental. But you're saying that's not the case. That they don't have...

MR. PEREZ: I don't think I addressed the complaints from the neighborhood.

COUNCILMEMBER KING: So...

MR. PEREZ: We're talking about a new short-term rental home.

COUNCILMEMBER KING: Right.

MR. PEREZ: So, you can't have complaints.

COUNCILMEMBER KING: But you have to notify everybody within 500 feet so they can come out and...

MR. PEREZ: Oh, objections from...

COUNCILMEMBER KING: Right.

MR. PEREZ: Yeah, well, that's true.

COUNCILMEMBER KING: Okay. So, they didn't...

MR. PEREZ: But if it's all short-term rental homes in the neighborhood and they're the only ones who are the resident, they weren't getting any complaints from the other short-term rental operators.

COUNCILMEMBER KING: Okay. And then, the other thing I wanted to ask you is to address, and I don't, I know you've been back and forth. So, I don't know if you were around back when that ordinance was passed back in 2012.

MR. PEREZ: I was not here.

COUNCILMEMBER KING: Okay. Do you know if Maui Tomorrow took a position because of the fact that it was a, in direct opposition to the community plan? Was Maui Tomorrow involved in testifying on that ordinance?

MR. PEREZ: I don't know the answer to that. But I'll be happy to check.

COUNCILMEMBER KING: Okay. I would just be kind of curious because, and what they had to say about the idea of a manager somewhere on the island being just as good as an owner-operator. I just, you know, we keep going back to that because that's where the problem was caused. And we can't undo it now unfortunately, and none of us here were there when that happened. But going forward, I mean, there's still a debate about whether or not to use, you know, how much credence we give the community

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plan because even in your testimony about lowering the caps for all the communities, to me, that should be done by each community and when they review their community plan, and West Maui's coming up next so they may have something to say about that. But either way, I wouldn't want to blanketly go in and do something that the community didn't want to do. But I do believe that, you know, the community plans should be looked at first when we're making ordinances. That didn't happen. So, here we are trying to rectify that --

MR. PEREZ: Right.

COUNCILMEMBER KING: --in some way. But I've been told by people in the Planning Department that there actually is information when we were, when they were making that ordinance there was a directive in our County Code that says the community plan must be consulted when making those types of ordinances. So, I mean, what is your thought on that?

MR. PEREZ: Well, I think that's always been the case. But one of the things, if you look at the exiting language, I believe that it uses the word "should" instead of "shall." And so, that is...

COUNCILMEMBER KING: You mean in the consulting the community plan?

MR. PEREZ: Yeah.

COUNCILMEMBER KING: Okay.

MR. PEREZ: So, that is...

COUNCILMEMBER KING: I'll go back and look at that.

MR. PEREZ: Should is not enforceable.

COUNCILMEMBER KING: Okay.

MR. PEREZ: That's my understanding.

COUNCILMEMBER KING: Okay.

MR. PEREZ: It's like will versus may, should versus shall, or my suggestion is shall not, that's enforceable. But I'll go back and check our records on the 2012 ordinance.

COUNCILMEMBER KING: Okay. Thank you.

MR. PEREZ: Okay. Thank you.

CHAIR PALTIN: Any further questions? Seeing none, thank you for your testimony. And that concludes our last testifier signed up to testify tonight. At this time, I'd like to

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ask if there's anyone in the audience at this time that would like to provide additional testimony please come up and give it at this time or I guess forever hold your peace. Seeing none...I meant people that haven't testified before, sorry. And then, once you conclude your testimony if you can just fill out the form, that'd be awesome. James, can you help him adjust?

MR. KAHAKAUWILA: Aloha. My name Kimo Kahakauwila. I'm from Paia. I went Paia School, everything and I just wanted for say mahalo to all the kupunas supporting us on like yeah, affording homes and stuff like that. I believe that because these short-term rentals making everything too expensive for us. I mean, I work hard every day. I still cannot afford nothing. I think because the rich people boosting up the prices on everything. And that's about it. I just wanted for say that and most of all thank you to my aunty over there and all the local supporters. Aloha.

CHAIR PALTIN: Mahalo. Members, any questions? Seeing none, is there anyone else that would wish to provide testimony at this time?

MS. TORO: . . .*(inaudible)*. . .

CHAIR PALTIN: Okay.

MS. TORO: . . .*(inaudible)*. . .

CHAIR PALTIN: Just come because we never read 'em because it just got sent in while we were listening to everybody else. I sorry. Thank you. We just want the manao.

MS. TORO: Oh, I just pau hana and I'm tired. Okay. Where can I start? My name is Val. My name is Valerie Toro. I lived Paia all my life and coming home, leaving Paia, I'm sorry, excuse my language, it sucks. I look around, I no see nobody that I know, no one whatsoever. And if I do see somebody, it's always in passing 'cause we gotta go work. I no see none of my ohana or friends buying anything from the stores because there's no mom-and-pop stores anymore. There's no place for go and do your laundry even in Paia. You like call this one community, but it's just one tourist trap is what it has been turned into. Allowing a lot of short-term rentals and B&B's, get couple B&B's in here and they're cool, you know, the owners, they nice, they keep us updated. They make sure everything's all cool. But the ones that aren't, it sucks coming in, like who is this person, who is this person, oh my gosh, who are these people? It's groups of people that come in and stay in one house. You know, they get couple vans and stay in one house. And like Nohe said, we lose, our community is lost, basically. That's why no more nobody out here. They all think we going go and talk, for what? Nobody going listen to us. Us, meaning the locals, the people who have been here for generations, not just the Hawaiians. Of course, the Hawaiians, but the people who have been here for generations. It's just wrong. We cannot rent. How much of my nieces, cousins, friends, family, looking for places for rent, cannot? Why? Because cost too much for pay \$300 per night for stay for just one night because it's a short-term rental, you know. Three hundred dollars one night for one room, you know, it doesn't make sense to me. And like Brian said, \$1,200 for one room, that's

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per month. That is outrageous. I get plenty friends who live like that in Paia. How the heck they even make it, I have no idea. And this is just in Paia, it's not even Haiku. You know, whatever the amount you can stop it at, just stop it at that amount. Enough already, you know. Look at what's going on. Our generations now is stepping up. The locals want to be heard, not just the Hawaiians, the locals want to be heard too. You know, we're sick of not being heard. I gotta stop because...I love this place. I love Maui and I'm glad for all of you, you know, stepping up and doing what you guys can do as much as you guys can for us. Tourist going come in no matter what. Let's, if the tourist going come in, let's take care of our tourists, sure. Not let them be oh, you like be one Hawaiian, okay, come stay in this block, you'll be Hawaiian 'cause you're there. No use that against us. They like learn how for make leis, they like learn how for dance hula, right on. We can do that all at the hotels. We can do that at Tropical Plantation and Maui Nui Botanical Gardens. Have them gather there, not where we enjoy. I cannot even go Hookipa and find one parking. I haven't been to Hookipa in months. That's my backyard. I no go 'cause I no can find parking, you know. And whatever you guys deciding for do across the street on the top, make one tunnel or underneath, oh my gosh, you know. And the guy who bought that 300, whatever, acres just out of Paia just across from Baldwin, he better go and cut his stuff down because going have one big fire and then what, you know. I thank God he never build nothing yet. But when that happens, that's going to be scary. And I sorry you guys, I get so much I want to say, and I thank you for everybody who came up before. And to all you who do own and operate Airbnb's and short-term rentals, if that's how you got to make it, eh, right on. Us, we gotta go work. I work 14-hour days. I am pooped. I work 14-hour days just so that I can help my mother pay her rent. Thank you.

CHAIR PALTIN: Thank you. Members, questions for the testifier? Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Mahalo, Ms. Toro, for your testimony. So, you mentioned that you sometimes see two vans worth of people staying...

MS. TORO: Oh yeah, loads, you know, when families come over, they all like be together and stuff. I have nothing, listen seriously, are you Airbnb? Short-term rentals, I've used it on the mainland. I've used it here, you know. We gotta go Hana, we go rent one house, you know. It's automatic, you know, that's understandable. But it's just, it's too much. Maui is too much. I cannot drive home, to work even Upcountry when I go work Upcountry without one load of cars coming down towards me. Before you could drive, get five, couple cars going, five, six cars, then you get one long space. Now it's nonstop. When is it going to stop? The trail going all the way to Hana and coming back in, it is endless, it is endless. We like cater to our tourists, lets cater to them the right way. Let's think of that process.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Well, the reason I asked...

MS. TORO: Oh, I'm sorry.

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COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Because there's actually a cap on the number of guests that can stay at STR's and it is two guests per number of bedrooms --

MS. TORO: That's good for know.

COUNCILMEMBER RAWLINS-FERNANDEZ: --at STR's. So, if you see that STR's...

MS. TORO: Oh, I'll definitely call in here, I always call in. No, we always call in. We used to have one guy, one freak that lived down the street. He was, no, I'm seriously, guys, we had one freak living down the street. He was videotaping our babies that they're playing next door in one daycare, videotaping them. Videotaping the parents, the moms dropping 'em off and picking 'em up and they making like we was psychos on him. I live on the opposite side of his, of where he is. He came to my house; he was stalking my house. He called cops on me, stalking my house like...dude, how you even know, I don't even know who you are. I have it on video.

COUNCILMEMBER RAWLINS-FERNANDEZ: I think that's illegal.

MS. TORO: I have no idea who you are. From there, my mom's home alone a lot, if anybody was to ever come inside my mother's house and do anything to her, oh my gosh, I would go straight for look for that guy. He was in that house for only 30 days. We got in touch with the owner, we got him kicked out.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, okay.

MS. TORO: You know. And County did help. They made sure that, you know, the owner did what he had to do and came to da kine. But the owner I believe also got fined because it was illegal what he was doing. So, that is a good thing. I no scared say nothing.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

MS. TORO: I going say something.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. I just wanted to...

MS. TORO: You know, get plenty other people in the block too. They like say something but it falls on deaf ears.

COUNCILMEMBER RAWLINS-FERNANDEZ: So, basically what happens if you call to, and file complaints against STR's that consistently violate the rules, that when it comes time for...

MS. TORO: So, we gotta always call, always call, always call in the middle of my 14-hour day that I stay working I gotta wonder, okay, what is these people doing across the street? How is that fair to us? Like he said, how is that fair to us?

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COUNCILMEMBER RAWLINS-FERNANDEZ: It's not. But that is what's in place.

MS. TORO: Yeah, that's what gotta do and believe me, I'm not afraid to call in.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

MS. TORO: My sister's not, my ohana, we're not afraid to call in, you know. I thank God for --

COUNCILMEMBER RAWLINS-FERNANDEZ: And then that way you can protect your --

MS. TORO: --neighbors that we still have inside here because we watch upon each other. As soon as we hear somebody rippin' off, toot, toot, toot, toot, toot, toot, toot --

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

MS. TORO: --Facebook message everybody, eh, watch out for peoples, you know. You see somebody and we go out, I see, I, me I feel bad for the tourist that come inside here cause I literally, hui, who you? Where you live? What you doing here? And they just look at me like who you exactly, you know?

COUNCILMEMBER RAWLINS-FERNANDEZ: So, basically like one testifier said, it's a privilege to have that permit. And if they're not being responsible with that permit, then perhaps they shouldn't have that permit.

MS. TORO: They shouldn't have that permit.

COUNCILMEMBER RAWLINS-FERNANDEZ: So, and it can be revoked if they're violating the rules.

MS. TORO: It needs to be legal, legal, legal. Everybody legal. But whatever that cap is on the short-term rental that the owner is not on that aina, cut that cap right there. Whatever it's supposed to be, obviously we no can go backwards, so we go forward. So, from forward on, that is it, 53, whatever it is. Let them be happy, you got it. Pau, no can after that. You know, that 88 whatever, 80, whatever the cap is for that, enough already. This is not, oh my gosh, this is not Disneyland.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

MS. TORO: We cannot accumulate and have those millions of people in one little area. That's what's happening here, you know, you go Disneyland, you get all, yeah, you stay all stoked, happiest place on earth. But so much people, oh my gosh. And that's just walking.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo. Mahalo for answering my question.

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MS. TORO: Thank you, sorry.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

MS. TORO: I just tired, sorry.

CHAIR PALTIN: And then I just wanted to clarify you for, you probably are for the SMA, keeping it out of the SMA, is that correct?

MS. TORO: Yes.

CHAIR PALTIN: Okay. Just clarifying. Thank you. Thank you for coming and...

MS. TORO: Thanks, you guys, drive safely.

CHAIR PALTIN: And so, any other further people wanted to testify that weren't signed up? Anyone at all? Okay. I'm seeing none so I'm going to close public testimony.

COUNCILMEMBERS: No objections.

CHAIR PALTIN: Okay. Oh, any objection to one last one?

COUNCILMEMBERS: No objections.

CHAIR PALTIN: Okay. Alright, come up.

MS. SHEWMAKER: Hello, Council. I'm very nervous so forgive the shaking and red face. I...oh thank you, I will make this very short so we can get out of here. I hear arguments on all sides, and I agree about the...

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair, can she identify herself?

MS. SHEWMAKER: Oh, I'm so sorry. I'm Sarah Shewmaker.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo.

MS. SHEWMAKER: But quite briefly, I teach at Makawao School and once I worked two jobs for quite a while, my husband and I were very fortunate enough to buy a very scary property at the time when the housing market dropped. We put a lot of blood, sweat, and tears into the property and it's decent at this point. We have currently started the process of applying for a B&B permit because I would like to stay in my position as a public-school teacher. I have been teaching for, this is my 11th year and I cannot work two jobs because we have a small child. And this would afford us the opportunity to keep the positions that we have. I don't have to sell my house and move to the mainland. This will help me secure a future for my family and allow me to continue my job teaching at Makawao School, rather than seeking other employment

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opportunities. So, my point is I think that the, there is an issue for sure. I 100 percent agree with that. As long as a lot of these illegal B&B's and short-term rentals are in operation, I think that that is the first thing that needs to be addressed before we start penalizing people who are permitted or attempting to do it legally. I realize you aren't penalizing people that are already permitted. But especially considering we don't know the numbers of the illegal units. But they, from what it sounds like it's probably fairly vast in comparison to the number of permits that are available. That's all I was going to say.

CHAIR PALTIN: I had a question.

MS. SHEWMAKER: Please.

CHAIR PALTIN: Is your home in the shoreline area?

MS. SHEWMAKER: No, ma'am.

CHAIR PALTIN: In the SMA zone?

MS. SHEWMAKER: Pardon me?

CHAIR PALTIN: Is it in the SMA zone?

MS. SHEWMAKER: I do not think so, no. I am up Ulumalu, mauka side.

CHAIR PALTIN: Oh, okay. So, I think it's, this isn't going to affect you because we're talking about STR's.

MS. SHEWMAKER: I agree.

CHAIR PALTIN: Oh, okay.

MS. SHEWMAKER: I understand. It was just, there are, there may be people in a similar position as myself that are seeking permits for similar reasons. I don't know if that's the case. But ultimately, regardless of what their reasons are, as long as the illegal operations are in place, I think that's where we should begin, and then taper down if that makes sense.

CHAIR PALTIN: Okay. Got it, thank you. Any questions? Chair King has a question.

COUNCILMEMBER KING: Thanks for being here. I have a couple questions. So, one, is your application in the queue already? Are you one of the pending applications?

MS. SHEWMAKER: Not yet, no.

COUNCILMEMBER KING: Okay. So, because I don't think we're taking any new applications.

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MS. SHEWMAKER: It is a B&B; I don't know if that makes a difference.

COUNCILMEMBER KING: Oh, it's a B&B. Okay. Okay. So, my other question is, could you be helped by doing a long-term rental? Because then you have, you don't need a permit, you have the security of knowing who that person is long-term, you're helping a local resident.

MS. SHEWMAKER: It's something that we have considered. The catch with that also is we have big families and if I did long-term rental it makes it more difficult for, so, I have currently we have people visit one at a time. So, my family is, I'm originally from California. And so, it, long-term rental was something we discussed. That was the original plan. What changed was the fact that we do have a lot of people that come and stay with us and we live in a very small house ourselves. And so, this would afford us the opportunity to make extra income while at the same time being able to have family come stay with us. That was the ultimate goal.

COUNCILMEMBER KING: Okay. Thank you.

CHAIR PALTIN: Member Sugimura?

COUNCILMEMBER SUGIMURA: Thank you. I just want to say thank you for being a teacher.

MS. SHEWMAKER: Oh, no problem.

COUNCILMEMBER SUGIMURA: Yeah, we need good teachers.

MS. SHEWMAKER: I love it, it's good.

COUNCILMEMBER SUGIMURA: And I love your school.

MS. SHEWMAKER: Me too.

COUNCILMEMBER SUGIMURA: But what I want to say is just from hearing, and you're like the last testifier at this point --

MS. SHEWMAKER: Sorry.

COUNCILMEMBER SUGIMURA: --I just, is there somebody else? But I just want to say that I hear the frustration of some of the community. And I just want to put out there, I could use you to kind of say this, is that I hope when people see illegal short-term vacation rentals and/or B&B, and too bad sister Val already left, oh there you are, but I hope that people report them. Part of the problem we have is that we have an enforcement problem. So, the County last year we hired an outside contractor to go look for illegal short-term rentals, this is our second year that we're doing it. And it's hard, you know, and they're pretty good at being hidden. But I hope that the

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community, and I know it's kind of like, I hate to say this, but kind of like not local style to say something about your neighbor. But sister Val's story about what her mom has to go through, that's pretty scary. And, you know, not that they're all like that, but just to be illegal and infringing upon your neighbors and the parking, there's a lot of things that people call us about and we need people to step up and report it, yeah, to help all of us. If you talk about community, that's all part of being the community. So, sorry I'm taking your time to --

MS. SHEWMAKER: No, no.

COUNCILMEMBER SUGIMURA: --express this. But thank you for what you're doing and your profession.

MS. SHEWMAKER: No problem, thanks.

. . .END OF PUBLIC TESTIMONY. . .

CHAIR PALTIN: Okay. So last testifier. Public testimony is closed and we're gonna take a recess...oh.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR PALTIN: Okay, so a 15-minutes recess with no objections.

COUNCIL MEMBERS: No objections.

CHAIR PALTIN: . . .*(gavel)*. . .

RECESS: 8:55 p.m.

RECONVENE: 9:15 p.m.

CHAIR PALTIN: . . .*(gavel)*. . . Okay, will the Planning and Sustainable Land Use Committee meeting of August 7th reconvene at about 9:15.

**PSLU-24: SHORT-TERM RENTAL HOMES IN THE PA'IA-HA'IKU
COMMUNITY PLAN AREA** (Bill 145 (2018) and Bill 146 (2018))

CHAIR PALTIN: So, public testimony is closed, and I believe Member Molina, as this is his district, I would like to give him the first opportunity to ask questions of our administrative...Administration.

COUNCILMEMBER MOLINA: Okay. Thank you very much, Madam Chair. I guess my first question, set of questions, will be directed to Director McLean. And thank you for the history of these bills that you provided to us earlier. Now, if I may ask first, were these

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bills, I wasn't on the Council last term, but were these bills driven by the past Administration, the former Mayor, or were these driven by a Member or Members of the County Council?

MS. McLEAN: They were initiated by the Planning Department because we needed to address the conflict.

COUNCILMEMBER MOLINA: Okay.

MS. McLEAN: So, the Planning Department initiated them, and conducted the community meetings and then put the bills together.

COUNCILMEMBER MOLINA: And by that, you mean the community plan conflict and was it also because of the proliferation of the illegal vacation rentals as well, too?

MS. McLEAN: I don't believe that played a role. It was more the conflict between the community plan language and the STRH ordinance language.

COUNCILMEMBER MOLINA: Okay. And speaking of illegal rentals, do you have a guesstimate of how much illegal operators we have along the North Shore, just in Paia and Haiku alone, and are you able to provide, and do you have enough resources or personnel to go out and enforce 'cause we've been hearing that through testimony that we should address that issue first before anything else? Any comments to that?

MS. McLEAN: I could spend a very long time, and I'm sure there would be a lot more testimony about just enforcement. Of course, more staff help would help, more money for this contractor to help. What it comes down to is that the County doesn't have the authority to do the degree of regulation we would like to be able to do that other municipalities on the mainland are doing. We need the State Legislature to give the counties authority to regulate the hosting platforms. We don't have that authority now. We also need, even though there was testimony that most of the illegals aren't paying their State taxes, there are still many that do, and we need State tax to give us information of the location of these operations so we can enforce them. We've asked the State Legislature to require that as well. We made a lot of headway in the last legislative session. I think we have a very good chance of getting there this upcoming session. So, those are important tools that we don't have.

COUNCILMEMBER MOLINA: Okay.

MS. McLEAN: The tools that we do have, we're doing the best we can with them. It comes down to, I mean, all this has proliferated because of online advertising. And that didn't exist, you know, X number of years ago.

COUNCILMEMBER MOLINA: Okay. Okay. Well, my hope is to...

MS. McLEAN: They're very crafty with how they advertise. It's very difficult for us to enforce. So, without going into detail on that. Countywide, we estimate that there are many

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hundreds but not thousands of illegals. That's a, and I don't have that broken down by region.

COUNCILMEMBER MOLINA: Okay. Yeah, well, we hope to get some information and hopefully we can, if you need more tools from the County Council in the future, we'll certainly, I'll just say that I'm open to that. Bill number 145, if this bill is not passed by the Committee, will this have an effect on people who already have permitted ST, short-term rentals? And could those permits be revoked if Bill 145 is not passed and I guess is not consistent with the community plan?

MS. McLEAN: The Department's position has been existing permitted operations that were given permits despite the community plan language can continue to operate --

COUNCILMEMBER MOLINA: So, they're grandfathered?

MS. McLEAN: --and they can be renewed.

COUNCILMEMBER MOLINA: Okay. Good, yeah.

MS. McLEAN: I wouldn't say they're grandfathered. But we honor the terms under which they were approved. And we will continue to do that.

COUNCILMEMBER MOLINA: Okay. And even those people who are, I guess the nine potential applicants will, who are awaiting their permit approvals, they would be honored as well? I mean, if this bill...no? Okay. They're out?

MS. McLEAN: No, they would not.

COUNCILMEMBER MOLINA: Okay. Alright, oh boy, again, the rationale for restricting short-term rentals and bed and breakfasts' in the shoreline areas, what was the rationale why? Because we've heard from testifiers it sounds maybe punitive on the part of the Department. Can you tell us why you're trying to restrict new B&B's and new STR's in the shoreline areas?

MS. McLEAN: We haven't changed any policies relating to B&B's.

COUNCILMEMBER MOLINA: Okay.

MS. McLEAN: Except for new B&B's that are on the shoreline, we just take an extra look at those to see how they might impact because that honors the community plan. In terms of STRH's, the existing community plan language does not allow for them. So, unless that is changed, we, in my opinion as Director, will not issue any new STRH's in Paia-Haiku because of the existing community plan language unless that language is changed.

COUNCILMEMBER MOLINA: Okay. And I guess I have a couple questions for Corporation Counsel. You heard Mr. Perez mention about the language being used. Bill 145 says

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that no new B&B's and STR's should be permitted on properties that abut the shoreline. And then, Bill 146 says that new permits shall not be issued for properties within the SMA. Can you comment on the language between shall and should? I mean, should we just go with one word, should or shall? Please help me understand that.

MR. HOPPER: I think should is from the existing community plan. If you want to say shall, you can in those cases. Again, one says SMA, and one says abutting the shoreline. The old community plan, well the current community plan, sorry it's not old yet, you haven't passed anything, but the current community plan says near the shoreline, which I think was changed to abutting the shoreline for clarity because near the shoreline could be a bit difficult to interpret. So, again, if you want to use shall, you can certainly do that.

COUNCILMEMBER MOLINA: Okay. And my last question for now, Madam Chair, for Director McLean, how many long-term rentals, do you have an estimate, do we have along the coast, people that are doing long-term rentals? Do you have any data on that you can share?

MS. McLEAN: No, we don't have data on that.

COUNCILMEMBER MOLINA: Okay. Alright, thank you, Madam Chair. I'll turn matters over to the rest of my colleagues.

CHAIR PALTIN: Thank you, Member Molina. Member...Chair King, did you have some questions as well?

COUNCILMEMBER KING: Mostly comments, Chair, because I've been looking at this for a long time and I think one of the things that was left out of the timeline was how this, when we were talking about how we got to where we are today with this bill is that this sat in the Land Use Committee in the previous term for many, many, many months. And then, there was a time when the Chair of that Committee was ill, and then when he came back, he realized he wasn't going to have time to get all these done. So, he called me up as the Chair of the Planning Committee and asked me if I would take over this and a couple of other issues. So, it was kind of towards the end of the year when we got to this, and that's why it got hung up. But it did make it to the extra last meeting that the previous Chair called, which was two days after Christmas. Only five Members were there, one of them voted against it, and the only remedy to not let these bills die was to send them back to Committee. So, that's why they ended up in Committee after being, going through the first reading of Council. But I wanted to address what Member Molina brought up as far as whether or not we could regulate the platforms. And I know Ms. McLean is under the impression that we cannot. And we sat in a meeting with the Finance Department, talked about this, we were advised by Corp. Counsel that it would be easier if we went through the State Legislature and asked for permission to be able to regulate these booking platforms. That died because, and I was told by two of the legislators, you don't need our permission, you can do it. And I was also told by numerous lawyers in the community, and the

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REALTORS® Association of Maui that we do have the authority to regulate these platforms. So, I'm back to the drawing board writing this legislation which I'll be bringing forward to you, and we'll see. But this is a direct reaction to these letters that have been going out from VRBO and maybe others to people who, in the community who are renting out their places at, long-term to residents and are getting besieged by letters saying hey, why are you doing that? Why don't you make a lot more money by, you know, kicking those people out and renting it to short-term to tourists? I mean, I find that extremely offensive. And people that I know that have gotten multiple letters like that, that are actually landlords find it offensive too. So, the other thing that we're working on through the tax reform TIG is doing a, working on tax breaks for, or tax credit for landlords who rent out long-term to local residents at our affordable rate because we want to have the carrot on top of the stick. But I just wanted to make those points, and I also wanted to make the point that in case people don't know where that number 65 came from, at that time that we passed this out of Committee, there were 48 legal permits in Paia-Haiku, there were 12 more that were in the queue. So, that made 60. So, my proposal was to drop it to 60. The Chair added the, the Chair at the time of the Council added five more, thinking that if we had five extra permits out there, that that would entice some of the illegal operations to get permitted. It did not. Apparently, they're going to do illegal because it's easier for them, they're getting out of whatever they're getting out of. So, if we were to use that same formula, we have 44 permits in this area. We have 9 more in the queue, that would be 53. If we wanted to add another five on just to see if anybody else, anybody illegal wants to go legal, that would bring us up to 58 under that same formula. So, just to let other Councilmembers know that those are numbers we might want to be looking at. I don't know that having those extra numbers in there is going to bring any more of the folks that are doing this illegally into compliance because it didn't work the first time, I mean, we didn't pass the bill. So, maybe we don't know. But right now, the number's 88 and it hasn't brought any, you know, having that number capped higher has not brought anybody into compliance. In fact, we've lost four permits and some people who were actually in the queue. So, my only question to the Department is, is if we pass this bill, and I know you're waiting until it gets out of Council, how soon can we get the additional nine permits approved that are in the queue? Or is, I mean, are those all basically approved, and can we get those like finished up so that these people don't have to be hanging out there?

MS. McLEAN: I don't know the details on each of those applications. But some that have been around for quite a while I would imagine are on the cusp of being approved. So, if the language can be changed to allow short-term rentals in Paia-Haiku, then we would get on those right away.

COUNCILMEMBER KING: Okay. So, you'd be able to schedule their interviews that got, I guess got de-scheduled when we started taking this issue up?

MS. McLEAN: As far as I know. I assume that these applications are complete and that they, everything on the property's lawful, that there aren't any outstanding issues, they're just waiting for approval, or waiting for a hearing. But I don't know the status of each one.

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COUNCILMEMBER KING: Okay.

MS. McLEAN: So, I can't say that for sure. But the ones that are ready to go will go ahead and get on.

COUNCILMEMBER KING: Okay. Is there another department, what department approves those, or what Division under you?

MS. McLEAN: Our Current Planning Division processes them. Some of them may have met triggers. The one gentleman testified and said his public hearing was ready, or the one woman who testified that her public hearing was ready to go. So, she hit one of the triggers. Some of them might require State special permits if they're in the Ag District. So, we'd...

COUNCILMEMBER KING: Okay. But I, no, my question is there a specific Division under your directorship that handles just these types of applications?

MS. McLEAN: Yes, the Current Division.

COUNCILMEMBER KING: The what division?

MS. McLEAN: Current.

COUNCILMEMBER KING: Current?

MS. McLEAN: Current, c-u-r-r-e-n-t, Current Planning Division.

COUNCILMEMBER KING: Planning Division.

MS. McLEAN: Yeah.

COUNCILMEMBER KING: So, you have a Planning Department and underneath that you have a Planning Division?

MS. McLEAN: Current Planning.

CHAIR PALTIN: Current versus Long-Range.

COUNCILMEMBER KING: Oh, oh, okay, versus long-range. Okay. I didn't realize you had that division named that. Okay. So, we know that we've had these, how long have we had these nine permits in the queue? Do you know?

MS. McLEAN: There's one from 2016, there are three from 2018, and the rest are from 2019.

COUNCILMEMBER KING: Okay. Okay. But we haven't taken any new applications since, for the short-term rental homes, since we started dealing with this issue?

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MS. McLEAN: We will accept them, and we tell applicants that we can take your application but we're not going to be able to finalize it until this issue gets resolved. So, some people have chosen to submit their applications, others have chosen to not submit and to wait to see.

COUNCILMEMBER KING: Okay. So, you have been, since last term, you have been taking new applications and letting people pay those fees?

MS. McLEAN: And yes, we've told them the terms under which this, the, how we would be handling them, that we wouldn't be able to do any sort of final approval until this issue was resolved.

COUNCILMEMBER KING: Okay. Alright, thank you.

CHAIR PALTIN: So, just to follow-up, the way that I understood it, of the five that were there, the person that voted against it, her reason cited was she wanted the issue heard in Paia and voted on Paia. So, voted on, in Paia. So, that's the reason we're all here tonight because I wanted to honor that. Member Rawlins-Fernandez, did you have some questions that you wanted to ask?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Okay. So, Director McLean, just a follow-up on Chair King's question. So, I just wanted to clarify. So, you're still accepting applications today, tomorrow...

MS. McLEAN: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Okay.

MS. McLEAN: If a new application comes in, we say we can take your application and start processing it but we won't be able to, if it's approvable, we won't be able to approve it. I should make a further clarification of my previous statement. Ones that were submitted in early 2018 before, and even the one in 2016, before our putting these on hold started, there could, there were some that would have submitted with the expectation that they could've been approved, and then when we got to the point where we started putting them on hold, they were caught mid-stream. Once...since that time have been told when they come in that we can either take it or you can hold on to it and see how this changes. So, there may have been some of the earlier ones that weren't told that when they applied.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. What was the date that you stopped process, oh not processing, but...

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

COUNCILMEMBER RAWLINS-FERNANDEZ: No, no, she's still receiving.

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MS. McLEAN: It was around July 1, 2018 when I became Director.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, okay. Mahalo. Okay. And do you know how many STR's and B&B's are in the SMA area in the Haiku-Paia District, community plan district?

MS. McLEAN: Existing I don't know. I can say with the nine that are in the pipeline, three of the nine are in the SMA. But existing ones I don't know.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. But the three wouldn't be affected by this if it was passed anyway. How many STR and B&B's about the shoreline, do you know?

MS. McLEAN: We provided that to the Committee previously. I don't know that we have that for B&B's. I think for B&B's actually it was only one. For STRH's there are, it looks like eight. Yeah, there are currently eight permitted that about the shoreline.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo. So, one of the requirements in order to get the STR permit is to provide notice to those that live in a 500-foot radius of the property. What happens if the properties in the 500-foot radius are all STR's?

MS. McLEAN: Then, that would trigger the application go to the Maui Planning Commission for review.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo.

MS. McLEAN: In fact, if there's only one within 500 feet, it has to go to the Planning Commission.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. And then, in light of one of the cases that's occurring Upcountry, to prevent hostels and hotels from being developed in this area, do you feel that there should be explicit language prohibiting hotels and hostels in the area? One example is the Lumeria Upcountry, yeah, in light of that one.

MS. McLEAN: That's a, that particular property is a challenging situation under how it got to where it is today. But certainly, if there's language in community plans prohibiting those uses, then that would certainly be one way to do it.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, adding language to prohibit hostels and hotels would help our Department to ensure that the community plan and the community's desires and wishes are protected?

MS. McLEAN: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Awesome. Thank you. Okay. And my last question is regarding enforcement. Do you, how would you propose the Council

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help the Planning Department with enforcement against illegal, unpermitted, vacation rentals?

MS. McLEAN: Right now, I think our efforts are best focused on the changes we believe need to be made at the State Legislature. Yes, more staff would help. But the biggest challenge to us is finding the evidence that we need to be able to issue notices of warning, or notices of violation. And that's predominantly online ads. And we have the contractor who's helping us with that and that's proving to be reasonably successful. There are limitations to that though, and those are the things that I mentioned that having authority and assistance from the Legislature and State Tax could help us. And I do agree with Chair King that there are some legislators that believe we already have authority. But what we've been advised is that it's shaky and we would be in a much stronger legal position if we had explicit authority. So, that's why we're still pursuing that with the Legislature.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Sorry, this is the last question. Would it be helpful if, or I don't even know if we have the authority to require STR's and B&B's to put their license number on their ads?

MS. McLEAN: That's already a requirement in the B&B and STRH laws. That is already a requirement.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, as the requirement, that's where our Department is unsure of whether we have the authority to enforce on those, on that law?

MS. McLEAN: No, the municipalities on the mainland who have been successful so far at fending off Federal court challenges by Airbnb and VRBO and hosting platforms have the authority to regulate those hosting platforms as a business practice. And so, it's not going after the operator, it's going after the hosting platform that says if you advertise in Maui County, if you advertise for a property in Maui County, you have to have the permit number and the operation needs to be lawful. That's a business regulation and whether or not the County has the authority to regulate that business practice is not as clear as it could be. And so, that's what we're hoping to do because then we can go after the hosting platforms and they're really the ones that enable this to proliferate 'cause it's hard for us to find the property itself and to identify the owner. But if we see an ad and it doesn't have a permit number on it, we can go after Airbnb and say what you're doing is illegal under Maui County business law.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo. Mahalo, Chair.

CHAIR PALTIN: Thank you. Member Sinenci had some questions.

VICE-CHAIR SINENCI: Thank you, Chair. And again, mahalo for having this meeting here in Paia. I'm listening to everybody and I really appreciate the testimonials tonight. There's been a lot of people that have been in this, following this case longer than I have. So, I really appreciate everybody's words and testimony. I just had a couple

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basic questions for the...Director McLean. So, for the SMA district, for the Paia and Haiku, where are the boundaries again?

MS. McLEAN: In Paia Town it does come up above Hana Highway, and out until...I actually printed up some maps. I gave 'em to Staff if you wanted to pass them around. But in Paia it comes up above, it includes all of Paia Bayview, then it comes way up around Maliko, and then after Maliko it follows the highway. So, from Maliko on it's the highway and below.

VICE-CHAIR SINENCI: And then, one testifier said it went as far as Huelo, the boundary?

MS. McLEAN: Well, the SMA boundary is around the entire island. And if you're on the makai side of Hana Highway in Huelo then yes, that would be in the SMA. So, you can see, you know, on the map there are some areas where the SMA is quite a distance from the shoreline, other areas it's pretty close.

VICE-CHAIR SINENCI: Okay. And then, so, the SMA line in some areas doesn't really follow the Hana Highway?

MS. McLEAN: That's correct, it comes up above it.

VICE-CHAIR SINENCI: It comes above the highway?

MS. McLEAN: Yeah.

VICE-CHAIR SINENCI: And as far as moving that, is there a process to change the SMA line, is there with the County?

MS. McLEAN: Yes, that would be, that would have to get approved by the Maui Planning Commission and go through the State Office of Planning.

VICE-CHAIR SINENCI: Okay. Thank you. And then, you know, in the short-term rental bill, Chapter 19.65, it says districts in which permitted. So, short-term rental homes are permitted pursuant to the provisions established in each zoning district and as provided in this chapter. So, any district can have a short-term vacation rental?

MS. McLEAN: It's the --

VICE-CHAIR SINENCI: Or zoning district?

MS. McLEAN: --Residential districts, the Apartment districts for single-family homes only, and the Agricultural District.

VICE-CHAIR SINENCI: Including residential subdivisions?

MS. McLEAN: Right.

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VICE-CHAIR SINENCI: They're allowed? Now, if those subdivisions had a 201H, we could put actual some, you know, like caveats on the regulations to not include STRH's?

MS. McLEAN: For new 201H's, yeah.

VICE-CHAIR SINENCI: We can, we can actually apply those in the language?

MS. McLEAN: Yes.

VICE-CHAIR SINENCI: Okay.

MS. McLEAN: Actually, Councilmember Sinenci, I think the short-term rental home ordinance has a prohibition on short-term rental homes in 201H or affordable projects.

VICE-CHAIR SINENCI: Oh, okay. Alright.

MS. McLEAN: Yeah.

VICE-CHAIR SINENCI: Thank you. 'Cause some of the Members had, well, the testifier said that in some of their residential areas they have upwards of four or five in the residential subdivision. And I don't know if some of 'em may have mentioned about parking. I know parking you need to have at least one dedicated parking on site.

MS. McLEAN: The law requires one per bedroom --

VICE-CHAIR SINENCI: One per bed--

MS. McLEAN: --one parking space on-site per bedroom.

VICE-CHAIR SINENCI: --on-site and not on the street?

MS. McLEAN: Correct.

VICE-CHAIR SINENCI: Okay. Thank you. And then, for B&B's, just a general question. Would that be the same number as STRH's?

MS. McLEAN: I believe it's one per bedroom, plus one for the owner.

VICE-CHAIR SINENCI: No, just the total number of B&B's in the area.

MS. McLEAN: Oh, I'm sorry, the cap?

VICE-CHAIR SINENCI: Yeah --

MS. McLEAN: Yeah.

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VICE-CHAIR SINENCI: --would that be the same, 88?

MS. McLEAN: Yes, yes.

VICE-CHAIR SINENCI: Okay. Alright, thank you for that. Thank you, Chair.

CHAIR PALTIN: Member Sugimura or Member Lee, did you have any questions? No questions? So, I'm sorry, I forgot to introduce the agenda item before we started this part. At the beginning's fine? Okay. So, it's kind of difficult coming into this situation and trying to address something that's been ongoing for so long. And everybody has their own opinions of what is fair and what is not fair. And so, at this time, the Chair will entertain a motion to recommend passage on second and final reading of bill...

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR PALTIN: Oh okay, sorry. At this time, the Chair will entertain a motion for Bill 145, 2018 entitled A Bill for an Ordinance Amending the Paia-Haiku Community Plan Relating to Visitor Accommodations, and the amendments that I would suggest would be...well...

COUNCILMEMBER MOLINA: So moved.

COUNCILMEMBER KING: Yeah, we take a motion and have that . . .*(inaudible)*. . .

CHAIR PALTIN: Okay, and then, once we make the motion then we can discuss what the amendments are?

COUNCILMEMBER SUGIMURA: So move.

COUNCILMEMBER MOLINA: Second.

CHAIR PALTIN: So, moved by Councilmember Sugimura, and seconded by Councilmember Molina. Members, discussion?

COUNCILMEMBER MOLINA: Madam, Chair, I'd like to make an amendment to Bill 145 under Paragraph 13. Members, I believe it's like the fourth line where it says no new bed and breakfast homes or short-term rental homes should, I want to strike out the word "should" and insert the word "shall." So, that is the amendment, Madam Chair.

COUNCILMEMBER KING: Second.

COUNCILMEMBER RAWLINS-FERNANDEZ: Second.

CHAIR PALTIN: Okay. So, that amendment was proposed by Member Molina and seconded by Member King. Any discussions on the amendment to the main motion?

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COUNCILMEMBER SUGIMURA: It just makes it clearer.

CHAIR PALTIN: Okay. Any...it seems like it would make it clearer, all those in favor of the amendment to the main motion changing the wording from should to shall.

COUNCILMEMBERS: Aye.

CHAIR PALTIN: And so, that passes unanimously seven to zero and the wording will now be shall.

**VOTE: AYES: Chair Paltin, Vice-Chair Sinenci, and
 Councilmembers King, Lee, Molina,
 Rawlins-Fernandez, and Sugimura.**

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: APPROVE AMENDMENT.

CHAIR PALTIN: So, any additional amendments to the main motion?

COUNCILMEMBER RAWLINS-FERNANDEZ: I move to amend. . .

CHAIR PALTIN: Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I move to amend Bill 145, Paragraph 13, or yeah, Section 1, 13, situated...where it says, "no new bed and breakfast homes or short-term rental homes shall be permitted within the Special Management Area" and strike "abut the shoreline."

COUNCILMEMBER KING: Second.

CHAIR PALTIN: So, that's your motion by Member Rawlins-Fernandez, seconded by Member King. Yes, Mr. Hopper?

MR. HOPPER: Just a comment. I did discuss this with Staff. Just to clarify, the current community plan limits bed and breakfast homes to abutting, well, to near the shoreline. At this point, if you're adding a Special Management Area, the question would be is the intention to similarly prohibit bed and breakfast homes within the

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Special Management Area, or to say abutting the shoreline with respect to bed and breakfast homes, but within the SMA with respect to short-term rental homes. I think I had discussed language with Staff, if that's the Committee's intention, because I don't know if there's an intention to further restrict bed and breakfast homes within the SMA, which was not something in the existing community plan.

CHAIR PALTIN: Member Rawlins-Fernandez, did you want to clarify which scenario that you intended?

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, if I understand correctly, it would be to, no new short-term rentals shall be permitted within the Special Management Area and would leave out the bed and breakfast.

MR. HOPPER: Well, you could still keep in the language that bed and breakfast homes shall not be permitted on properties abutting the shoreline and then provide for renewals or current applications in process to be exempt from that. But because the existing community plan says bed and breakfast homes are not allowed, I think near the shorelines is what it says, and then there was...it was changed to abutting the shoreline for both of them, both STRHs and bed and breakfast. And I think the intention may be to have short-term rental homes not allowed within the Special Management Area...new ones, but to still have bed and breakfast homes prohibited...new bed and breakfast homes prohibited in areas abutting the shoreline.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, no new bed and breakfast homes shall be permitted on properties that abut the shoreline or new short-term rental homes within the Special Management Area. Okay. Okay, yeah? Yeah.

COUNCILMEMBER LEE: Second.

CHAIR PALTIN: Seconded by Member Lee. Mr. Hopper, did you want to comment on that, as well?

MR. HOPPER: I just...essentially yes. The language may be a little different. What I had was, no new bed and breakfast homes should be --

COUNCILMEMBER RAWLINS-FERNANDEZ: Shall.

MR. HOPPER: --shall, now it's shall, that's right--shall be permitted on properties that abut the shoreline, and no new short-term rental homes should be --

COUNCILMEMBER RAWLINS-FERNANDEZ: Shall.

MR. HOPPER: --shall be permitted within the Special Management Area --

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

MR. HOPPER: --so as to avoid the...

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COUNCILMEMBER RAWLINS-FERNANDEZ: That's okay.

MR. HOPPER: Yes, okay. Just wanted to. . .

CHAIR PALTIN: Okay. So, that language has been moved by Member Rawlins-Fernandez and seconded by Member Lee. Members, any discussion on that? Member Sugimura?

COUNCILMEMBER SUGIMURA: So, just for clarification, these are for brand new, right, new? 'Cause no new, 'cause some of the existing. Okay.

CHAIR PALTIN: Yes.

COUNCILMEMBER SUGIMURA: You don't want to affect...

CHAIR PALTIN: That's what she had moved.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR PALTIN: Any further clarification or discussion from the Members? Director McLean, you had something to add?

MS. MCLEAN: That motion is still on the floor. So, I'll make my comment once that motion is voted on. Sorry, Chair.

CHAIR PALTIN: Okay. So, seeing there's no further discussion, all those in favor of the Bill 145 as amended say "aye."

COUNCILMEMBERS: Aye.

CHAIR PALTIN: Any opposed? So that passed...that amendment...Bill 145, as amended, passes seven-zero.

COUNCILMEMBER RAWLINS-FERNANDEZ: For the amendment. We voted on the amendment.

CHAIR PALTIN: Oh, the amendment.

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VOTE: **AYES:** **Chair Paltin, Vice-Chair Sinenci, and**
 Councilmembers King, Lee, Molina,
 Rawlins-Fernandez, and Sugimura.

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **None.**

MOTION CARRIED.

ACTION: APPROVE AMENDMENT.

COUNCILMEMBER RAWLINS-FERNANDEZ: And then I have another motion.

CHAIR PALTIN: Okay. So, the amendment passes seven-zero and the bill is still on the table. Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I would like to add the language in Bill 145 under Section 1, 13 at the end of the paragraph, hostels and hotels are prohibited in the area.

COUNCILMEMBER MOLINA: Second.

CHAIR PALTIN: It's been moved by Member Rawlins-Fernandez and seconded by Member Molina to prohibit hostels and hotels. Any discussion?

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

CHAIR PALTIN: Chair King has a question.

COUNCILMEMBER KING: Okay. So, I just wanted to ask the movant if, is that intended...

CHAIR PALTIN: You wanted to ask Member Rawlins...

COUNCILMEMBER LEE: She's getting clarification.

COUNCILMEMBER KING: Yeah, is that intended to eliminate anything that's there already? Because we do have, we do have one, I think one. I don't know how many we have.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, okay.

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COUNCILMEMBER KING: But we have at least one in that area. So, I'm just wondering, know what the intention is.

CHAIR PALTIN: Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Well, Director McLean just brought to my attention that the 1995 community plan already has under land use objectives and policies, number three, prohibit hotel resort development within the region. So, that would be in violation of the current community plan.

COUNCILMEMBER KING: So, we don't need that added on?

COUNCILMEMBER RAWLINS-FERNANDEZ: So, strike my motion.

COUNCILMEMBER KING: Okay.

COUNCILMEMBER MOLINA: I withdraw my second.

CHAIR PALTIN: Okay. So, withdrawn. So, the main...the bill is now the main motion. Any further amendments to the main motion from anybody?

MR. RAATZ: Chair, I don't know if the Planning Director is going to address this, but she provided Staff with language for Section 3 that we would regard as housekeeping and we would ask for the body's approval to allow Staff to ensure that this legislation is not intended to limit existing bed and breakfast homes that are permitted and the standards that would apply to those B&B's in the area.

CHAIR PALTIN: Mr. Hopper? Or, Ms. McLean?

MS. McLEAN: Yeah, so, it would just be, what we understand the intention is with what's been approved so far is that existing bed and breakfast homes that abut the shoreline can continue and can be renewed, and existing STRH's in the SMA can renew and continue. And then, the ones in the pipeline I don't know if there are any B&B's that abut the shoreline in the pipeline. We know that there are some STRH's within the SMA in the pipeline that those would be able to be processed as long as they meet the requirements of their chapter. So, the existing and the ones in the pipeline could proceed. But then, new ones would have to comply with B&B's not abutting, and STRH's not in the SMA.

CHAIR PALTIN: So, point of clarification. As of this date would it be in effect? So, if somebody comes in and applies tomorrow in an SMA area, that would be the cutoff?

COUNCILMEMBER KING: It has to be a fair practice.

MS. McLEAN: It's applications deemed complete prior to the date of the ordinance. So, if anyone wanted to get in within the next couple of weeks then they would still be able to.

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COUNCILMEMBER KING: Yeah, usually it's after it passes second reading in full Council.

CHAIR PALTIN: Okay. So, it's going to be after second reading. Is everyone on the same page on that of the Councilmembers?

COUNCILMEMBER KING: Well, yeah, then we can address the cap in the ordinance. So, right now we're talking about the nine that are in the queue.

CHAIR PALTIN: Yeah. Okay. So, is everyone okay with that understanding?

VICE-CHAIR SINENCI: I have a question.

CHAIR PALTIN: Oh, question from Member Sinenci.

VICE-CHAIR SINENCI: Just a quick question for Director McLean. So, for those existing short-term rental permits, if they don't renew then it goes back into the pot?

MS. McLEAN: Correct, if it's --

VICE-CHAIR SINENCI: Okay.

MS. McLEAN: --within the SMA and they choose not to renew, or if their permit gets revoked for some reason, then that slot from the cap would still be available, but it couldn't be, the next one to take that place couldn't be within the SMA. Like we're not reserving SMA slots.

VICE-CHAIR SINENCI: Oh, I see. Okay. Alright.

MS. McLEAN: Right.

VICE-CHAIR SINENCI: Thank you.

MS. McLEAN: So, the ones that are in the SMA, those are going to be the only ones allowed in the SMA.

VICE-CHAIR SINENCI: Okay. Thank you for that.

CHAIR PALTIN: So, shucks I forgot what my question was. I guess it wasn't that important maybe. Oh, okay. So, the amendments that we've made so far, are they radical enough that they have to go back to the Planning Commission, or is it within our scope to make those amendments without going back to the Planning Commission?

MR. HOPPER: Yes, Madam Chair, I think so far, the amendments are not radical enough to send it back to the Planning Commission as you had stated.

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CHAIR PALTIN: Okay. Thanks for that clarification. So, we're back to the main motion, and are there any further amendments from any of the Members? Okay. So, are we ready to vote?

COUNCILMEMBERS: Yes.

CHAIR PALTIN: All those in favor of Bill 145, as amended, say "aye."

COUNCILMEMBERS: Aye.

CHAIR PALTIN: Any opposed? So, the bill motion passes unanimous, seven-zero. Okay.

**VOTE: AYES: Chair Paltin, Vice-Chair Sinenci, and
 Councilmembers King, Lee, Molina,
 Rawlins-Fernandez, and Sugimura.**

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

**ACTION: Recommending SECOND AND FINAL READING of Bill
 145, as amended.**

CHAIR PALTIN: So, the Chair will now or next entertain a motion for --

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR PALTIN: --Bill 146, entitled "A BILL FOR AN ORDINANCE RELATING TO SHORT-TERM RENTAL HOMES IN THE PAIA-HAIKU COMMUNITY PLAN AREA."

COUNCILMEMBER KING: So moved.

COUNCILMEMBER SUGIMURA: Second.

CHAIR PALTIN: Move by Chair King, seconded by Member Sugimura. Discussion...from Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Sorry, I had a quick question regarding the Bill 145. Should I wait until after? Sorry, I just, the question was just, you know, we've

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CHAIR PALTIN: Thank you, Member Sugimura, for your explanation. Are, would anyone like to further amend the bill?

COUNCILMEMBER KING: No, I have a question.

CHAIR PALTIN: A question. Member King?

COUNCILMEMBER KING: So, for Director McLean, in Section R6 we changed the wording from short-term rental homes operating with a conditional permit to transient vacation rentals. Can you just remind, and I can't remember why that language changed. What's the significance of that language change?

MS. MCLEAN: I believe it's because short-term rental home has a specific definition in the County Code, and those would be operations that fall under Chapter 19.65. The ones that need a conditional permit would not be considered short-term rental homes 'cause they don't meet those code requirements and that definition. So, it's other types of transient accommodations that aren't, like if it's seven bedrooms, for example, it wouldn't be an STRH 'cause they're capped at six bedrooms.

COUNCILMEMBER KING: Okay. So, transient vacation rentals would be anything out of the norm, out of the description of the STRH's and bed and breakfasts?

MS. MCLEAN: Right, because there's a process for B&B's and STRH's, and those are really specific in the County Code, it's anything that doesn't fall into the defined B&B or the defined STRH.

COUNCILMEMBER KING: Okay.

MS. MCLEAN: It could be allowed with a conditional permit. But we call that a transient vacation rental.

COUNCILMEMBER KING: Okay. Thank you for that.

CHAIR PALTIN: And one more question from Member Molina.

COUNCILMEMBER MOLINA: Yeah, thank you, Director. You mentioned that we had 44 STR's permitted in the area. And since you began the crackdown on the illegal operators, have there been any of these illegals that have now compliant, now have, they are now seeking being permitted? Do you have a number? And the reason I ask is because we were looking at reducing it from 88 down to 65, and now we have it down to 55. Has there been a...

MS. MCLEAN: If they get cited by us, then they would be banned from applying. There's that language in the Code as well --

COUNCILMEMBER MOLINA: Okay.

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MS. MCLEAN: --that if you operate illegally, then you're banned from applying for a certain number of years.

COUNCILMEMBER MOLINA: Yeah, well, how many years? Five years?

MS. MCLEAN: There are couple different, it's either two years or five years, depending on the infraction.

COUNCILMEMBER MOLINA: Right, infractions. Okay. Well, that's good to know. Thank you.

COUNCILMEMBER KING: Chair?

CHAIR PALTIN: Chair King?

COUNCILMEMBER KING: So, I just wanted to reiterate that the reason why that number was 65 is because at the time we had 48 legal permitted STR's, and we had 12 in the queue. We're now down to 44 with 9 in the queue. So, it doesn't appear that we added any new applications. We've lost some. And I think the original intent of this from Committee was we wanted to get, we wanted to lower the cap closer to what the real number was because we were looking at the community plan that said no STR's, and we didn't want to eliminate any of the ones that were already legal and already applying. And so, that's, so that number was meant to try to get as close to where we were realistically without taking anything away from anybody who already applied. So, now that we're down to 53 that have permits and have applied, a total of 53, if we go to 55, we're giving, we've got a little bit of a window for anybody who wants to try to apply. But that gives the Director also, you know, if between now and when we pass this, we need to keep that number below, at 55 or below so that we don't get above, you know, where we are in the process because we aren't, we'll get this to possibly the 23rd of August for first reading, and then, the first meeting in September for second reading. So, that would just mean that anybody who, if we get more than two extra people applying, you have to let them know that the, they're likely not to get it because if the cap gets passed it'll be 55.

CHAIR PALTIN: Director, you're okay with that? And, Mr. Hopper, have we done anything radical enough to kick us back to the Planning Commission?

MR. HOPPER: No, but I do think, I think the Director may be suggesting additional revisions similar to the last bill to deal with the pending and already approved short-term rental home permits. So, I think that'd be the next thing. And that would also not be so different as to require it to go back to the Commission. But I think that's maybe the next thing the Director was about to state.

CHAIR PALTIN: Okay. Director, did you want to say what you were about to say right now?

MS. MCLEAN: Just as David brought up to clarify Section 3, that it means existing STRH's, including those in the SMA, shall remain valid and be eligible for renewal, and then

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the Department can continue to process and may approve applications for STRH's deemed complete prior to the ordinance's effective date, including those within the SMA provided they comply with the requirements.

CHAIR PALTIN: So, would somebody need to make a motion for what you just said?

MS. MCLEAN: I would confer with David. I, it's more housekeeping, it's, that's my impression.

MR. KRUEGER: Chair?

CHAIR PALTIN: Any objections? Yes, James?

MR. KRUEGER: Yeah, Staff would say that we would treat that as a non-substantive revision. Additionally, Staff would just like to point out that we'll also be making non-substantive revisions to the bill. The language of the STRH ordinance I believe was affected since this bill was drafted. I think it was the accessory dwelling update ordinance that was passed at the end of last term. So, we'll just be needing to make some updates to reflect the current language of the Code. But that's non-substantive as well.

CHAIR PALTIN: Any objections to those non-substantive...

MR. HOPPER: Madam Chair, just to point out, those are extremely important changes. The ordinances now say that no new permits can be issued for properties in the Special Management Area. This is providing an exception to that, saying that if permits were, permits are in the pipeline, even though those are new permits, they can still be granted even if they're in the Special Management Area. So, I think that's just, it may be non-substantive, but just to get it on record that's what would be approved.

CHAIR PALTIN: Thank you very much for the clarification. Any objections to what's been done or stated so far?

COUNCILMEMBERS: No objections.

CHAIR PALTIN: Okay. So, are we at this time ready to call for the question on Bill 146 as amended?

COUNCILMEMBERS: Call for the question.

CHAIR PALTIN: All those in favor of passing Bill 146, as amended, say "aye."

COUNCILMEMBERS: Aye.

CHAIR PALTIN: Any opposed? The motion passes seven unanimous, no opposed.

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VOTE: **AYES:** Chair Paltin, Vice-Chair Sinenci, and
 Councilmembers King, Lee, Molina,
 Rawlins-Fernandez, and Sugimura.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: Recommending SECOND AND FINAL READING of Bill 146, as amended.

CHAIR PALTIN: So, Members, the Chair will entertain a motion to recommend the filing...oh, no.

UNIDENTIFIED SPEAKER: No.

CHAIR PALTIN: Oh, no.

COUNCILMEMBER SUGIMURA: . . .(inaudible). . .

CHAIR PALTIN: Oh, okay. The Chair will recommend a motion...entertain adjourning.

MR. KRUEGER: Oh, Chair? Apologies. The Committee just voted on the two bills. I don't believe there's any further action necessary by the Committee.

CHAIR PALTIN: Okay. So, with no further objection, I'll adjourn the meeting.

COUNCILMEMBERS: No objections.

PLANNING AND SUSTAINABLE LAND USE COMMITTEE MINUTES

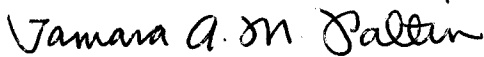
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CHAIR PALTIN: Okay. Whew! Adjourned. . . .(*gavel*). . .

ADJOURN: 10:13 p.m.

APPROVED:



TAMARA PALTIN, Chair
Planning and Sustainable Land Use
Committee

pslu:min:190807:mt

Transcribed by: Marie Tesoro

PLANNING AND SUSTAINABLE LAND USE COMMITTEE MINUTES

Council of the County of Maui

August 7, 2019

CERTIFICATE

I, Marie Tesoro, hereby certify that the foregoing represents to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 30th day of August 2019, in Wailuku, Hawaii

A handwritten signature in black ink, appearing to read "Marie Tesoro", is written over a horizontal line.

Marie Tesoro