

PLANNING AND SUSTAINABLE LAND USE COMMITTEE
Council of the County of Maui

MINUTES

July 1, 2021

Online Only Via BlueJeans

CONVENE: 9:00 a.m.

PRESENT: Councilmember Tamara Paltin, Chair
Councilmember Kelly Takaya King, Vice-Chair
Councilmember Gabe Johnson, Member
Councilmember Tasha Kama, Member (out 11:30 a.m.; in 11:45 a.m.)
Councilmember Alice L. Lee, Member (in 9:20 a.m.)
Councilmember Michael J. Molina, Member (out 11:34 a.m.)
Councilmember Keani N.W. Rawlins-Fernandez, Member
Councilmember Shane M. Sinenci, Member
Councilmember Yuki Lei K. Sugimura, Member

STAFF: Alison Stewart, Legislative Analyst
Wilton Leauanae, Legislative Analyst
Shelly Espeleta, Supervising Legislative Analyst
Richard Mitchell, Legislative Attorney
David Raatz, Deputy Director
Clarita Balala, Committee Secretary
Lenora Dineen, Council Services Assistant Clerk

Kate Griffiths, Executive Assistant to Councilmember Gabe Johnson
Evan Dust, Executive Assistant to Councilmember Tasha Kama
Davideane Kama-Sickels, Executive Assistant to Councilmember Tasha Kama
Lois Whitney, Executive Assistant to Councilmember Tasha Kama
Axel Beers, Executive Assistant to Councilmember Kelly Takaya King
Ellen McKinley, Executive Assistant to Councilmember Kelly Takaya King

ADMIN.: Michael Hopper, Deputy Corporation Counsel, Department of the Corporation Counsel
Michele McLean, Director, Department of Planning
Jacky Takakura, Administrative Planning Officer, Department of Planning
James Moore, Planner, Department of Planning

OTHERS: John Blumer-Buell
Dick Mayer
Karen Comcowich
Maile Magalianes
Jason Economou
Amy Bond
Barak Laub

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Jordan Hocker
Jadey Sim
Leonard “Junya” Nakoa
Albert Perez
Leanne Sim
Darcel Gilbert
Tom Croly
Jennifer McGurn
Kai Nishiki
Jen Russo
(14) additional attendees

PRESS: *Akakū: Maui Community Television, Inc.*

CHAIR PALTIN: . . .*(gavel)*. . . Will the Planning and Sustainable Land Use Committee meeting of July 1st, 2021 come to order. The time is now 9:00 a.m. If I can ask everyone to please silence their cell phones or any noisemaking devices that they may have, that would help our cause. My name is Tamara Paltin, and I'll be your Chair for today's Planning and Sustainable Land Use Committee. With us today we have our Vice-Chair of this Committee, Member Kelly King. Bonjour.

VICE-CHAIR KING: Bonjour and aloha kakahiaka. I didn't see a different greeting in the chat box this morning, but I know every day until you leave for Paris it's probably going to be bonjour. Comment allez-vous? I hope you're well.

CHAIR PALTIN: Bien. Yes. And that reminds me that Chair Lee is excused, she'll be joining us about 9:30, she had a other commitment. With us from Lānaʻi we have Councilmember Gabe Johnson. Aloha kakahiaka and bonjour.

COUNCILMEMBER JOHNSON: Bonjour, Chair, and bonjour, Councilmembers. Good morning. And ready to roll.

CHAIR PALTIN: Right on. And from the neighborhood we have Councilmember Tasha Kama. Bonjour.

COUNCILMEMBER KAMA: Aloha kakahiaka, Chair, and bonjour to each and every one of you.

CHAIR PALTIN: And we also have Councilmember Mike Molina. Bonjour.

COUNCILMEMBER MOLINA: Bonjour kākou, Madam Chair, my colleagues, and everyone else joining us on this beautiful Thursday, 1st of July. Aloha.

CHAIR PALTIN: Aloha. And from the Island of Molokaʻi we have Councilmember Keani Rawlins-Fernandez. Bonjour.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha kakahiaka, Chair, mai Molokaʻi nui a Hina,

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and bonjour kākou.

CHAIR PALTIN: From East Maui we have Councilmember Shane Sinenci. Bonjour.

COUNCILMEMBER SINENCI: Bonjour, mademoiselle. Although it says mademoiselle can be an unmarried French-speaking woman or a French governess, so we'll probably...for you it would be a French governess. *(Audio interference)*

CHAIR PALTIN: Mahalo, monsieur. And last but not least, we have Councilmember Yuki Lei Sugimura. Bonjour.

COUNCILMEMBER SUGIMURA: Bonjour. Aloha from the County Building. Nice to see all of you.

CHAIR PALTIN: Thank you, thank you. Okay. From Corporation Counsel we have Deputy Corporation Counsel Michael Hopper. From the Administration we have Director Michele McLean and Administrative...Program Administrator Jacky Takakura. Our Committee Staff today we have Committee Secretary Clarita Balala; Assistant Clerk Lei Dineen; Legislative Analysts Alison Stewart and Mr. Wilton Leauanae; as well as our Legislative Attorney Mr. Richard Mitchell. Today on the agenda we have one item, PSLU-67, Short-Term Rental Home Permit Cap. And Members, with your permission, especially Member Johnson from Lānaʻi, it was my plan to hold off on talking about Lānaʻi's STRH caps because I had planned for the next agenda to bring up the Lānaʻi STRH and B&B together. And in reviewing those minutes, the Lānaʻi Planning Commission wanted the STRH and B&B numbers to be set in relation to one another, not in relation to the County, I guess. So is that okay, Members, to hold off on Lānaʻi until we take up the Lānaʻi STRH and B&B? Yes, Member King?

VICE-CHAIR KING: Thank you, Chair. Is...isn't Molokaʻi [sic] still under a moratorium for their short-term rental and B&B permits?

CHAIR PALTIN: No. We decided on Molokaʻi when we went to Molokaʻi, if you recall.

VICE-CHAIR KING: No, Lānaʻi. I thought...

CHAIR PALTIN: Oh, Lānaʻi. Yes. Lānaʻi is --

VICE-CHAIR KING: Yeah.

CHAIR PALTIN: -- under the...

VICE-CHAIR KING: There was a moratorium that --

CHAIR PALTIN: It's on a *(audio interference)* --

VICE-CHAIR KING: -- Member Kama...

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CHAIR PALTIN: -- for a year or until we hear that STRH/B&B. So yeah, there --

VICE-CHAIR KING: Okay.

CHAIR PALTIN: -- it's...I think the year is up around September, so...but I was planning on taking it up next meeting. If it were ready, if the bill were ready I would have combined it today, but it just wasn't ready yet.

VICE-CHAIR KING: Okay. I just wanted to get a timeline on that moratorium.

CHAIR PALTIN: Yeah, yeah. So we have consensus on that?

VICE-CHAIR KING: Consensus.

CHAIR PALTIN: Okay. And I just wanted to mention that upfront for the testifiers, that we'll hold off on Lānaʻi for now because we have a bill specifically for Lānaʻi. Okay. Meeting connectivity disclaimer. This online meeting is being conducted in accordance with the Governor's most recent emergency proclamation on COVID-19. Please see the last page of the agenda for information on meeting connectivity. Okay. I believe we do have public testimony, so let's begin with that. Testifiers wanting to provide video testimony should have joined the online meeting via the BlueJeans link as noted on today's agenda. Those wanting to provide audio testimony should call 1-408-915-6290 and enter meeting code 149 341 846, also noted on today's agenda. Written testimony is encouraged, and can be sent at any time via the eComment feature at mauicounty.us/agendas. Oral testimony is limited to three minutes. When your name is called, please unmute yourself by clicking the microphone icon; or if calling in, please press star four to unmute yourself. Please be courteous to others by muting your microphone while waiting for your turn. When testifying, please state your name, also state if you're testifying on behalf of an organization or are a paid lobbyist. If you have joined this online meeting, Staff will assume you wish to provide testimony and will add you to the list of testifiers. Once you are done testifying, or if you wish to view the meeting without providing testimony, please disconnect from the BlueJeans meeting. You are all welcome to continue viewing on *Akakū* Channel 53, Facebook Live, or on mauicounty.us. Once oral testimony concludes, only Councilmembers, Staff, and designated resources will remain online, and all others will be dropped from the BlueJeans connection. A link to the list of testifiers posted in the chat...is posted in the chat; however, please be mindful that chat should not be used to provide testimony or to chat with others during the meeting. Members, I would like to proceed with oral testimony, if there's no objections.

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR PALTIN: Okay. All right. I think we have Mr. Dick Mayer as the first testifier. Let me pull up the sheet. Yes. Okay. We have 23 or 22 people signed up to testify, and the first is...oh, 21. I guess some people are dropping off the call. But the first testifier is Dick Mayer, who will be followed by Palms2001, and then David. All right. Mr. Mayer, you're up on deck. Go ahead and unmute yourself and begin your testimony. Unmuted

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on our end. Hello, Mr. Mayer. I've unmuted you from our end, you'll need to unmute yourself on your video if...if you'd like to proceed. Okay. We'll come back to Mr. Mayer. Next we have Palms2001. Palms2001, I'm unmuting you from our end. Go ahead and begin your three-minute testimony. Hello? I don't know your name, it's just logged in as Palms2001. Dick Mayer or Palms2001? Going once, twice, okay. Circle back around. I believe...oh, Mr. Mayer says he cannot unmute. Okay. You're unmuted on our end. Maybe log out and try log back in, and then we'll...we'll circle back around to you. Okay. So next up we have individual with the first name David. Your turn to testify. You have three minutes. David? Going once, going twice, okay. Next up we have John and Crystal Blumer-Buell. Your turn to testify.

. . . BEGIN PUBLIC TESTIMONY . . .

MR. BLUMER-BUELL: Aloha, Chair Paltin. Can you hear me?

CHAIR PALTIN: I sure can. You're the first testifier we've been able to hear.

MR. BLUMER-BUELL: Okay. On this I'm going leave my video off, our Internet is always a little iffy, so I'll take up less bandwidth. Look --

CHAIR PALTIN: Okay.

MR. BLUMER-BUELL: -- I'm here to testify on your sole agenda item today. And first I'd like to say that I think you should really throw out the recommended numbers approved by the Planning Department and Mayor. The Mayor signed it on 10/6/20, and it's referred to as County Communication 21-67. Those numbers are not supported by the...by the Hāna Community Plan, the County of Maui General Plan, Countywide Policy Plan ordinance, or the Maui Plan...General Plan 2030 ordinance. And I want to...just a little background. I have participated publicly in these issues since the mid-1980s, literally the mid-1980s. I called up the Planning Department to see if...I manage property through a guy named Joe Shuggum (*phonetic*) out here in the mid-1980s, and we called up to see if we could rent it out short-term. The Planning Department didn't know what a short-term rental was, so things have changed. To be clear, the numbers for Hāna are really not right at all. And I will limit my testimony to Hāna. The numbers for Hāna are incorrect. And I was on the original...a small group of people who included Dawn Lono; myself; John Romain, who was doing vacation rental; and Bob Getzen, who was doing vacation rental, to come up with some numbers. Well, when it got to the County Council, and our Council representative then was Bill John Medeiros, they had numbers, it had never been approved by the community. Now, that's...there's no hoo-hoo at this point, but I'm just saying the numbers that you have are all wrong. To be clear, I support only a limited number of B&B units owned and operated by Hāna residents. And I support enforcement of zoning laws with the...which Planning Department has rarely done, and a recognition that short-term rentals are not an entitlement that should ever be administratively approved or extended by the Planning Department. Let me give you a couple things to Hāna Community Plan, and this came from the mid-1980s, and the community was well aware of the problems. So a lot of

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this ended up in the 1994 Hāna Community Plan, which I helped to write. Now, the one I think would really be good to pay attention to, on page 14 it says discourage . . . *(timer sounds)* . . .

CHAIR PALTIN: If you can just conclude in a sentence or two, Mr. Blumer-Buell.

MR. BLUMER-BUELL: Yeah. So I'm...just start with that. I have lots of community plan language that shows how kapakahi things really are at this point. And I thank you for taking up this subject. Mahalo.

CHAIR PALTIN: Thank you, Mr. Blumer-Buell. It looks like we have a few questions for you, clarifying questions. Starting off with Member Sinenci, followed by Member King, and then Member Sugimura.

COUNCILMEMBER SINENCI: Merci, Chair. Aloha, John. Shane here. Just curious, I know we brought the numbers down to 30 from, I believe, 60 as it were. And I was just curious, what was the number back then?

MR. BLUMER-BUELL: Well, I think when Bill John was on the Council, you'd have to check the record, it was closer to what it is now, but --

COUNCILMEMBER SINENCI: Oh.

MR. BLUMER-BUELL: -- but when...when Dawn Lono and I and Bob Getzen and John Romain met, there was really no number set. And to shift this as a pure . . . *(inaudible)* . . .

COUNCILMEMBER SINENCI: Oh.

MR. BLUMER-BUELL: At this point I do...if...I think if you just had B&Bs just to support local residents, even outside out of the Hāna urban zone, then we'd be on the right track. I no longer...at one time I...you know, I tried to compromise, things have gotten worse and worse, so now I do not support short-term rentals for non-resident owners. So --

COUNCILMEMBER SINENCI: Thank you, John.

MR. BLUMER-BUELL: -- that would bring the number way down. Yeah, thanks, Shane.

COUNCILMEMBER SINENCI: Okay. Mahalo.

CHAIR PALTIN: Thank you, Member Sinenci. Member King?

VICE-CHAIR KING: Thank you, Chair. So aloha, John. Thank you for your testimony. I just wanted to ask you about the Hāna numbers because the proposed legislation replaces the number of 30 with the number 27. So are you saying that you want the number to be higher?

MR. BLUMER-BUELL: No, not at all. I'd like you to really, you know, take...start over and

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really separate...very clearly separate the numbers of B&Bs from other short-term rentals. And I...I support some B&Bs for local residents that live in Hāna. It will help, there's a good demand that will help. But if...so I'd start there, a very low number. Let's set that at a couple dozen. I don't want to see any more short-term rentals for people that don't live here. It's hurting all kinds of situations, as you know, from affordable housing to negative land speculation.

VICE-CHAIR KING: Okay. So...so John...yeah. So John, so your testimony is that the number 27 is too high for short-term rentals?

MR. BLUMER-BUELL: Yes. I mean if it was...if it was for B&Bs, then I'd say well, let's try it, but not for the other category.

VICE-CHAIR KING: Okay. Thank you for that clarification.

CHAIR PALTIN: Member Sugimura?

MR. BLUMER-BUELL: Yes.

COUNCILMEMBER SUGIMURA: Yeah, thank...thank you, John, for your testimony. So another thing, I just wanted to clarify this, when you say that short-term vacation rentals for people that don't live here, do you mean in Hāna, or are you talking about Maui in general, or Hawai'i?

MR. BLUMER-BUELL: Well, I'm...I'm...yeah, thank you for your question. Today I thought it was appropriate for me to just talk about Hāna because I've been involved in it for decades. I helped to write the Hāna Community Plan 1994 and both the...and the General Plan 2030, so I have...I'm very familiar with Hāna. I think other communities, I would be...accept their manao. But I would say everything that's going on on the rest of this island is...is coming out...is coming to Hāna. So we have to...I know they'll be considerate of that, but I'm not going to say what's best for each of them. I...one last thing, Yuki. I would like to say the Hāna Community Plan is very specific about supporting the Hotel Hāna Maui, very specific. And we thought, you know, we should support the hotel and make that work. It is not working, hasn't worked for decades, and part of it is because the unfair competition. So I'm urging everyone to go back to the Hāna Community Plan. I'm happy to discuss it when you have more time. I have written testimony. I will get you...I mean, I've had written testimony for at least 20 years on this, and I'm someone that had tried to compromise, work with the Planning Department, and --

CHAIR PALTIN: Okay. Mr. Buell --

MR. BLUMER-BUELL: -- and it hasn't worked. It hasn't worked.

CHAIR PALTIN: -- we have quite a bit of testifiers. Ms. Sugimura, was your question answered?

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COUNCILMEMBER SUGIMURA: Yes. Yes.

CHAIR PALTIN: Okay.

COUNCILMEMBER SUGIMURA: I'm enjoying his historical perspective. Thank you.

CHAIR PALTIN: We do have another question for you from Member Kama, Mr. Blumer-Buell.
Go ahead, Member Kama.

MR. BLUMER-BUELL: Yeah.

COUNCILMEMBER KAMA: Thank you, Chair. Thank you, John, for being here once again.
So you know, you mentioned in your testimony that you'd like to see local residents own
B&Bs, but not...and you would have to be a resident in order to...to own a short-term
rental. So did you have a number in mind as to would...that would you consider just
enough in terms of B&Bs or just enough in terms of short-term rentals for Hāna?

MR. BLUMER-BUELL: I think for...for B&Bs only, if it's really for local residents, I'd say start
with a couple dozen. You know, I don't want to restrict that. Let's see how that would
work. I know it would help our local residents that are in a position to do that. That's
all. And so that's pretty clear. May I say one thing that I'd like everyone to hear,
Councilman...Councilwoman Tasha?

COUNCILMEMBER KAMA: Yeah. Yes.

MR. BLUMER-BUELL: There's one thing that's in the Hāna Community Plan, and I think it
should be in every community plan and the General Plan, and it says encourage a
community-based dialogue regarding proposed land use changes in order to avoid
unwanted conflict. And that's what we're trying to do. We have so much conflict,
unwanted conflict here, and that's what we're doing today. I know you're trying to do a
good job. We're trying to get the things back as best we can, and...and end the
unwarranted conflict. And part of that to me is, let's recognize the need for B&Bs. You
know, we know they're worldwide, but look who...let's make it benefit Hāna people,
people who live here, not people that are speculating. And that's...that's just getting the
other ones. Thank you so much for your work.

COUNCILMEMBER KAMA: Thank you.

MR. BLUMER-BUELL: I know there's lots of testifiers. So mahalo.

VICE-CHAIR KING: Chair, you're muted.

COUNCILMEMBER SUGIMURA: Can't hear you.

CHAIR PALTIN: Thank you so much, Mr. Blumer-Buell. And I just wanted to remind the
Committee and the testifiers that B&Bs are not a part of this legislation, so we'll be
trying to limit the testimony to what's on the agenda today. Thank you. Okay. I saw

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Mr. Mayer, looks like he has his connectivity up and running. You want to try and speak?

MR. MAYER: Yes. Can you hear me? Can you hear...

CHAIR PALTIN: Go ahead.

MR. MAYER: Thank you very much. Yeah. My name is Dick Mayer, and I'd like to testify on this item. This morning, Councilmember Yukimura [sic] sent out a...Sugimura sent out a email to the Kula Community Association asking their opinion on this item, and quite a few members of the board responded saying that they are very much in...in agreement that there should be a limit on future short-term rentals. I would like to add something different for them. I would like to urge that this item have an amendment because I think that it would make it much easier to comply with the idea of having regulation on short-term rentals. And my idea goes like this, I would like you to amend this or perhaps even create a new bill that will require every vacation rental and bed and breakfast to have a license number; all of the short-term rentals, and also for all units covered by the Montoya [sic] decision. For example, on your...in the ordinance, it says that you have 100 units in South Maui. That's, of course, ridiculous, you have about 10,000 units in South and West Maui, many of them...most of them, I think, in South Maui. And so I would urge you to consider all of those items as being short-term rentals. They're legal, they're not illegal, but they need to be brought into the system, and they all should have a license number. I would make it very easy for people who have short-term rentals and bed and breakfasts to get a license number. Just a mere registration and perhaps even no charge or a minimum charge, \$5, but they should all have a number. I think that would be very quick. All advertising that any short-term rental puts out should include that number on their advertisement. And I would then set up the numbering system in a nice easy way so that you can keep track of how many there are in each district. So for example, the South Maui numbers would begin with the letter S, Upcountry with U, West Maui with W, and eventually, when we get to Lānaʻi and Molokaʻi, begin with the letter L for Lānaʻi, M for Molokaʻi, Pāʻia/Haʻikū/North Maui start with the letter N. In other words, each...each license would indicate where it's located, that way you can keep track of how many you have. And eventually, if the County decides someday to tax vacation rentals or put a transient accommodation tax on, you will already set up the...the mechanism, recording these, and working with the State Tax...Department of Taxation, which probably will collect the monies on transient accommodation taxes and GET, et cetera, and it will work together. So at this stage, you have an opportunity with very little difficulty, I think, to establish a numbering system that will allow these vacation rentals to be catalogued, numbered, located, et cetera. So I urge you to perhaps add an amendment to this and saying a numbering system will be established, and perhaps at a later date set up the mechanism, the rules to actually do that. And I thank you very much for your attention.

CHAIR PALTIN: Thank you, Mr. Mayer. I just wanted to jump in and say great minds think alike. This was something that I had proposed and funded in the first term, and the Department didn't use that money or do it. So I agree that we may need to do legislation to make it happen. But I'm not sure if this particular bill would be the one because this

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focuses strictly on short-term rental home permits, and like you said, we need to do the Apartment-zoned ones. So I agree with you, but my feeling is it wouldn't be appropriate in this bill, and we can work on some other legislation, because apparently asking in and of itself doesn't work.

MR. MAYER: And I --

CHAIR PALTIN: Members...

MR. MAYER: -- and I hope...and I hope all the other great minds on the Council agree with us.

CHAIR PALTIN: Yeah, I hope so too. Member King, followed by Member Molina.

VICE-CHAIR KING: Thank you, Chair. Yes, we do agree with...well, some of us do. I've been talking about this for four years as you know, Dick, trying to get those Minatoya list permit numbers. But my question...my clarifying question to you is, do you support...you know, we come up with that list and we ask everyone...or we assign everyone a permit number. Are you in favor of allowing some of those folks on that list to opt out who are community owner-occupied and...and just make that declaration that they're not going to do short-term anymore? You know, so we get some attrition out of that program that way.

MR. MAYER: I'm not sure what you're asking to opt out. Can you give me a quick example?

VICE-CHAIR KING: Well, like you know, we have a condo that has 250 units and 50 people are living in their own condos and they aren't renting them out and they choose to opt out of that...that permit --

MR. MAYER: Yes.

VICE-CHAIR KING: -- structure --

MR. MAYER: Absolutely.

VICE-CHAIR KING: -- and can file for owner-occupied tax, you know, property tax category.

MR. MAYER: Yeah, absolutely. They should be able to...if they don't...if they're not short-term rentals, they should not be numbered, they shouldn't be classified as such, et cetera. And it should be made clear to them that that's a permanent thing. And someday, if they want to switch, they will actually have to apply for a short-term rental.

VICE-CHAIR KING: Okay. Great. Yeah, and I...I agree with the Chair, we need legislation because I've been also talking about this since I got on the Council and it hasn't gone anywhere.

MR. MAYER: Otherwise it will be difficult. I mean, you've got numbers on there saying...and

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I...and I am in favor of...of limiting future so the numbers that you have in the bill, at least for Upcountry, I agree with. And that will stop future ones from going in, and goes along with the other moratorium items that the Council is...is addressing.

VICE-CHAIR KING: Okay. So for Upcountry, Makawao/Pukalani/Kula, the number proposed by the Council is 11, the number proposed by the Department is 14. So which...what number are you saying...

MR. MAYER: Whatever the...whatever the number that are now allowed. If it's...if it's 11, then it should be 11. If there are already 14, then limit it to 14. The main thing I'm interested in that we do not have additional ones.

VICE-CHAIR KING: Oh, okay. All right. That's very clear. Thank you.

CHAIR PALTIN: Member Molina, followed by Member Sugimura. Clarifying question.

COUNCILMEMBER MOLINA: Yeah, thank...thank you, Madam Chair. You know I...I don't...I didn't think I had my hand up, but you know, that's okay. Since you asked me, I'll...I'll ask Mr. Mayer something real quick. Great idea, Mr. Mayer, I think for tracking purposes, and I think it also adds credibility to the...the property owner. Because for example, when you look at somebody who's licensed, you tend to be...feel a little bit more secure, it adds more credibility. What's a license fee amount you would recommend?

MR. MAYER: I would make it very...it should not be a burden for the County to issue a license. It's not going to...they're not going to review anything per se. I think it should be almost free. Anybody who has one, already an approved legal one, probably should do...should...

CHAIR PALTIN: Mr. Hopper, are we straying from the Sunshine Law here?

MR. HOPPER: Yeah, I...I just think when you're getting into specific fees for registration of existing Minatoya list properties, that's a bit off the agenda. I think if you're talking about the caps for short-term rental homes, that's fine. I understand the testimony was on that, but I think with your statement that that's not necessarily what's on the agenda today, we should, you know, try to look back at what's on the agenda and focus on that if possible.

CHAIR PALTIN: Okay. We'll...we'll bring it up another time on a specific agenda, if that's all right with you, Mr. Mayer?

MR. MAYER: It is fine, and I appreciate it.

CHAIR PALTIN: Okay.

MR. MAYER: Councilmember Sugimura had a question?

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CHAIR PALTIN: Councilmember Sugimura?

COUNCILMEMBER MOLINA: Thank you.

COUNCILMEMBER SUGIMURA: Thank you. So since you mentioned this, this is a clarifying question, I don't know if you saw some of the responses that we got from the KCA board is who I sent that email out to this morning. Did you see it, or would you like to make a comment about the KCA board responses?

MR. MAYER: I saw them. I did see the responses, and I think all of them said there should be a limit.

COUNCILMEMBER SUGIMURA: Okay. And did you see the...some of the other comments, you want to...you want to mention it? I will when we talk about it. Okay. Thank you.

CHAIR PALTIN: Okay. Thanks. I just had one clarifying question. When you responded to Member King, you said the ones that are there should stay. Is that the ones that have been permitted and not pending, or does that include pending?

MR. MAYER: I would say all those that are now permitted, but not include those that are pending. In other words --

CHAIR PALTIN: Okay. Thank you for that.

MR. MAYER: -- if they're already...if they're...because that --

CHAIR PALTIN: Thank you.

MR. MAYER: -- would put a...that would put a limit and be very clear. That would take away the ambiguity that they...that the Planning Department or whoever gives the permit out would have. And it would save the Planning Commission having to look at all those.

CHAIR PALTIN: Okay. Thank you. All right. Next testifier we have, we'll circle back around to David, testifier or someone with the name of David, your turn. You're unmuted on our end. All right. Okay. Moving right along, we have Karen Comcowich. Karen Comcowich? Check if you're muted on our end. Oh, yeah, you are. Okay. Ms. Comcowich, I've unmuted you, and we're ready for your three minutes.

MS. COMCOWICH: All right. Aloha. My name is Karen Comcowich. I'm a resident of Lāhainā speaking on my own behalf. I support the lowest proposed caps for every area. When you were reviewing this before we were in the midst of COVID and worrying about the return of tourism. That has clearly not been an issue, tourism has returned full force, and so have the abuses that come with it. In theory, short-term vacation rentals are sold to us as a benefit to the residents because the residents can own them. In practice, most of the owners don't live here. This creates a situation where the owners and managers care more about their guests' experience than the community that they . . . *(inaudible)* . . . This can be seen on Facebook pages like Maui Bound and Maui Life.

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These are run by off-island owners who promote island experiences like the Road to Hāna and the Road to Kahakuloa regardless of resident sentiment or safety. So these caps is one step in solving a much bigger problem that includes legal but not permitted and zoned vacation rentals. Thank you for being such a forward-thinking and community-centered Council.

CHAIR PALTIN: Thank you, Ms. Comcowich. Members, any questions for the testifier? Seeing none. Thank you so much for coming to testify today. Next up we have Tom Richardson. Tom Richardson, let me see if you're muted on our end. Oh, you are unmuted on our end, and we're ready for your three minutes, Mr. Tom Richardson. Go ahead. Going once, twice, okay. No Tom Richardson. Next we have Cindy Provost. Cindy Provost? Oh, I don't see her on the call anymore. Next we have Ohana Tabura. Let me unmute...

MS. MAGALIANES: Aloha.

CHAIR PALTIN: Oh, okay. Aloha.

MS. MAGALIANES: Hi. My name is Maile Magalianes. I'm speaking on behalf of my ohana, Tabura. We are residing in Ha'ikū, Hamakualoa. We support all the caps on these short-term rentals because we find that these short-term rentals are invading our local and residential neighborhoods, ruining our resident's quality of life. Neighbor relationships are important to building strong communities, and that cannot be achieved if our neighbors are moving in and out on short-term leases. These short-term rentals, it's...it's intrusive to our natural flow of life. For instance, these tourists or short-term renters are coming in on a leisurely time while us locals have things to do, places to be, you know. And they're invading...you know, I'm born and raised on the North Shore of Maui and we never had a problem with tourists at Ho'okipa, but I feel like these short-term rentals being available in Pā'ia and Ha'ikū are drawing them more and more to the North Shore where a lot of locals are trying to get away from the tourists. And so imagine working in the hospitality industry and spending most of your time commuting to and from work, and then coming home and then living in the same neighborhoods as the people that you serve and work for, the tourists. You know, it's...it's...we need this cap on short-term rentals. These short-term rentals need to stay in the Hotel-zoned areas. Our keiki should come first, and right now it feels like the tourists and their keiki are coming first. And I'm sorry to say this, but they're not welcomed, the tourists are not welcomed here on the North Shore of Maui. They're invading our natural ways of life. The...I'm telling you, Ho'okipa is bombarded with tourists. And ten years ago it was not a problem because they were not welcome there. And now these short-term rentals are just opening up doors and the floodgates to Hāna, and we need to stop this now, stop the short-term rentals, cap it at what it is, lower it, and do not even approve the pending applications. Leave them in the Hotel-zoned areas. You know, these tourists, they should stay where they...stay in the places that they are paying to stay. And right now they're paying to stay in our local neighborhoods, and it's not...it's not fun, it's not welcoming. You go to the local grocery store and they have a whole...like a whole wagon full of groceries, 12-gallon milk, \$10 bread. Like all I need is a few things, and they don't have that common courtesy to let us go in line. You know, if you see somebody behind you with one or two things, of course you're going to

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let them go in line. These tourists, they're invading our...our residents' areas, and it's...it's not a happy sight, you know. I don't mean to . . .*(timer sounds)*. . . But thank you for your time. I hope you take into consideration the life of our residents that you were to serve. Mahalo and have a great day.

CHAIR PALTIN: I'm having trouble with muting and unmuting. Thank you, Ms. Magalianes. Members, any questions for the testifier? Seeing none. Thank you so much for your testimony today. Next up, David or Tom Richardson, you guys ready? No? Okay. We'll go on to Jason Economou.

MR. ECONOMOU: Bonjour and good morning, Committee.

CHAIR PALTIN: Bonjour.

MR. ECONOMOU: Thank you for the opportunity to testify. I am testifying today on behalf of the REALTORS® Association of Maui. My name is Jason Economou, I am their Government Affairs Director. I want to testify to provide some additional perspective to this issue. I think a lot of people are conflating the issues of bad tourists or the issue of the codification of the Minatoya list and Apartment-zoned condos into one big issue, but they're actually several different issues. And I want to provide a little bit of historical perspective, which is Maui had a huge number of illegal transient vacation rentals before the STRH ordinance. And the STRH ordinance was put in place to lower that, get people who were conducting this activity to do it in a legal manner, and to tax them. And quite frankly, our STRH ordinance is excellent. It's...it's really a quality piece of legislation compared to a lot of other jurisdictions that don't have any legislation related to short-term rental homes. And it's easy to say oh, well, STRH is the same thing as TVR, but that's just not true. In law, different words have different meanings, and those are defined by statute. So in this instance, there are only 220, or roughly 220 short-term rental homes, and they have a very robust regulatory process that they have to go through. They have to pay a lot of taxes, they have to own the property for five years. The Mayor has suggested upping that number to 15 years. These are not necessarily the properties that are invading neighborhoods and making people unhappy. In fact, these are the properties that neighbors know where they are because they have signage, and they can call and register complaints. If I have hotel-accommodated tourists walking through my neighborhood and being jerks, I can't complain to anybody. But if I have an STRH home in my neighborhood and the neighbors are...you know, the guests are being jerks, I can complain, and the person who's already gone through all these regulatory hurdles and paying high taxes can lose their ability to conduct short-term rentals. That process is good. What you don't want is prohibition, and that's what I'm afraid that this is going in the direction of. Because every time the caps come up for discussion, they keep on getting lowered and lowered. And quite frankly, prohibition just drives up the price of a commodity. We've seen it with drugs, we've seen it with alcohol. Historically we know that if you ban something that's already in high demand, the price goes up. Right now, it seems like the biggest complaints are about the tourists who are staying in illegal short-term rental homes. That is understandable. I get more annoyed with tourists than I will publicly admit, and you can ask my wife because I shout on it about...on a daily basis. But the truth is, the short-term rental home

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...*(timer sounds)*... permit structure is a good structure, and it's a good piece of legislation. So I would suggest that you don't lower the caps too much, and you certainly don't look at getting rid of it altogether because that would just be cutting off your nose to spite your face. Thank you.

CHAIR PALTIN: Thank you, Mr. Economou. Member King has a question for you.

VICE-CHAIR KING: Aloha, Jason. Thanks for being here and for your testimony. The question I have is, you know, when we created that short-term rental legislation, we figured we were encouraging...like you said, encouraging people to go out and get legal and get their permits, but we still...when you look at these numbers of existing permits, even the pending applications, they're not at the cap. So it hasn't driven people into doing the right thing, you know, in those numbers. It doesn't seem to be in high demand, I guess is what I'm saying, as far as getting a legal permit. We haven't...we haven't...you know, it's been a couple years and we haven't reached those numbers. So we are ...*(inaudible)*...

MR. ECONOMOU: That's...that's true. It...it hasn't driven all operations to get short-term rental home permits; however, it clearly worked for over 220 operations for short-term rental homes, and then some other number for...for the B&Bs that I don't have in front of me. It also set the stage to have...you know, you have the carrot with...with the short-term rental home permit; but then it set the stage for you to have the stick, which is all of the fines for illegal short-term rentals. Clearly, the Planning Department's been doing a great job. Based on their reporting numbers, they've driven down the number of illegal short-term rental homes. And you know, once again, I can't say enough, the tax benefits of these 220 homes are substantially higher than the tax benefits of other homes. And you know, there's --

VICE-CHAIR KING: But...

MR. ECONOMOU: -- a lot of concern about speculation of properties, people buying to turn into short-term rental homes, but we just haven't seen that.

VICE-CHAIR KING: But let me...let me just clarify because of those 220, how many are new permits that were requested after the legislation went into effect? Because I think a lot of those 220 were already permitted short-term rentals. So...so my point...my point is that I want you to comment on is that it doesn't seem like that legislation drove a lot of people after that legislation went into effect to go get permitted, because we did...I --

MR. ECONOMOU: Oh.

VICE-CHAIR KING: -- I expected...I expected each district to then reach the cap, and it...and it doesn't look like we've done that in any district from this...that legislation. Do you understand what I'm saying?

MR. ECONOMOU: Right. It...it drove...yeah, yeah, it...it drove some people to...to get permitted, and it also drove a lot of people out of business because they...they...

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VICE-CHAIR KING: Well, yeah, it drove a lot of people who were doing it illegally to go...to...to...to get out of that business because it was an illegal operation. But I...I just don't see a lot of people...I didn't see a lot of people rushing to get legal permits for short-term rentals. That's...that's --

MR. ECONOMOU: Well, then that would...

VICE-CHAIR KING: -- why...that's why the caps haven't been reached.

MR. ECONOMOU: But and that...that just goes to argue that there isn't a proliferation of short-term rental homes. I mean, if...if the permit numbers haven't spiked then what the real problem is, is illegal short-term rental homes.

VICE-CHAIR KING: Well, we did...

MR. ECONOMOU: You know everybody that's calling and testifying saying that, you know, they've...they've had these short-term rental homes pop up in their neighborhoods, if the cap numbers didn't go up in those neighborhoods, then those are illegal short-term rental homes. They aren't the issue on the table today.

VICE-CHAIR KING: Yeah. But that was...that was kind of my point was that these people that we thought were illegal that were going to go then get legal haven't done it. So that's...you know, so that's (*audio interference*).

MR. ECONOMOU: Yeah.

VICE-CHAIR KING: So you know, that's why we're --

MR. ECONOMOU: That's a valid point. Yeah.

VICE-CHAIR KING: -- yeah, that's why we're talking about lowering this cap because they didn't take advantage of the fact that there...there were more permits to be had in those districts and go get legal. Well, anyway, that's...

MR. ECONOMOU: And...and that's a fair point. And...and that...you know, that's a policy decision that's...that you guys can make where the caps should be set. I guess the ultimate point that I want to make is that the legislation itself and...and the policy of having the short-term rental home permits as a regulatory structure is a really good regulatory structure.

VICE-CHAIR KING: Okay.

MR. ECONOMOU: So while you're adjusting the caps, I would just urge you not to throw the baby out with the bathwater so to speak.

VICE-CHAIR KING: Okay. Thanks.

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CHAIR PALTIN: Okay. Thank you. Any further questions? Member Sugimura?

COUNCILMEMBER SUGIMURA: Good morning, Jason. Thank you very much for testifying. I...I...you brought up in your testimony the people who have purchased a home and are waiting for that five years before they can do the short-term vacation rentals. So do you have a comment about that? I think that's what you said. You mentioned that.

MR. ECONOMOU: Yeah. Yeah. So...so as you're aware, the STRH ordinance requires ownership of five years, and...and the Planning Department has looked at it and it could end up going up to 15 years. But what...what I've heard anecdotally and...is that it's just not happening that way. People aren't investing upfront in hopes that five years in the future, they could apply for a permit that isn't...isn't necessarily granted as a matter of fact. It's...it's just not a smart investment. So anybody that's doing that, you should be happy because you're taxing them as non-owner occupied and you're getting a little...some extra property taxes off of that. But it is highly unlikely that...that they are...are actually doing that in practice. Five years is a long time to sit on an investment.

COUNCILMEMBER SUGIMURA: Thank you very much.

CHAIR PALTIN: Thank you. Any further questions for the testifier? Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Aloha, Mr. Economou. Mahalo for your testimony this morning.

MR. ECONOMOU: Good morning.

COUNCILMEMBER RAWLINS-FERNANDEZ: In your testimony, you said that the Mayor mentioned increasing the requirement to 15 years from the current five. Would you mind sharing where you heard that? I never heard that before.

MR. ECONOMOU: Oh, that was a piece of legislation that the Planning Department had put in front of the Maui Planning Commission. And...and I don't remember the exact date on this, but it is something that...that we reviewed. And I'm happy to do some research and see if I could find that specific piece of legislation. And you know, maybe by saying the Mayor, I...I was conflating the Mayor and the Planning Department just because it's under his office. You know, but...but yeah, that's...I was told that...by the Planning Department that the Mayor's recommendation was moving it up to 15 years, so yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo for that clarification. Mahalo, Chair.

CHAIR PALTIN: Thank you. Any further questions? Seeing none. Thank you, Mr. Economou. And I'm going to try use that conflating word in a sentence.

MR. ECONOMOU: I'm always happy to help. Take care. Thank you.

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CHAIR PALTIN: College word there. Okay. Next up we have Amy Bond. Amy Bond? Let me check if you're muted on our end. Oh, yeah, you are. There we go. All right. Amy Bond, you're unmuted on our end and we're ready for your testimony of three minutes. Amy Bond? Going once, twice...

MS. BOND: Hi. Can you hear me?

CHAIR PALTIN: Yes, we can.

MS. BOND: Aloha. Hi. Good morning. Hi. Thank you for the meeting and thank you for your time and all of your work that you guys do in the community, we appreciate it. I am in...opposing of changing the caps. I have a personal reason for it, it's because I'm one of the permitted people that have one of the short-term rental home permits. I'm a resident of Maui, and I use my business to support my family. I have three boys that are born and raised here. And it was a lot of work to get the permit to do my business. So my biggest concern is that I feel like half of these permits are owned and operated by local residents, and we're small businesses paying all the taxes, supporting people that work here. My team of people are actually kupuna people that have worked with me since 2013. I pay them like \$35 an hour to help me clean, and it subsidizes their Social Security they have, and it's a good job for certain people in these kind of situations. I just feel that if you are considering lowering the caps, that you strongly take into consideration the possibility that if it is a resident and it's someone that's lived here for...you know, five years, of course, is the minimum, but if it gets changed that...you know, these are local people just trying to be in a small business. And by taking away opportunities, it's difficult to live on this island and make ends meet. So if there's certain opportunities that are still available to people, that would be a good thing. I feel like every day I...I wake up and I go, what's going to happen today with my permit, will my permit be taken away, will I have a business in five years. It's like I always feel like our...these permits are like the low-lying fruit on the tree, they're always get picked at and we're paying a lot of tax and have done all of our due diligence to participate, and it seems to be like no one really considers that. It would be nice if we could also be considerate of the local people that own these businesses. So that's just my thoughts and opinions. And regarding the hotels, you know, these people don't just stay in the hotel grounds, they get a car, they drive around the island, they go to Costco. . . .(timer sounds). . . You know, they're...there's a lot of tourists here in a bunch of different gamuts [sic], and just...yeah, it's the whole tree, it's not just the 200 permits. That's what I'd like to say. Thank you for listening.

CHAIR PALTIN: Thank you, Ms. Bond. We have a couple questions for you. Member King, followed by Member Sinenci.

VICE-CHAIR KING: Aloha, Ms. Bond. Thank you for your testimony. I just wanted to clarify for you that what we're looking at with this cap, we would not be taking away any legally permitted existing short-term rentals. We're talking about capping it with the...with the numbers that already exist, so there's no movement to take anything away from anybody who already has a permit. Were you aware of this?

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MS. BOND: Yes, I'm aware of that. But my other question is so say...say there's 52 permits in Kihei, and let's say in the next five years, you know, five of those people decide to sell their house, and so now there's five permits open. Will there be five permits open for someone else to have an opportunity, or will those permits be phased out?

VICE-CHAIR KING: It depends on what...what we cap it at. You know, if we cap it at the number of...right now, then that would be...if 42...if there are 42 permits in South Maui, for instance, that would be the cap. It's...ends up being the cap and five of them, you know, retire, then there are five open slots for that. But it just depends on what numbers end up being used as the cap for each district. So we're not...I just wanted...my point was I just wanted to make...make sure you knew that we weren't proposing --

MS. BOND: Well...

VICE-CHAIR KING: -- to take the permits away from anybody.

MS. BOND: Right. That's...

CHAIR PALTIN: Yeah, the proposal on the table right now, the proposal is to cap it at the existing number.

VICE-CHAIR KING: Right. Which would actually --

MS. BOND: Well, I...I...

VICE-CHAIR KING: -- benefit you as...because it would...it would keep additional competition out of your way. But anyway, I just wanted to clarify that for you.

MS. BOND: I appreciate your clarity. And you know, it's...I...I just do...I do think it's a specialized niche business, and I just want to go on the record by saying my neighbors have supported me since day one. I've actually had letters submitted from them for different meetings and such and so forth, and I've had zero complaints. So it makes me feel good that I'm doing a great job and I'm contributing, all of my money stays local. And you know, it's...it --

VICE-CHAIR KING: That's great. That's great.

MS. BOND: -- *(audio interference)*

VICE-CHAIR KING: Yeah, we really appreciate that.

MS. BOND: So thank you for --

CHAIR PALTIN: Member...

MS. BOND: -- listening.

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CHAIR PALTIN: Okay. Member Sinenci, you had a question?

COUNCILMEMBER SINENCI: Mahalo, Chair. And mahalo, Ms. Bond, for coming and providing testimony today. I was just curious, do you run a B&B or an STR?

MS. BOND: I have a permitted legal short-term rental home.

COUNCILMEMBER SINENCI: Oh, okay.

MS. BOND: I do not have a cottage. I don't have a cottage on the property, so that wasn't an option for me. And --

COUNCILMEMBER SINENCI: Oh.

MS. BOND: -- the...the property is...it's...it's...it's...yeah, there's...there's no cottage, so I had to apply for the short-term rental home.

COUNCILMEMBER SINENCI: And I...and...and Ms. Bond, I appreciate you wanting to create more of our local businesses. And so I believe we're...we're very supportive of keeping B&Bs because where we know that B&Bs, then it's actual local residents that are running the...their operations. I think in this bill, we want to also address those owners that don't live on...on...on the island and run their STRs from...from off island. Thank you.

MS. BOND: I would just like...thank you. I just would like to add one more thing to that. I do think that in consideration of a local resident who owns a short-term rental home, I...I own and run and manage it, and I'm on the property twice a week, and then I'm also there for all the cleanings and all my check-ins I do personally. I don't have a lockbox. I personally check people in and I make sure to give them a tutorial of the house and how to malama our land and take care of things and, you know, I have a whole bunch of literature I have at the house. So --

COUNCILMEMBER SINENCI: Awesome.

MS. BOND: -- when you're thinking about things, it might be nice to have a separation or...or maybe think about the people that own them that are residents because we didn't --

COUNCILMEMBER SINENCI: Oh, no.

MS. BOND: -- have...I didn't have the opportunity to have a B&B. That's all I'm saying.

COUNCILMEMBER SINENCI: No, I think that's awesome, and I think that's what we want to keep, just being good hosts to our visitors, and I think you're...you're one of those helping to host our visitors. Mahalo for that. Thank you, Chair.

MS. BOND: Thanks for your time. I appreciate it. Thanks for listening.

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CHAIR PALTIN: Thank you. Member Rawlins-Fernandez has a question for you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Real quick.

MS. BOND: I'm...I'm here, I can hear you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Ms. Bond, for your testimony this...I wanted to dovetail off of a question from Member King. So is your concern not so much that your permit will be taken away, but that you were looking to get additional permits?

MS. BOND: I have no...I would never get...try and go get another permit. It's a very difficult process, I have no intentions of that. I would just like to see opportunities still available for local residents to be able to get a short-term rental home permit. You know, if...if the concern is, is that these properties are owned by off, you know, island folks, which I'm...I'm sure not half of them are, but I know there's a chunk of them that are, but then again, the houses that these permits are attached to are generally like over a million dollars or, you know, \$2 million homes that I don't think would ever be in the affordable housing market anyway. And let them pay the tax they're paying then. It would be just nice to have consideration for anyone that wants to do a business locally here in this niche. You know, I mean yes, cap them, but just also be thoughtful of...of, you know, a resident that wants to do it. That's all.

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

MS. BOND: Thank you.

CHAIR PALTIN: Thank you. Thank you, Member Rawlins-Fernandez. Thank you, Ms. Bond, for your testimony. Seeing no further questions, we'll go on to the next testifier. We have about nine more on the list. Ms. Audrey Antone? Audrey Antone? You're up. Let me check if you're muted on our end. Yeah. Unmute you. Okay. I just unmuted you on our end. Go ahead and unmute yourself now. Audrey Antone? You're unmuted on our end. Going once, okay. We'll come back to Audrey Antone. Next we have Barak Laub. Barak Laub, let me check if you're muted on our end. You're unmuted on our end, and you may proceed with your three-minute testimony. Go ahead.

MR. LAUB: Hi. I'm assuming you guys can hear me?

CHAIR PALTIN: Yes, we can. Awesome.

MR. LAUB: So my name is Barak Laub. Aloha, County Council. I had the pleasure of talking to some of you before, and I appreciate the opportunity to give testimony today. My dad, Paul Laub, has owned his house on Front Street for almost my entire life. He bought it right before I turned one, and I'm turning 35 on Tuesday. Our house and the surrounding community are some of my earliest and best memories from exploring Baby Beach, going to Nakamura's Market, playing rugby at the field from the Lāhainā Aquatic Center. And since 1987, my dad has spent the majority of his life on Maui, and for the last 15 years he spent almost every day there...volunteering, working, kayaking,

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bicycling. I know his heart and his passion is really in Lāhainā. Due to COVID, I didn't see my dad for almost 15 months, which is the longest we've ever been separated in my life. I asked him to come back and spend more time with me in California. Also, you know, he can see doctors here and I can spend more time with him. I'm personally working on settling down and building a family, and I'd like to have my dad close. We sold a vacation rental my dad was running right next door to his house, and we want to get a permit for his current home so he can go back to Hawai'i, go kayaking, go bicycling, hang out with his friends and his vet buddies. I would also love to be able to come back to the house I was raised in, and bring my family with me and my kids when I have them. Due to the upkeep and taxes and expenses that come with a house on the water, not wanting to leave it empty, of course, we...we have to rent it. And we're hoping to be granted a short-term rental so we can use it ourselves. I know my dad is hoping to spend his winters there rather than freezing in the bitter artic of Central California he constantly complains about. A short-term rental permit would make that possible for my dad and our family and me to go home to Hawai'i and spend time there and see our friends and our community. And hopefully, you know, my kids will get some of the same experiences I have. As I'm sure you know, the short-term rental permit is long and it's complicated, and I'm just asking you, don't close the door on us, but also on the other families on Maui who I'm sure are going to be in the exact same position that we are at some point. And yeah, so thank you very much for the opportunity to speak.

CHAIR PALTIN: Thank you, Mr. Laub. We have a question from Member King. Go ahead, Member King.

VICE-CHAIR KING: Thank you, Chair. Yeah, no, I...I thought you said my name, you broke up a little bit there. Aloha, Mr. Laub. Thank you for your testimony and for being a good steward of our island. I'm just curious about why you think you need a short-term permit to come back and use your own house? I mean if you own it, you can stay in it, you're...you know, anybody you want to stay in it. The short-term...short-term rental permit just gives you the ability to make it into a commercial operation, but it doesn't mean you can't stay there if you don't have...

MR. LAUB: Yeah, yeah. Of course. So we...really, we can't afford to have the house and just keep it completely empty. And it's also probably not safe with, you know, leaving a house empty for a prolonged period, people moving in, et cetera. So the options come down to we can either the sell the home, we can rent it out long-term, or we can hopefully get a short-term rental. So if we sell the home, obviously we...we can't come back. If we do the long-term rental, well, you know, say we do a six-month from today, I guess that would run until December, so then my dad definitely wouldn't be going back until December. And if we had to do a year-long thing, he...he wouldn't be able to come back during that time. And you know, we'd have to do these sort of alternating six-month rentals. And we've been going through that process of trying to find a long-term rental lease in the short-term, you know, while we're going through this process. And it takes a while, and I don't think it would be feasible to rent it out for six months, ask those people to leave, come home for four months, start the six-month rental application all over again. So having a short-term rental would allow us to, you know, have my dad go and be there in the winter months, and then we can rent it out in the other times. He

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can come back in the summer.

VICE-CHAIR KING: I understand. I...I...I thought you had thought there was some regulation. I...you were just talking about your income.

MR. LAUB: Yeah.

VICE-CHAIR KING: Okay.

MR. LAUB: And having it as...as an option. Yeah.

VICE-CHAIR KING: All right. Thank you for that clarification. Thank you, Chair.

CHAIR PALTIN: Any further questions for the testifier? I just had a question. I mean, you don't need to answer it, but it seems that you and your father both have a lot of aloha for Lāhainā and Maui. And I just was wondering why the option wasn't that you and your family move to Lāhainā?

MR. LAUB: My dad's pushing for that. He's been pushing for that for a while, and I actually did live in Lāhainā obviously, both as a child and then as a substitute teacher there at the Lāhainā schools, and I do love Lāhainā. My girlfriend was here. She's a...she's a school teacher in the...in the school system here. We've been together three and a half years, so it's kind of being pushed, and we've...we've talked about it, and it...it may be an option somewhere down the future. But at the moment, both for my job and for hers, it's not possible. So if I want to be together with my dad, he kind of has to be here for now. Yeah, he's...he's been trying to get me to move back and stay there permanently since...since as long as I can remember.

CHAIR PALTIN: And now the County Council is too. You know, we need teachers, but yeah, I understand. Okay. Thank you so much. And I didn't mean to pry.

MR. LAUB: No, of course. Yeah.

CHAIR PALTIN: Okay. Seeing no further questions. Thank you so much for your testimony.

MR. LAUB: Thank you for having me.

CHAIR PALTIN: Next up we have Jordan Hocker. Let me just check if you're unmuted on our end.

MS. HOCKER: Hello. Can you hear me?

CHAIR PALTIN: Yeah. Go ahead.

MS. HOCKER: Okay. I thought that was going to be much harder with the problems that everyone else is having. Okay. Hello there, Committee Members. Thank you so much for having us today. I just want to say I'm in support of short-term vacation rental caps.

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It is nice to see...so I was following, you know, capping short-term vacation rentals when the testimony was coming in through the Planning Department, and it was a lot of people who didn't live here or who had bought a second home here and were sort of trying to keep it and pay the mortgage and say well, we inject all this money into the economy. And so on that...on those meetings, I didn't hear the resident short-term vacation rental, so it's really good to hear those voices here and know that they're going to be not pushed out by this bill, but still able to...to do what they're doing. I honestly didn't know that the previous limit for Makawao...for Upcountry, I live in Kula, was so high, and so I really...I support the...the cap proposed by Council. I want to mirror what one of the previous testifiers had stated, which is that, you know, I think the issue of managing tourism is going to come from all sides and many different directions, and so I think this is one of the elements that can help keep the number of visitors in areas that are just where people live and are trying to go to the grocery store in a timely manner or find parking to pick up takeout for their families in a timely manner. We're really being flooded in some of these outer lying areas that didn't used to have this issue. I know pre-pandemic Makawao, even when the tourists were there, you could get in fairly quickly, and now that's just not really a case during high-volume times. And if you've ever had a really hungry child in the car and you're trying to find food for them while not being able to find parking, it's...it's a thing. And...and it's just something I've noticed pre-pandemic versus post-pandemic, which is that, you know, I try to give grace for people who are here on vacation, I do understand that they're spending their money. But for instance, like if we have more short...I've always said that you have to not like your neighbors very much to try to put in a short-term vacation rental right next door or to an area where people have lived like their entire lives because that's a neighborhood. And people who don't live there don't have the same tie to their neighborhood as other people. And you know, I did...I did hear other testifiers who do seem like they take their neighbors into consideration and consideration for the people that they're hiring, but that is not the full extent here. And then, you know, I'd like to address that...I know that the...the government relations gentleman for the REALTORS® Association of Maui was saying that it's a poor investment to sit on a property for five years, but what I see happening more often is that people will either rent it out or live in it for five years and then they'll kick their tenants out for a short-term vacation rental when...when it's time. And so I...I just want to say I really support these caps. I support having more tourism-focused . . . *(timer sounds)*. . . areas--I just have a couple more sentences--tourism-focused areas instead of just unfettered tourism sprawl. And I think that these caps will help some of the places where people are just trying to live and get to and from the places they need to go for their families a little easier. So I just...I...I support this initiative. And also support what Dick Mayer about licenser process. I'm always telling people if you're on Airbnb, if you're on VRBO, make sure they have a permit number. I'm in Maui Bound, like make sure you have a permit number, you know, ask them for their permit number so you know that you're staying at a...at a permitted place. And I look forward to all of the money we can squeeze out of illegal short-term vacation rentals and how you guys are going to enforce that. So thank you so much for your time today.

CHAIR PALTIN: Thank you, Ms. Hocker. Anyone have any questions for the testifier? And I just was wondering, you know, I've heard a lot of people talk about keeping the tourists

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in the resort areas of South and West Maui. Just was wondering if you had any idea for the relief of those people that live in South and West Maui.

MS. HOCKER: You know, I almost want to say I'm not sure that's a clarifying question on my part, but I...I don't.

CHAIR PALTIN: Yeah (*audio interference*)

MS. HOCKER: And I...I can only speak for my positionality, and I know me saying don't bring them here means pushing them into other areas, but I hope we can come up with (*audio interference*) other areas. So good...good luck. That's all I have to say.

CHAIR PALTIN: Yeah, it might not have been a clarifying question, but you seem like you have a lot of great ideas, so I just figured throw it out there. Okay.

MS. HOCKER: I'll...I'll sleep on it.

CHAIR PALTIN: Thank you.

MS. HOCKER: Thank you very much.

CHAIR PALTIN: Thank you. Okay. Any further questions for the testifier? Seeing none. Next up we have Jadey. Jadey. Let me check if you're muted on our end.

MR. SIM: Can you hear me now?

CHAIR PALTIN: I can. Yes. Go ahead.

MR. SIM: All right. Cool. It's my first time doing this. I agree with a lot of what Jordan has said. I'll put on the camera too so you can see me. I...I agree and support the caps. I also agree with keeping tourism more focused in the areas where tourists typically kind of want to go, which is, you know, beaches and things of that nature. It does make it more difficult, I mean, I think we all kind of...when...when COVID hit, we saw this complete vacancy of any tourism, and I think it was very, very nice for the locals that live here to meet people and actually meet people who lived here. It was a very interesting experience. I kind of agree with steering the entire economy away from tourism and having more locally supportive things. But you know, a cap on vacation rental homes sounds like a good start in that direction. So yeah, that's kind of about all I have to say on it.

CHAIR PALTIN: Right on. Thank you so much. And congratulations on your first oral public testimony.

MR. SIM: Thanks.

CHAIR PALTIN: Members, any questions for Mr. Jadey? Seeing none. Thank you, and don't be a stranger.

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MR. SIM: All right. Mahalo.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR PALTIN: Yes?

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair, Staff is asking for his last name.

CHAIR PALTIN: Huh?

COUNCILMEMBER RAWLINS-FERNANDEZ: Staff is asking for his last name.

CHAIR PALTIN: Sorry. Can you let us know your full name for the record?

MR. SIM: Jadey Sim, S-I-M.

CHAIR PALTIN: S-I-M. Okay. Jadey Sim. Thank you.

MR. SIM: You're welcome.

CHAIR PALTIN: Okay. Next up we have number 21. Number 21? See if you're muted from our end. Oh, I don't even see number 21 anymore. All right. I don't see a number 21 on the list. So moving ahead, we got Junya Nakoa.

MR. NAKOA: Good morning. Howzit.

CHAIR PALTIN: Aloha. Go ahead. Your three minutes, we're ready for you.

MR. NAKOA: Okay. Shoots. You guys know that Canoe Beach wen open up yesterday and the short-term rental guys, they cannot...they cannot park at the hotel at Kā'anapali, so they end up go park on all our...our local beaches. So yeah, so I just support the cap. And yeah, that way Greg Brown no can get the short-term rental here in Nāpili. Yeah. So da kine yeah, so just keep 'em da kine. I support the cap. And...and I support the...the wahine that's doing 'em the right way, you know, the way she greet her guests and all that stuff. So I support those buggahs because they doing 'em the right...get some good people out there. But yeah, shoots, I support the cap. Good job, gang. Yes, sir.

CHAIR PALTIN: Thank you, Mr. Nakoa. Members, questions for the testifier? Seeing none. Thank you for your testimony today. And next up we have Sarah Relchert...Relchert. Let me check if you're muted on our end. Sarah Relchert. Yes, you are. Let me unmute you. Okay. We've unmuted on our end, now you just need to unmute and...on your end, Ms. Sarah Relchert. Going once, twice, all right. Moving on, we have Albert Perez. Check if you're muted on our end. Yes, I'll unmute you. Okay. Albert Perez, go ahead.

MR. PEREZ: Good morning, everybody. Aloha. Yeah, I...you know, I'm just going to be kind

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of cutting to the chase on this. Bed and breakfasts are one thing, they have...it's a different story. They have residents onsite who are managing, they can act immediately if something is going wrong, if a guest is misbehaving. Although, you know, we've had some testimony from some short-term rental owners who are very conscientious and they try to do their best, the fact is that they're not there, and it puts a burden on the neighbors to call them if something goes wrong. And if the owner is not responsive, then they have to call the Planning Department and hope for enforcement. So if you're living next to one of these places, you're always kind of on edge because you don't know how the next group is going to be acting. It will change the character of your life, you know, your home. You don't have a relationship with these people. It's just very different. And so I haven't heard this from anybody, but I actually would support phasing them out entirely. I don't know if you would even need a cap, but I would like to see zero of these short-term rental homes. I'm not talking about putting anybody out of business, but I would like to see them grandfathered in so they could continue, but if they stop, then there would be one less, and our neighborhoods would be improved by one less short-term rental home. So that's all I would have to say. At the very least, I would like to support the lowest cap that's being proposed. So mahalo.

CHAIR PALTIN: Thank you, Mr. Perez. Members, questions for the testifier? Seeing none. Thank you for your testimony today.

MR. PEREZ: Okay. Aloha.

CHAIR PALTIN: A hui hou.

MR. PEREZ: Okay.

CHAIR PALTIN: Next up we have Leanne Sim. Might be related to Jadey. Let's see. Check if you're muted on our end.

MS. SIM: Oh, hi. I didn't know I was on the list. Can you hear me?

CHAIR PALTIN: Yes, we sure can.

MS. SIM: Hi. Hi. Actually, my thoughts on this are the short-term rentals, I totally agree that there really should be somebody on the property. I'm...I have a B&B. But I think that it would be good if it's just somebody...like it doesn't necessarily have to be the owner, but a manager of some sort, a property manager. And all of the short-term rentals can be converted to that, right? Because I think actually, in my neighborhood particularly, like we are so super conscientious of our neighbors. We take them into consideration all the time. We don't allow any check-ins after 10:00 p.m. We greet every single person personally. I vet them out completely, and I always...so over and over, these are the quiet times, this is a working neighborhood, people get up early in the morning, they go to bed early, it is super quiet here. I mean, I even go so far as to say when you lock your car, don't use the FOB if it...if it beeps the horn because that's disturbing to the neighborhood, you know, all those kind of things. So I think if we have people that live in the neighborhood, like live on the property, then we're going to reduce all of these

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anxieties with the neighbors just having people come in and nobody is there to supervise and see what's going on. So that's my two cents.

CHAIR PALTIN: Thank you, Ms. Sim. Members, any questions for the testifier? Seeing none. Thank you, Ms. Sim, for your testimony.

MS. SIM: Thank you.

CHAIR PALTIN: And I...I...looks like I missed someone on the list. Guest user, we don't know your name, but you're in there as guest user. And I will unmute you on our end, and you will need to unmute on your end. Guest user? Going once, twice, no? Is there an Audrey Antone? No? Okay. I think we had a spy kid, but he might have dropped off. Oh, number 21, let me unmute you. Okay. Number 21, you've been unmuted on our end, and you're free to begin. Going once, twice, no number 21. Okay. Next up we have Tom Gourley. Tom Gourley. If you're muted on our end, yeah, let me unmute you. All right. There, you're unmuted on your end, now you'll need to...or our end, you'll need to unmute on your end and then we can take your testimony. Tom Gourley. Going once, going twice. Okay. We got Thomas Croly. Thomas Croly next. I've unmuted you on our end.

MS. GILBERT: Sorry, can you hear me? Tom Gourley. I just found the unmute.

CHAIR PALTIN: Oh, Tom Gourley. Oh, yes, we can hear you now. Okay. We'll take you up before Tom Croly. Sorry, Mr. Croly, she just found her unmute. Go ahead, Tom Gourley.

MS. GILBERT: All right. My name is Darcel Gilbert. I'm using Tom's phone.

CHAIR PALTIN: Okay.

MS. GILBERT: And I live...yeah, and I live in Lāhainā. I'm in that tourist area, but I also...but I really still live in a residential neighborhood with single-family residences. Unfortunately, I have six vacation rentals here, and it is the experience that other speakers have mentioned. So I...I'm not going to go into that because it's been well documented, I will just repeat it. But I want to bring up one more thing is that truly, even in our area, it affects our rentals and the cost of living for our residents. I have a friend, a teacher born and raised here, she's a...she teaches, her...she has two children. She is moving out of her present residence because the owner is selling. She's looking for someplace to rent. Houses have been sold on my street because the prices are so high. She looked at one, it's going to be \$5,000, okay, for a three-bedroom house. All right. There was a house that was up for a permit for vacation rental, and it was turned down for the first time, and I actually addressed or sent a note to the owner about it, would you like to vent a rental...to rent to a local family who needs a place? Never got any response. Of those six vacation rentals on my...on my street, one owner is in Southern California, one is in Australia, one is in Thailand. You know, most homes and condos even on Maui are sold to people off island. I have no objection, I think, to residents who do have that business, but I think we really need to look at these places that are being owned off island and limits the availability for our residents. And...and

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that's beyond the quality of life issue, I'm just talking about the facts about the cost of living here that has increased by ownership off island. And that...I think that was...I just wanted to add that point to all the very good points that have been made earlier. So thank you.

CHAIR PALTIN: Thank you, Ms. Gilbert. And I...I did want to let you know that I received your written correspondence and thoroughly enjoyed it. I see Member King has a question for you.

MS. GILBERT: Sure.

VICE-CHAIR KING: Aloha. Thank you, Chair. Aloha, Ms. Gilbert. You mentioned that you had six short-term rentals on your block and I thought...that sounds like a violation to me. So I thought there could only be three within 500 feet of each other.

MS. GILBERT: Well, there certainly are. I have one next door, there's one across the street. I can walk to these within five minutes.

VICE-CHAIR KING: But...but the other...the...the question, the clarifying question I had for you is you talked about having issues with these short-term rentals in your neighborhood. Have you lodged complaints to the Planning Department? Has anything been done, any action been taken to address your...your issues?

MS. GILBERT: You know, what's really interesting is that local people are often very tolerant. When I've talked to my neighbors, and they've complained...and this has happened just within the last year...oh, my God, you know, these people had the rubbish out, da, da, da, it was really noisy. Oh, but I don't want to complain, you know, I don't want to make trouble. And that happens very commonly. I think we're starting to get a little more aggressive about it, but my Tongan neighbors who are, you know, they're working. They're community people.

VICE-CHAIR KING: So...so you yourself has...have not actually contacted the Planning Department with your complaints?

MS. GILBERT: I did. It's been a while for the one next door. And actually, we haven't had any complaints because it's been COVID for the last year, but now we're starting to see people come in and...and there are starting to be some incidents.

VICE-CHAIR KING: Okay. So when you do...when you have lodged complaints, did you get action is what I'm trying to get at. Did somebody...

MS. GILBERT: We would usually try...as advised, we would try to go to the owner or the manager, because most of these are managed obviously, and they would respond. I have to agree with that. But as another previous commenter said, it's a neighborhood where you have constantly this...this...this overturn of people. There are strangers that are walking down your street that makes you feel a bit insecure. You know, a month ago there were like six young men walking down the street that I had never seen before.

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And...and so that is a different part of the nature. And I'm talking again about single-family residential neighborhoods specifically. And if you have one or two...or a B&B, because I agree, I think B&Bs, because they're onsite are...are a little different.

VICE-CHAIR KING: I don't want to take up more...more time, but I think you answered my question. So you know, I appreciate the issue that it's hard sometimes to lodge a complaint. I was just trying to get at whether your complaints were being addressed. It sounds like the management has been fairly simpatico with some of your complaints and tried to fix issues?

MS. GILBERT: Yeah, and there were different homes involved obviously, and different groups. Or different neighbors with different vacation rentals that they complained about. Let me put it that way.

VICE-CHAIR KING: Okay.

MS. GILBERT: But thank you for listening. I was concerned about that cost of living when I heard that she'd looked at a house down the street and it was \$5,000 for it. That's it. That's all. Thank you.

VICE-CHAIR KING: You're right about that problem. It's a big issue. Thank you.

CHAIR PALTIN: Thank you, Ms. Gilbert. Any further questions for the testifier? Seeing none. Thank you for your testimony today. And then we'll move on to Tom Croly. That was Darcel Gilbert, for the record, using Tom Gourley's phone, and now we have Thomas Croly. Go ahead, Mr. Croly.

MR. CROLY: Aloha, Committee. Aloha --

CHAIR PALTIN: Aloha.

MR. CROLY: -- Committee Chair. Tom Croly testifying on my own behalf. I hope that everyone got the testimony that I...the written testimony I sent in because in three minutes I don't have a chance to even touch, you know, the many, many points that I put in there. But you know, a lot of your testimony here, and a lot of the eComments that came in really were not applicable to short-term rental homes. And I want to be very specific, short-term rental homes are those who go through an extensive vetting process to make sure that they fit into the neighborhoods where they're being issued. And neighbors get multiple opportunities to comment on them. And many, many, many short-term rental home permits have been denied. Most do not make it through the vetting process. I consult with a lot of folks who say, I'd like to get a short-term rental permit. I would estimate three out of four people that I speak to, after I get a little information from them, I say to them, there's no chance. There's no chance that you're going to be able to survive the vetting process and get a short-term rental permit. And most of those people, I've done a favor to the...to Maui County because they don't go forward and submit an application and you go through all this and so forth. But I can tell you that it's very, very difficult to meet all of the criteria. And the very first thing I tell everyone

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is go talk to your neighbors first. Make sure that your neighbors are going to be okay with what you want to do because there's no sense in you going through this process and then getting to the Planning Commission and...and them turning you down because your neighbors don't want it. That's a short-term rental home. Now, I hear a lot of people talking about the impacts of lots and lots of...of properties in there, and I want to point out that I don't believe any of these or many of these are short-term rental homes. What they're talking about are the more than 20,000 second homes that exists in Maui County that their owners use on occasional basis. They might be illegal short-term rentals, they might be advertising. I don't know if they are or not, okay. But there's your...there's your issue. And the person up in Kula talked about there being crowds in the grocery store and so forth. It's not coming from 11 short-term rental permits up there, okay, it's coming from the 1,700 and...or so second homes that are in the Upcountry area. The goal of the short-term rental ordinance, as you well know, it already has caps and the goal was to make sure that there are no impacts at all to the neighborhoods when permits are granted. When there are, permits get denied and permits get revoked and permits get not renewed and so forth. So the key is you need to leave some ability for the good guys to get through this process . . .*(timer sounds)*. . . I'm not asking for...and I'll finish up briefly. I'm not asking for an increase to that, but if we do set the caps at where they are right now, we're going to have to develop some type of a waiting list procedure for those folks who are already in line, already have submitted an application, or those folks...those families who are like the Laubs, who in the future may want to submit an application. We would have to have some type of a waiting list. Thank you for your...

MS. GILBERT: Yeah, so they found...they found the box and...

UNIDENTIFIED SPEAKER: Yeah, I was looking at that.

MS. GILBERT: Yeah, and he moved it...

CHAIR PALTIN: Ms. Gilbert, you're still unmuted. Thank you.

MS. GILBERT: Oops.

CHAIR PALTIN: Thank you, Mr. Croly. Clarifying questions for Mr. Croly? Ms. Sugimura?

COUNCILMEMBER SUGIMURA: Thank you. Thank you for testifying. So you're saying...can you...can you say your last statement? We had some interruption at the...

MR. CROLY: Well, the last thing that I was concerned about was the fact that if...if you do follow through on what it sounds like you're intending to do, which is set the caps approximately at the number that...of permits that are out there right now, and hopefully you will include those folks who are in the process, have submitted applications and are...and are in the process in those cap numbers. But if you do that, we're going to have to have some type of a waiting list procedure because as someone pointed out, people give up their permits. Every year there's three to five permits that are not renewed by...by someone, they sold the house or whatever. And right now, to

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this point, we haven't had a good way of putting people in line to say, your application would be next, your application would be the one after that. So that's something that would have to be thought about if you're going to all of a sudden take away all of the opportunities for future permits for people and say boom, no more at this point. Because there will be people who will drop out in the future, so we would need some type of a waiting list procedure.

COUNCILMEMBER SUGIMURA: Thank you very much.

CHAIR PALTIN: Thank you. And...oh, I had a couple clarifying questions, but go ahead, Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. Good morning, Mr. Croly. Just a quick question, do you own and operate an STR at...at this time?

MR. CROLY: No, I...I have a bed and breakfast at my home that's a permitted bed and breakfast, and because I was involved in this, a lot of people know that I know this...this procedure and so forth. So people consult with me and I give them advice --

COUNCILMEMBER JOHNSON: I see.

MR. CROLY: -- on making applications for short-term rentals. But I do not have a short-term rental, I am not interested in getting a short-term rental, no.

COUNCILMEMBER JOHNSON: So you own a B&B. It sounds to me like...are you advocating for more competition against your B&B? Because if...that's my clarifying question.

MR. CROLY: Thank you for that question. I believe that every citizen of Maui should have the opportunity to participate in the visitor industry. I don't believe that you should treat me any differently than anyone else. You should not pull the rug out of someone...under someone else and take away their opportunity. So I believe that everyone should have that opportunity. Sure, it would be great for me if you said you can...you're the only bed and breakfast on the island, but I would never advocate for something like that. Something like that would be so unfair.

COUNCILMEMBER JOHNSON: Okay. Thank you, Chair. I have no further questions.

CHAIR PALTIN: Thank you, Member Johnson. I just had couple questions. You know, when you were saying it's not the 11 permits in Upcountry or whatever, it's the 1,700 second homes. Are you able to get a breakdown of those second homes, of which ones are long-term rentals and which ones are vacant and like that, do they have that information available?

MR. CROLY: Yeah, unfortunately we don't. But you did something last year that might help us get that information, and that is, you know, you created the...the exemption for long-term rentals. So let's see how many people submit those...those exemptions for long-term rentals and get a...get a feeling for, you know, how...how that breakdown is.

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When...when we did that in...the...the action that you took last year in the condos that were allowed to make short-term rental uses but were second homes, that's what they were declared at, the percentage was about 20 percent. So about 20 percent of those second homes were long-term rentals, and those people told the Planning Department hey, I'm doing long-term rental, and they didn't put them into that short-term rental classification for their second homes. Whether that 20 percent holds up across the whole island, I think it's probably going to be more than that, but I'm sure...I'm absolutely sure that it's not 50 percent. You know, so of those 1,700 homes Upcountry, I don't think you're going to get 850 people applying for the...for that exemption. So again, look at the huge difference, 1,700 versus 11 or maybe it's 800 versus 11, that's...that's the point.

CHAIR PALTIN: Okay. Thank you. And then if we were to phase out through attrition, there would be no need for a waiting list, right?

MR. CROLY: Well, if you were to phase out through attrition, what will happen, just to be very clear, is we'll go back to where we were in 2005. In 2005, the Hawaiian Institute report said we have 800 short-term...800 single-family homes in Maui being used as short-term rentals. Okay. So if you phase out by attrition, that's what you're going back to.

CHAIR PALTIN: Okay. Thank you. Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Aloha, Mr. Croly, mahalo for your testimony. So in 2005, was there enforcement on the illegal short-term rentals?

MR. CROLY: Absolutely. Actually, the enforcement came in earnest in 2006, okay. But...but there was enforcement back then, although there...there was kind of a waiting...we're waiting until we have an ordinance that would allow these people to go through the permitting process. But there...there definitely was enforcement, there were people getting notices of violation, there were fines being...being scheduled. It wasn't as if there was no enforcement. The enforcement that was taking place at that time was complaint-based. It was...it was a matter of if a neighbor turned someone in, then there was enforcement. The enforcement that began under the next Administration was proactive enforcement, where the Department went out and...and cited people who there wasn't necessarily a complaint on. But absolutely, there was enforcement back then.

COUNCILMEMBER RAWLINS-FERNANDEZ: Right. But would you say that the enforcement that we have now is better than the enforcement that they had in 2005? Meaning that it...your conclusion that by not phasing out short-term rentals, we would end up in the same situation as 2005 is not a correct conclusion.

MR. CROLY: Well, I wouldn't have said that if I didn't think it was a correct conclusion. Here's what I know about the industry, okay, is as...as people were saying, there's illegal short-term rentals in my neighborhood, but the Planning Department's not shutting them down. Why? Because those people have figured out, I'm not going to get my customers by advertising on Airbnb or VRBO where the Department is looking, I'm going to get my

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customers a different way. So again, I don't know how many of those there are out there, how many people are doing that, but you...you don't want to concede the entire market to those folks. I think you want there to be a market that's taken...that's...that's taken care of by legal means, people paying the proper taxes and so forth. But...but absolutely, the demand that's there will get met one way or the other. They...the enforcement that we have is doing a great job of keeping people off of the regular advertising venues, Airbnb, VRBO, whatever, but there are other ways that people are getting around that obviously.

COUNCILMEMBER RAWLINS-FERNANDEZ: Right. And so if they do it illegally, they'll be subject to a \$20,000 fine the first time with \$10,000 per day, and that --

MR. CROLY: I hope so.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- . . . *(inaudible)*. . . , yeah.

MR. CROLY: I hope so.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR PALTIN: Thank you. Any further questions for the testifier? Seeing none. Thank you so much for your testimony today. Next up...

MR. CROLY: Thanks, Committee. And I do wish you luck. And again, I do want you to treat fairly the people who are already in line, who have submitted their applications, and...and...and are trying to do the right thing in good faith. Please don't cut them off at the knee.

CHAIR PALTIN: Thank you.

MR. CROLY: Thank you.

CHAIR PALTIN: Okay. Next up we have Ms. McGurn, Jennifer McGurn. Let me check if you're muted.

MS. MCGURN: Good morning.

CHAIR PALTIN: Oh, we got you. Okay. Go ahead.

MS. MCGURN: Okay. I submitted written testimony, but just felt the need to come on after listening to a few of the testifiers. I personally respectfully disagree with the previous testifier. I don't see why we can't let these rentals phase out. If people decide they're not going to, you know, do short-term anymore for whatever the reason, good, that's one less. You know, I think people that already have permits, obviously we have to let them keep them, but I don't see why people that don't have already one, if these caps are set, too bad. I mean honestly, I don't understand the concept that people must have where they're buying these homes with the sheer intention of renting them out

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short-term. I mean, it is...it is cutting the community's ability to rent. You know, the...the rental market, the buyer's market, it's basically out of reach for most of our community, and it's...I've said this before when I've testified before on other issues, but we have...are so...the...the chasm between those who can afford housing and the rest of us that serve those is just getting greater and greater and greater. And I think a couple testifiers back was talking about, you know, a home being available for rent for \$5,000 a month. I mean, that's crazy, and that is caused by supply and demand. And there just is no supply. There's a large demand. I personally know three or four people and/or families right now who are looking for stable long-term housing, all of them are being displaced because their current rental is being sold. So people are cashing in on this market. It's going to either be turned around by the new buyers into short-term rentals. It's just creating such a problem for our local people and their ability to afford rentals, much less being able to buy anything. And the more we allow this, the worse it gets. I just...you know, so a cap, yes. Please, please put a cap. But the ones that expire, let them expire, let those numbers eventually...you know, let those numbers eventually diminish, you know, so that there aren't so many. And hopefully we can get some of the supply back for the long-term market.

CHAIR PALTIN: Thank you. Let's see, Members, any questions for Ms. McGurn? Seeing none. Thank you so much for your testimony today, Ms. McGurn.

MS. MCGURN: Thank you.

CHAIR PALTIN: Next up we have Kai Nishiki, to be followed by Jen Russo, and then Kathy Bernard. Kai Nishiki?

MS. NISHIKI: Hi. Good morning, Chair. Good morning, Committee Members.

CHAIR PALTIN: Good morning. Go ahead.

MS. NISHIKI: I was going to leave this...I was going to leave this for the end of my testimony, but I might get carried away so I'm going to say it first. I'd like to point your attention to some of the written testimony, in particular one by Wayne Hedani. He is a former Planning Commissioner, and in his written testimony, it says he was a former Planning Commissioner for ten years, and he feels that we should phase out STRs in favor of a select number of B&Bs, and that in his role as a Planning Commissioner, we made a mistake in approving STRHs. It is driving up home costs to unreachable numbers for Maui families. I was a former Planning Commissioner for ten years. By approving these permits, I was part of the problem. We had no choice because the ordinance was clear, but the ordinance was a mistake. Our Commission voted unanimously to cap STRHs back in 2010 in a letter to the Council, and nothing was done. Now is the time to correct that mistake. I fully support what Mr. Wayne Hedani said. He comes from experience as both a Planning Commissioner and time in the visitor industry. And a lot of testifiers are saying hey, you know, there's only 200 on...STRHs, it's a small number. It's not a small number when you're a resident. And every home that you save from being an STRH is an opportunity for a resident to have a home. So please don't feel like it's only 200, every home counts. And I also hear STRH owners saying, you know, oh, please be

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considerate of us, this is our...our business...let's be real. These are usually second homes that are being STRHs, and this comes back to like what is a priority. And if you're looking at somebody who has two houses and they can actually have an STRH, the priority should be on the people who can't even own a home, who can't even like buy one house, let alone an STRH for a second home that they own. And when they say they're residents, like how long are they really...were they really residents when they say that? Like we have generational families, keiki having to move off of this island; they should be given a priority, they should be given an opportunity. There are...I mean, let's just...let's just list it off, airlines are adding more and more flights, we can hardly get . . .*(timer sounds)*. . . reservations...there's my time. So thank you very much. I support the caps, and they should be reduced by attrition. And let's put the priority where it should be, who's in the most need. Mahalo.

CHAIR PALTIN: Thank you, Ms. Nishiki. We have a question for you from Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Aloha, Ms. Nishiki. Mahalo for your testimony this morning. You were listing off some things and then the buzzer went off so I couldn't really hear. Would you mind listing them?

MS. NISHIKI: Yes. Airlines are adding more and more flights, it's hard to get restaurant reservations, it's...our store shelves sometimes are running out of food, we have water shortages, our beaches are packed, we have too much trash, too much wastewater, too much tourists buying plastic water bottles. Our children and families are moving, we can't even afford a home. Homes are being sold out from people who are just trying to have an affordable rental. And STRHs impact our small towns, Ha'ikū, Pā'ia, Makawao, even our small town of Lāhainā, and the beaches and the beach parks. If you...if you listen to the testimony at the Planning Commission, our residents are testifying when there are short-term rental homes coming up saying, we don't want these in our...in our neighborhoods, they're going and taking all of our...all of our beach parking, they're taking all of our...our small special places that used to be special to our residents. So thank you very much. And please, we don't need any STRHs...a very small amount, if anything.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Ms. Nishiki. Mahalo, Chair.

CHAIR PALTIN: Thank you. Any further questions for the testifier? Seeing none. Thank you for your testimony today. Later we have three more on the list, and then maybe we can take a break before we start deliberations. Next up we have Jen Russo, to be followed by Kathy Bernard and then Dennis Carhart. Jen Russo, you're up, we're ready for your three minutes. Just check if you're muted on our end.

MS. RUSSO: Can you hear me?

CHAIR PALTIN: We sure can. Go ahead.

MS. RUSSO: Okay. Mahalo, Chair. Mahalo for the opportunity to speak about the proposed

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changes to caps. I am Executive Director for Maui Vacation Rental Association and testifying on my behalf, them. I stand on the earlier testimony from the Planning Commission meetings and the written testimony from this meeting. We support regulation and we support caps for permitted STRH, but we think these caps should be set to include current permits, current renewals, and current pending permits at the very least. I think it's important to note that about 50 percent of our current STRH permit holders are residents, and many of them do run their own properties. These owners vet their visitors carefully, and educate their guests carefully. And there are certain stipulations for some properties that mean they don't qualify to make the application for a B&B, hence their...did a STRH permit. And every single permitted home has a local manager on property, and that manager has their contact information on a sign on that property. It's also important to note the contributions to real property tax, and that the vacation rentals have been the biggest contributor to the Affordable Housing Fund as well, so we need affordable housing to be a priority, and vacation rentals are currently contributing to that solution. And thank you so much.

CHAIR PALTIN: Thank you, Ms. Russo, for your testimony. It looks like we have a question for you from Member Rawlins-Fernandez. Go ahead.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Aloha, Ms. Russo. Mahalo for your testimony this morning. So your organization, Maui Vacation Rentals? Sorry.

MS. RUSSO: Maui Vacation Rental Association.

COUNCILMEMBER RAWLINS-FERNANDEZ: Maui Vacation Rental Association consists of legal vacation rentals, correct?

MS. RUSSO: Correct. Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: And an earlier...an earlier testifier talked about how illegal vacation rentals may be using other platforms than the normal VRBO, Airbnb, and that our Planning Department may not be checking. Does the Association work with our Planning Department to help with enforcement of illegal vacation rentals?

MS. RUSSO: You know, we haven't been called upon to work with the Planning Department in that capacity. I do check all the requests for service and try to do research on my end to, you know, sort of figure out when there's a complaint on a property, is this somebody doing illegal business in this manner, or is it a second home perhaps. But I would welcome, you know, the opportunity to discuss that with the Department.

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

CHAIR PALTIN: Thank you. Next up we have Member King.

VICE-CHAIR KING: Thank you, Chair. Aloha, Ms. Russo. Thank you for your testimony. I wanted to kind of follow up on, you know, your...your association and the organizations you're working with.

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MS. RUSSO: Right.

VICE-CHAIR KING: Are you working with an organization called Vacasa?

MS. RUSSO: No.

VICE-CHAIR KING: V-A-C-A-S-A. Okay. I...I...I wonder if you're aware of this organization going door to door literally in Maui Meadows, urging our residents to basically kick out their long-term rental...renters and...and go into short-term renting.

MS. RUSSO: I am not...yeah, I'm not aware of that. I'm familiar with Vacasa as a brand. I know they manage rentals nationally, I should say, and I don't know to the extent...so obviously they're trying to drum up business there in Maui Meadows. But that's a...a good point. I don't have local contacts for that company.

VICE-CHAIR KING: Okay. I'm happy to send you one of their letters I've gotten from several residents in Maui Meadows, so that's why I'm talking about...they may be --

MS. RUSSO: Yeah.

VICE-CHAIR KING: -- doing the same in other areas as well. But --

MS. RUSSO: Yeah.

VICE-CHAIR KING: -- my sister being one of them, complaining that they seem to be trying to convince them to kick out their long-term renter tenants. So I...I'll send you that letter because I think it's --

MS. RUSSO: Yeah.

VICE-CHAIR KING: -- really something important, and if you can contact this organization and get them to stop doing that, that would be really helpful to our residents.

MS. RUSSO: Yeah. Please do. Mahalo.

CHAIR PALTIN: Okay. Seeing...oh, Member Molina?

COUNCILMEMBER MOLINA: Thank you, Madam Chair. Good morning, Ms. Russo. Just following up on Member Rawlins-Fernandez's questions with regards to the MVRA regulating...supporting regulations. So at this point now, I guess why we're looking at caps is because of the proliferation of, you know, short-term rentals and...and the like, and reducing the inventory of stock for long-term rentals. So do you folks police yourselves? And...and I guess at this point, you haven't worked directly with the County, but as it is right now with the MVRA, do you police yourselves and your members?

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MS. RUSSO: When you say police ourselves, what...what do you mean? Like any members? You know what I mean? Am I looking up if they are a legal permitted operation?

COUNCILMEMBER MOLINA: Yeah, and to make sure that all of your members are...to ensure that they're complying with the County laws. And...and sort of to be on the lookout for illegals as well.

MS. RUSSO: Absolutely. As part of membership, you have to have a permitted number...a permit or be seeking a permit, have an application in process. You know, I get calls from time to time from other permitted members saying, you know, there's a...I know there's an operation in my neighborhood, an illegal operation, and that kind of thing. But the first thing I go to is the Planning Department's main way that they can go after an illegal is there has to be an ad existing. So you know, that's the first thing, which...I always ask people, is...is there an advertisement, how...how do you know that they're illegal, how can we track this? So...and then of course I'm very familiar with the request for service process and putting in a complaint for those particular people. Of course, there's a lot of people who don't want to sort of be the snitch on their neighbors, but you know, we don't want to see illegal operations in neighborhoods. And so, you know, any kind of assistance I can help people with when they see that is...is to the extent that I do. But again --

COUNCILMEMBER MOLINA: Okay. Good.

MS. RUSSO: -- it depends on if there's advertising out there because that's the main way that our Planning Department can do their enforcement, as far as I know, unless something changed.

COUNCILMEMBER MOLINA: Okay. Thank you for that response, Ms. Russo. Thank you, Madam Chair.

CHAIR PALTIN: Thank you. Seeing no further questions. Thank you for your testimony. Up next we have Kathy Bernard, to be followed by Dennis Carhart. Kathy Bernard? Let me check if you're unmuted on our end.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR PALTIN: Yes?

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair, the...the list says that both of the last two testifiers are disconnected, have been disconnected.

CHAIR PALTIN: Oh, shoot. Okay. Any further testifiers? Last call for testimony. If you would like to testify at this time, I'm going to unmute all, and please unmute yourself and let us know if you'd like to testify. Going once, going twice, all right. No further requests to testify. I will close oral public testimony without...

COUNCILMEMBERS VOICED NO OBJECTIONS.

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CHAIR PALTIN: Okay. All right.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR PALTIN: Yes, Member Rawlins...

COUNCILMEMBER RAWLINS-FERNANDEZ: And accept...accept written testimony into the record?

CHAIR PALTIN: Yes. Without objection, I will close oral testimony, written testimony can be sent at any time, and we'll accept written testimony into the record.

. . . END OF PUBLIC TESTIMONY . . .

CHAIR PALTIN: All right. Members, you worked so hard with your ears that I'll give you a ten-minute break. We'll come back at 11:08. . . .(gavel). . .

RECESS: 10:58 a.m.

RECONVENE: 11:10 a.m.

CHAIR PALTIN: . . .(gavel). . . Will the Planning and Sustainable Land Use Committee meeting of July 1st return to order. The time is now 11:00 a.m. [sic]. And Members wishing to speak during today's meeting should say my name and raise their hand so that I may recognize you.

PSLU-67 SHORT-TERM RENTAL HOME PERMIT CAPS (CC 21-67)

CHAIR PALTIN: Today's one agenda item is Short-Term Rental Home Permit Caps. And the Committee may consider whether to recommend passage of the proposed bill on first reading with or without further revisions. The Committee may also consider the filing of County Communication 21-67 and other related action. And...and just a recap of where we're at. We're not going to be taking up Lānaʻi on today's meeting because we're going to take that up with the Lānaʻi B&B/STRH item, and that...there's still a moratorium on that until September. And if Members will recall, I had this item sent to the Planning Commissions right before we went into lockdown with some numbers. Member King had asked for Kihei/Mākena not to be included, so the number for Kihei/Mākena stands at 100. And I'll request Planning's opening comments, as well as an update on current permits and pending applications for short-term rental homes by community plan area, excluding Lānaʻi and Molokaʻi at this time. Either Director McLean or Ms. Takakura. Hi.

MS. MCLEAN: Aloha, Chair. Good morning. Aloha, Committee Members. I was taking notes during the testimony and I...I realized it might be easier to put them in a PowerPoint.

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So I just have three quick slides that I'll go ahead and share my screen if that's okay, and then I'll email it to the Committee so...

CHAIR PALTIN: Sounds great. Go ahead.

MS. MCLEAN: And they're...they're...they're pretty quick.

CHAIR PALTIN: Okay. Perfect.

MS. MCLEAN: Okay. Can you see that?

CHAIR PALTIN: Not...yes, yes we can.

MS. MCLEAN: Okay. So just real quick. The pending legislation that's still out there in addition to the bill that's before you today, the Planning Department initiated updates to both the B&B and STRH ordinances addressing language about trusts, about how ohanas can or cannot be utilized. And that's where that proposed 15-year ownership requirement for STRHs came from, which the Mayor requested that we pursue. And that was transmitted to the Council just a few months ago. Chair, as you mentioned, you also have the B&B and STRH caps for Lāna'i, which you did receive last year and you did hear it last year, and I think that's when the moratorium was adopted, so it took away the urgency a little bit. And then also, the idea of registration numbers, the bill that the Council initiated. The three Planning Commissions are scheduled to hear those this month...or excuse me, that says July 2020, that should be July 2021, this month. And just a quick note, the reason that we didn't pursue the registration numbers as was previously budgeted and that will be consistent with our comments on this bill is that our enforcement contractor who peruses online ads, they follow TMK numbers, which is how we track permitted operations. And we're on the verge of signing agreements with Airbnb and Expedia. And Expedia owns VRBO, HomeAway, and other platforms. And those agreements would require them to list TMK numbers. So those are some of the reasons why we didn't pursue registration numbers, we want to require that TMK numbers be used instead.

CHAIR PALTIN: I just had a question on that. Doesn't every property have a TMK, so if people just listed their TMKs, everyone has one.

MS. MCLEAN: That's right.

CHAIR PALTIN: What's the distinguishing...what distinguishes someone with a TMK that's legal from someone with a TMK that's not legal?

MS. MCLEAN: Just corresponding that TMK with the lists of permitted ones that we have.

CHAIR PALTIN: Okay. Thank you. Sorry for the break in your presentation. Go ahead.

MS. MCLEAN: Sure. So just a quick note on current vacation rental units in Maui County. There are a little more than 8,300 hotel rooms. There are just over 13,000 individual

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apartment or condo units. Those are the ones that we still call the Minatoya properties, even though we're trying to get away from that. We have 165 B&B permits, those have County permits. Then other vacation rentals and single-family homes, which include STRHs, conditional permits, ones that are grandfathered, one whose zoning might allow the use, there are 420 of those. Timeshares, just shy of 2,500 parcels. And then there are a handful of condos that have Hotel zoning that are not doing vacation rental now, but could convert. So all...all in total there are 24,425 lawful vacation rental units of different types in Maui County. And Chair, this is what you just requested when you reconvened. This is the latest information the Planning Department has for STRHs, existing permits, those permits that are pending renewal, and new applications that we have received that are in process for each community plan region. So these are off by just a few numbers from the ones that we sent to you back at the beginning of June. And just a quick note pertaining to some of the testimony, roughly half of our STRHs are owned by off-island people.

COUNCILMEMBER LEE: Can we get a copy of this?

MS. MCLEAN: Yeah, I will...I will correct my typo, and then I'll email it to the Committee right away.

COUNCILMEMBER LEE: Thank you. Thank you.

CHAIR PALTIN: Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Mahalo for that presentation and for putting it together so quickly, Director McLean. When you send it over, would you mind also including the number of non-resident-owned STRs for...broken down in each area as well, would that be possible?

MS. MCLEAN: We can put that together. I don't have that readily available, so I won't be able to include that with what I send you if you want this right away, but we can follow up and send that to you.

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

CHAIR PALTIN: Thank you. Chair Lee?

COUNCILMEMBER LEE: Yeah. Michele, would you be able to add the...the caps for each district?

MS. MCLEAN: Sure. I can...I can add that before I...

COUNCILMEMBER LEE: Thank you. Yeah, thank you.

CHAIR PALTIN: Oh, it's...the...the current limits are on the transmittal that she sent us --

COUNCILMEMBER LEE: Okay. So...

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CHAIR PALTIN: -- on the...yeah.

COUNCILMEMBER LEE: Okay, Chair, you just trying to make us do more work. Okay. Thank you.

CHAIR PALTIN: Or the homework for the meeting. Okay. Member King, followed by Member Sinenci.

VICE-CHAIR KING: Okay. Yeah, sorry about that. I did read that but, you know, it's nice to have it all in one...in one place, all the evidence.

COUNCILMEMBER LEE: That's right. Exactly.

VICE-CHAIR KING: So I just wanted to ask the Director, are you still continuing to accept applications for short-term rentals, or are you putting those off for now until we, you know, decide if we're going to pass this? Because if we pass something out today and you continue to take in applications, that number that you gave us of pending applications is going to go up. So are you...are you willing to stop taking applications?

MS. MCLEAN: I would think that...and maybe Corp. Counsel can give us some guidance here. Maybe at first reading we can provide you with any last minute tweaks to the numbers, and then at that point we would stop accepting. Because right now...I mean, moving out of Committee, we...yeah. I don't know, I...I...I don't know that it would be --

VICE-CHAIR KING: Legal?

MS. MCLEAN: -- legally...legally advisable to stop now.

VICE-CHAIR KING: Well, because you could be putting...you could be making somebody go through an application process that's moot because they won't...there wouldn't be enough...there wouldn't be any extra opportunity if...you know, once we pass this out. So --

MS. MCLEAN: Right, right, right.

VICE-CHAIR KING: -- I would hope that we would...if we do pass it out that we would just stop taking additional applications --

MS. MCLEAN: Right.

VICE-CHAIR KING: -- above that number.

MS. MCLEAN: Yeah. If Corp. Counsel says that it's okay, what we could do if a new application comes in we could say look, we're just going to hold this until we see if this bill passes second and final reading on the path that it's on, and if it does, we'll return it to you. But if for some reason the bill doesn't move forward, then maybe we...

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VICE-CHAIR KING: Okay. So...so thanks for that response. Chair, do you want to ask Corp. Counsel now, or should we wait until we get into the deliberations on the bill, or are we in that now?

CHAIR PALTIN: Let's get...wait until we get into deliberations because there's also the idea that...about the waiting list as well.

VICE-CHAIR KING: Okay. So we can ask Corp. Counsel about both those things when we get to the...after we make a motion point.

CHAIR PALTIN: Yeah, yeah. And I'm going to...

VICE-CHAIR KING: I (*audio interference*), Director, to...to consider that.

CHAIR PALTIN: Yeah. I'm going to need to set a two-minute clock because I really want to try and get through this one agenda item in my three hours today. So if we can set the two-minute clock, and I think it was Member Sinenci, followed by Member Molina. Member Sinenci?

COUNCILMEMBER SINENCI: Mahalo, Chair. Yeah, for the...questions for the Director. So one of the testifiers said that she...on her street, I believe, there were about six STRHs. And refresh my memory about the...within a...the radius, there should be no less, no more than...can you have them all strewn in one street?

MS. MCLEAN: Thank you for the question. If there is...and I want to verify with the ordinance, if there is either more than one or more than two within 500 feet, that triggers Planning Commission review. And so if the Planning Commission approves additional ones, then...then they're...then they're permitted.

COUNCILMEMBER SINENCI: Okay. All right.

MS. MCLEAN: We found that there is often supportive testimony from other operators to have more on the street.

COUNCILMEMBER SINENCI: Oh, okay. And then for the Hāna District, you mentioned 27. We're looking at the list currently, and there's listed 23. We understand there are three...the...the proposed change is additional four. Three in the pipe, but we understand one is...was also denied. Confirm...confirm the...the number?

MS. MCLEAN: I would ask Jacky to chime in on that. Jacky, is 27 correct, or is it 26 if one was denied? Do you know?

COUNCILMEMBER SINENCI: And we can...can go ahead and get...

MS. TAKAKURA: Can you hear me?

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COUNCILMEMBER SINENCI: Oh, hi. Yes. Go ahead.

MS. TAKAKURA: Good morning, Committee. We just received an email this morning that yes, one was denied, so that for Hāna Community Plan . . .*(timer sounds)*. . . there's three...three in the works.

COUNCILMEMBER SINENCI: Thank you. Thank you, Chair.

CHAIR PALTIN: Three in the works. Okay. Got it. Thank you. And Member Molina?

COUNCILMEMBER MOLINA: Thank you, Madam Chair. And good morning, Madam Director. I know I only have two minutes so I'm going try and squeeze three questions into this. First, do you have a record of how many STRs are in the SMA for each community plan area? And in the Pā'ia-Ha'ikū area, we have controls for new STRHs in the SMAs. Would you support such a restriction for other community plan areas that have an SMA?

MS. MCLEAN: We do not have a list of...we don't break down in SMA except for the Pā'ia-Ha'ikū area because of the community plan and the change. Would we support...you...if it were to be prohibited within the SMA, you'd have to think about where they would then go. What's in front of you now would just say what's there is frozen. If you're suggesting that you would say if any of those, you know, expire or don't renew or whatever, then they could be replaced by a new one, but it would have to be outside the SMA. We just have to give thought to where that would end up being, and it might not necessarily be desirable for --

COUNCILMEMBER MOLINA: Okay.

MS. MCLEAN: -- for that to happen.

COUNCILMEMBER MOLINA: Okay. Thank you. And then for my last question, if the Department has full control over the regulation of STRHs, would you eliminate all STRHs? And if so, what would be your reason for it?

MS. MCLEAN: Well, we...we don't have full control, there are triggers for them to go to Planning Commission for review. In terms of phasing out, Jacky and I still have the battle scars from when we held a public meeting on that topic a year or two ago. And there was overwhelming opposition mostly from people associated . . .*(timer sounds)*. . . So we...we would certainly want to see if there's solid community support for something like that, and then that would be the reason to pursue it.

COUNCILMEMBER MOLINA: Okay. Thank you very much, Madam Director. Thank you, Madam Chair.

CHAIR PALTIN: Thank you. Next up...did anyone else have further questions? Okay. Anyone that didn't already ask a question have further question? I had one question. Director McLean, I see in your chart that it says existing permits and pending applications as of June 2020. I was wondering if it would be possible if you could break out for us which

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ones are existing new...I mean...sorry, not existing new...which ones are new pending applications that have yet to be approved separate from the renewals.

MS. MCLEAN: Jacky can confirm, but I think when something is indicated as pending, that's a new permit, not a renewal. A renewal is counted in the existing permit category. And Jacky is nodding, so yes.

CHAIR PALTIN: Okay. Do you know how many are pending applications for each district?

MS. MCLEAN: Yes. Jacky, do you want to walk...

CHAIR PALTIN: *(audio interference)*

MS. TAKAKURA: Okay.

CHAIR PALTIN: Go ahead, Ms. Takakura.

MS. TAKAKURA: Okay. Thank you. So as of this morning, from the Current Planning Division who reviews this...and we don't have pending for all areas, but we do have for Hāna, we have three in the works. And these are not...they haven't been assigned permit numbers, so they're still pending, we're still reviewing them. For the Kihei-Mākena Community Plan area, there's two in the works. And then for West Maui, there are three in the works. And for the other community plan areas, we don't have any that are in the works at this time.

CHAIR PALTIN: Thank you so much. Okay. That concludes my question. Next round is one minute. Chair Lee?

COUNCILMEMBER LEE: I have a question of clarification. When I asked for Michele to email us that information, was that my question?

CHAIR PALTIN: Yes, it was a question.

COUNCILMEMBER LEE: Oh, okay. We're getting picky nowadays. All right. All right.

CHAIR PALTIN: Okay. Start her one minute.

COUNCILMEMBER LEE: Okay. Michele, one of the testifiers said that unless...that you will...your Department will look into whether an operation is legal or not legal if there is an ad; is that true? Is that how you substantiate whether, you know, you send somebody out to check?

MS. MCLEAN: That's the primary way that we enforce is through advertisements because the Code allows for that for these operations. It's difficult otherwise to prove a vacation rental use without, you know, like stalking visitors, which we really don't want to have to do.

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COUNCILMEMBER LEE: Okay. And then my other question is Wailuku's limit...well, the current amount of...the number is six, and you said you're proposing seven. Is it because you have one pending in Wailuku?

MS. MCLEAN: Jacky can confirm, but I...I thought we had...we were going to . . .*(timer sounds)*. . .

COUNCILMEMBER LEE: I didn't...I didn't hear Jacky say Wailuku, anything about Wailuku. Did you?

MS. TAKAKURA: If I may?

CHAIR PALTIN: Ms. Takakura?

MS. TAKAKURA: So for...yes. For Central, we have six, and the actual is six. We don't have any proposed for Wailuku/Kahului.

COUNCILMEMBER LEE: Okay. Okay. I guess the information I have here on this...on Granicus is incorrect. Thank you.

CHAIR PALTIN: Oh, just to clarify, that's what the Department is proposing is seven, I believe, even if they don't have one proposed.

COUNCILMEMBER LEE: Okay. Why?

CHAIR PALTIN: Hello?

UNIDENTIFIED SPEAKER: Hi, this is Mana *(phonetic)*...

CHAIR PALTIN: Sorry, I thought that was Member Kama, she got disconnected, but it wasn't.

MS. MCLEAN: If I can respond to that? We were just putting forward the number of existing and pending permits, we weren't adding to it at all. So if there's a seven there someplace, it should be six.

COUNCILMEMBER LEE: Okay. Thank you.

MS. MCLEAN: Wailuku/Kahului.

COUNCILMEMBER LEE: Thank you.

MS. MCLEAN: Yeah.

CHAIR PALTIN: All right. Member King?

VICE-CHAIR KING: Okay. Thank you, Chair. Yeah, I didn't realize I was in my two minutes the first question I asked either. But...so Michele, if...if you can break up that Minatoya

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list on your presentation into West Maui and South Maui, or just so we know how many is in each district. And then I had a question about, you know, when you said that you had to go...you're having a problem giving permit numbers to those units because you need TMK. You know, this...this proposed bill, there's a...in Section 19.65.030 number 3 says irrespective of ownership, each condominium unit shall be considered a separate lot for purposes of notification and Planning Commission. So if...if...so I'm trying to figure out how...if you can do these permits by using the one TMK for the condo, but then giving an additional number for each...each unit, you know, like the TMK unit one, TMK unit...the same TMK unit two. Because, you know, that way we can keep track of exactly where those units are. And as they go through attrition and hopefully go into long-term or owner-occupied, we can start taking them off that list. . . .*(timer sounds)*. . . That sound reasonable?

MS. MCLEAN: Well, if...if we're talking about 13,000 units and having to process 13,000 registrations, that's...that's huge. The condominium language in 19.65...because short-term rental homes are single-family homes, that's when you have, you know, most typically an agricultural lot that builds two farm dwellings, then condominiumizes to have two separate ownership units, and how they're able to qualify to get an STRH.

VICE-CHAIR KING: Okay. So...so just before you go down that road because it sounds like what you're saying is that this...this legislation only...only refers to single-family homes. So we're not talking about any condos at all, even some that might be outside the zoning and have a separate permit?

MS. MCLEAN: Not in Chapter 19.65, correct.

VICE-CHAIR KING: Oh, okay. Okay. Thank you. That answers my question. Thank you.

CHAIR PALTIN: Okay. Members, Member Kama is going to try and get back on. Member Sugimura, go ahead.

COUNCILMEMBER SUGIMURA: Thank you, Michele. I just wanted to clarify based upon the information. Thank you for putting this PowerPoint together because these questions always come up. So for...for Upcountry, right, Makawao/Pukalani/Kula, you have 14 here, which the proposal was for 12. So you're saying there's two more for Upcountry? Or can you please explain?

MS. MCLEAN: Yes, there are two more...two more permits have been issued since the number --

COUNCILMEMBER SUGIMURA: Oh, issued.

MS. MCLEAN: -- 12 has been out there.

COUNCILMEMBER SUGIMURA: Oh, okay. Okay. So 14 is exactly how many short-term vacation rental permits have been issued for the area, and there's no pending is what you're saying?

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MS. MCLEAN: Correct.

COUNCILMEMBER SUGIMURA: Okay. So some of the comments, I did a kind of blast email to the board. Now, it's not to the whole Kula community because it's just to the board which are, you know, active members from different sectors in our community. And some of the comments back were as long as this then stops visitor...you know, I think everybody is feeling the visitor...coming back of the visitor industry now. So do you have a comment about that, what this would do to that?

MS. MCLEAN: This is just . . . *(timer sounds)* . . . one type of visitor accommodation. As that one slide shows, there are many types of visitor accommodations, and now we're starting to deal with RVs and pop-up homes and like other things that we're...we're trying to get a handle on. But if...if the Council wants to start restricting down the types of accommodations then, you know, this is one piece of that puzzle.

COUNCILMEMBER SUGIMURA: Okay.

MS. MCLEAN: Other pieces that you may wish to look at, but this is one piece.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR PALTIN: Okay. Members, what I would like to do now is go through each of the numbers. I think Member Molina did have to leave at 11:30, so let's try and get through this before we lose any more Members. So I wanted to go to the area representative and see what their proposal is, and then we can discuss it if we get consensus, and then we make the motion on the bill. So the current limit for Hāna is 30, what was proposed when this bill first was introduced before it went to the Planning Commissions was 23, and it looks like there's currently three pending in addition to the 23 existing, bringing it to 26 maybe. So Member Sinenci, what is your proposal for Hāna?

COUNCILMEMBER SINENCI: Yes. Thank you, Chair, for the opportunity. Yeah, we'd like to support 26. We did call the Department, and the Department did say three was in the pipe and one was denied. And...and the reasoning behind that is we...we have 48 for potential bed and breakfasts. For our small community from the last Census, from 2020 Census to...from the 2010 Census, we lost 453 citizens or...or East Maui residents. And so when it comes to visitors that coming into our community, and with that numbers, you know, that could effectuate our area collective income levels and...and affect our ability to qualify for CBDG [sic] Federal funding. So those are the concerns for our small community. When it comes to our visitor population here, it's not at the three-to-one ratio, it's more the three-to-two ratio, so we're in favor of keeping it at 26. Thank you, Chair.

CHAIR PALTIN: Thank you. Okay. Members, so the recommendation from the district resident is 26. Do we have a consensus on that 26?

COUNCILMEMBER LEE: Consensus.

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VICE-CHAIR KING: Consensus.

COUNCILMEMBER RAWLINS-FERNANDEZ: I have a question.

CHAIR PALTIN: Okay. So that's what the motion will be for when we take the motion.

COUNCILMEMBER RAWLINS-FERNANDEZ: Sorry, I...I didn't --

CHAIR PALTIN: Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: -- give my consensus. That wasn't a consensus.

CHAIR PALTIN: Oh, okay. I thought you were raising your hand.

COUNCILMEMBER RAWLINS-FERNANDEZ: I have a question.

CHAIR PALTIN: Huh?

COUNCILMEMBER RAWLINS-FERNANDEZ: I have a question.

CHAIR PALTIN: Okay. What's your question?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Member Sinenci, is 30 what is appropriate for your community? Because another way to find a number that is appropriate for your community is by allowing those in operation to continue operating and reduce the number, and then when those that are currently operating stop operating, it could be reduced by attrition.

CHAIR PALTIN: Oh, point of information. I think he said 26, not 30. Right, you said 26?

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, I didn't say 30.

COUNCILMEMBER SINENCI: Yes.

CHAIR PALTIN: I thought you just said 30.

COUNCILMEMBER RAWLINS-FERNANDEZ: Well, that's because the number that is being proposed is the number of current STR permits plus the three in the pipeline, and so what I...

CHAIR PALTIN: 26 is the number being proposed. 26. He...he proposed to...

COUNCILMEMBER RAWLINS-FERNANDEZ: How many...so it is by attrition? It is going to be achieved by attrition then?

CHAIR PALTIN: That's the number he proposed was 26.

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COUNCILMEMBER RAWLINS-FERNANDEZ: And the current amount is...the current amount of permits is how many?

CHAIR PALTIN: 26...or 23 with three in the pipe.

COUNCILMEMBER RAWLINS-FERNANDEZ: Right. And so it's 26 currently operating and...

CHAIR PALTIN: 23 current...23 currently operating with three in the pipe.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, 23 currently operating with three in the pipe, right?

CHAIR PALTIN: Right.

COUNCILMEMBER RAWLINS-FERNANDEZ: And so it's that amount. Oh, I did say 30. So is 26 appropriate for your community is what I meant to say, or would you want less? Because there is a legal way to do it by enabling the 23 that are currently operating to continue operating, but when they're...if ever they end their operation, then it would eventually reduce the number.

COUNCILMEMBER SINENCI: Yeah, we could be supportive...thank you, Member Rawlins-Fernandez. We can be supportive of that because looking at the current list of 23, nine of them are...are from the lower 48 Amelika and not...and...and the other ones are...are not Hāna residents, but maybe from other areas of Maui County. But we're looking at it...and we're...we're not sure who are the three that are pending, if they're coming from...from out of the...the...the State or the...the County as well. But we do have the addresses of some of the owners and right now of the 23, nine of them are from the U.S. lower 48.

CHAIR PALTIN: And to clarify --

COUNCILMEMBER SINENCI: So what...

CHAIR PALTIN: -- if you do attrition, it's just whoever stops operating first, it doesn't have anything to do with where the owners live. Just...

COUNCILMEMBER SINENCI: Yeah. Yeah, we can...I am...I am supportive of attrition only because like we said, we have 48 potential for B&Bs that we want to support. So if we can by attrition stop all new applicants, then I'm supportive of that, Chair.

CHAIR PALTIN: Okay. So what is the number that you propose for Hāna?

COUNCILMEMBER SINENCI: Now we can go down to 15.

CHAIR PALTIN: 15.

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COUNCILMEMBER SINENCI: 15.

CHAIR PALTIN: Okay. 15 through attrition. Members, do we have a consensus on 15?

COUNCILMEMBERS: Consensus.

CHAIR PALTIN: Okay. And just for clarification, either Mr. Hopper or Ms. McLean, if we go to 15 by attrition, will those three pending, they would then be denied, right?

MS. MCLEAN: That's my understanding, Chair. We would instruct our Staff to stop processing them now, and then when the bill passed, they would be returned.

CHAIR PALTIN: Okay. And Mr. Hopper, is that your understanding as well?

MR. HOPPER: Well, I would first ask what's the Committee's intention. Second, it's going to be a bit difficult to draft language if you're going to go, you know, item by...community by community and try to draft custom language regarding so-called attrition. I assume the language that you're going to want is to say that anyone who has a valid permit as of the effective date of this ordinance shall be allowed to continue to be renewed, provided they meet the renewal criteria. So I...I...I mean, if...if all of the districts go that way, I think we could draft something like that in the legislation. Right now there's nothing about what happens to pending applications or...pending complete applications or those that are...because none of the proposals involve decreasing the cap below the current amount. There's no language that talks about what happens to existing permits. So that language would have to be drafted. And I...I assume the Committee would want that to say something along the lines of if you have an existing permit, you may continue to operate and be renewed, despite the fact that the cap is lower. The other issue, of course, as you have already discussed, is what to do with pending applications. Now, I don't know if they would be denied because technically, they could get approved if...if there's...there becomes room on the...on the...on the list if enough people eventually cease operations. I also didn't know if you wanted to in general have a cutoff date, which could be something like today for complete applications, to say that if you have a complete application, you can also go through the process. That would deal with issues like somebody has submitted a complete application and then, you know, with the cap number being what it is, and then the Council changing that and then having...you know, having the issue of...of their permit just being denied without a hearing or a...or consideration of that. So I think there's a lot of issues here. If you go to 15, the issue would...the issues would be what are you going to do with the pending applications. If they're just going to be summarily denied, I...I suppose that's what...that's what would have to be written into the ordinance. And then we would have to draft language stating that the...the...those that are existing could continue to operate and be renewed despite the fact that the cap numbers are below that amount. So again, you've raised a lot of issues here that were not in the original proposal. I think what the caps are is ultimately up by the Council, so I think you can make those changes, but there's just a lot of considerations that we'd have to work through in drafting that language.

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CHAIR PALTIN: I mean, I guess the way I see it is either you want to go by attrition or you don't, and...and that can be by community plan district because we're all unique in our needs. So either you fall into the category of attrition or you don't. It's not like there's --

MR. HOPPER: I mean...

CHAIR PALTIN: -- like a plethora of options.

MR. HOPPER: It's just normally we draft language at the end of the ordinance like in section...it would be like a Section 4 or part of Section 3 that applies universally. It'd be a little unusual to say with respect to Hāna, this...this will apply, with respect to Kīhei/Mākena. But we may be able to work on language like that, but that does...that makes...just makes the drafting a bit more complicated. And the other issue is, what do you want to do as far as filling up those spots as they become available? Is it going to be first come, first served, so the first people that submit a complete application get the next spots after, you know...and...and I assume the Department has something like this in mind already because you are getting close to the existing cap numbers in a few areas. So I don't know if they've got that...that figured out, but I presume it would be something along the lines of whoever submits the...a complete application at the earliest time would get the next spot, but I don't know what the Department's doing for...for applications. Because a few areas are getting close to the existing caps so they may have --

CHAIR PALTIN: Okay.

MR. HOPPER: -- a comment on that.

CHAIR PALTIN: Director McLean, do you have a process in place once the limit has been reached for a waiting list or something of that nature?

MS. MCLEAN: Yeah. Well, two things, Chair. First, the Code requires that when we get to 90 percent of one of the caps that the Council be notified. So that has happened in a couple of areas. Or I think it...it was going to happen in West Maui, but then it was determined properties were grandfathered so that that was pulled back. So we haven't had to get to the point of keeping a list. My preference would be that we don't keep a list, that applicants just have to wait until there's an opening. But you know, that's an internal procedure that we can figure out, but that would be my inclination.

CHAIR PALTIN: Okay. Thank you. All right. Member Sinenci, followed by Chair Lee.

COUNCILMEMBER SINENCI: Thank you, Chair. And yeah, I...I can be supportive of grand...language that would grandfather those operating, and then also to allow those who have already applied, and then 15 through attrition after...after the last three. If that's the process, Chair.

CHAIR PALTIN: Okay.

COUNCILMEMBER SINENCI: Thank you.

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CHAIR PALTIN: Chair Lee?

COUNCILMEMBER LEE: I have to drop off the call at 12:20. Can we take up Wailuku/Kahului right now? Because mine is non-controversial, for consensus.

VICE-CHAIR KING: I have to drop off...

CHAIR PALTIN: Sure thing. Sure thing.

COUNCILMEMBER LEE: Six.

CHAIR PALTIN: Six. Okay. Six is her proposal. Member Kama, do you agree with that since it's Wailuku/Kahului, you guys are a team?

COUNCILMEMBER KAMA: I concur.

CHAIR PALTIN: Okay. Do we have consensus on six?

COUNCILMEMBERS: Consensus.

CHAIR PALTIN: Okay. And that's not to be by attrition, or is that...that's just static six?

COUNCILMEMBER LEE: Well, I assume whatever the body agrees on will apply to all, or is it going to be tailor made? It will apply to all, right?

CHAIR PALTIN: Okay. Attrition to all. All right. Got it. Okay. All right. And then that was easy, you're right. Good job. I like it. Okay. And Member King said she has to drop off.

VICE-CHAIR KING: I have to drop off in ten so if I could address the Kihei/Makena.

CHAIR PALTIN: What would you propose Kihei/Makena?

VICE-CHAIR KING: And I appreciate you keeping that. That...the only reason I wanted to keep that number is because I wanted to do a little more of my own research into my community since we hadn't had a chance to weigh in. But just having talked to folks and I was hoping to do a town hall, but we lost our advisory committee when it became official, they quit meeting as an unofficial body. But I would like to propose...I would like to accept the Department's recommendation of 42, which would be the 41 existing permits and the one pending application. That I'm...the...the bill that I'm looking...or the suggestion I'm looking at. And then I think...

CHAIR PALTIN: Wait. Point of information. My sheet says 52 proposed by the Department. Her other sheet said 46 with two pending. So Ms. Takakura, can you...

VICE-CHAIR KING: Yeah, I'm looking at the...I'm looking at the June 4th letter to you. It...it

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has that graph, and it shows Kihei/Mākena existing permits and pending applications, 41 plus one, and proposed by the Department 42.

CHAIR PALTIN: Okay. So 42, is that correct? One of the recent slides said, I think, 46 with two pending.

MS. TAKAKURA: Thank you, Chair. So I'm looking at the list of short-term rental homes, and we have 44 and...44 approved and two in the works. So...

VICE-CHAIR KING: So did you approve...so did you approve three more since that June 4th letter came out?

MS. TAKAKURA: So when the June 4th letter came out, we were looking...probably, because that was based on the March 31st list, which was a quarter ago, and then whatever was in the works, you know, in May. So yeah, there must have been a few that got approved.

VICE-CHAIR KING: Okay. So now you have 44 approved and how many pending?

MS. TAKAKURA: Two in the works for Kihei/Mākena.

VICE-CHAIR KING: Okay. And have those folks spent money on their application?

MS. TAKAKURA: That I'm not sure, sorry.

VICE-CHAIR KING: Okay. Because that...you know, I mean, I think if someone is invested in the application process then I want to honor that, but if they're just, you know, paperwork, then I'd like to go back to the 44 if there's no investment expended. So it's kind of...Michele, do you know...or Director McLean?

MS. MCLEAN: Thank you for the question. Some applicants prepare the...their application packet on their own, others hire consultants, and either way, they have to pay an application fee. If there are any...if the end result of this is that we have to return pending applications, I...I would return the application fee to them, but they wouldn't recoup anything that they spent on consultants.

VICE-CHAIR KING: Okay. Because that kind of makes a difference to me. I feel like if someone's made an investment that, you know, with the understanding that...that there was...you know, there's still room in the cap. So I guess I can revise that to 46 then just because we don't know how much folks have put into that. So...and...and...and Chair, I...I say this with the understanding that we're in the community plan process now. So if the community through the community plan process wants to lower that and then do the attrition, then we can put that into a policy to propose that as legislation and I can come back to the body later on for an adjustment to that number. So right now, I think we'll go with the 46 per the Department's information, and then we'll try to address this with the community plan process.

CHAIR PALTIN: Okay. So 46. Do we have consensus on 46?

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COUNCILMEMBERS: Consensus.

VICE-CHAIR KING: Okay. Thank you. And...and basically we're following suit that...for the Moloka'i Community Plan because we did the same thing. They addressed it through their community plan and then we came back to...with legislation to the...the Council and...and zeroed that out.

CHAIR PALTIN: All right. We don't have...oh, Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Real quick. And then that's with the caveat that Maui Meadows only has five, right? That's...

CHAIR PALTIN: Yeah, that language, we're not touching that language, right, everyone?

VICE-CHAIR KING: No, we're not touching that language, but boy, do we need enforcement up there because they've got way more than five, so...

CHAIR PALTIN: Okay. Members...

VICE-CHAIR KING: And that's where we're constantly stalking people.

CHAIR PALTIN: Okay. Member Sugimura?

COUNCILMEMBER SUGIMURA: I'm sorry, what...did you call on me?

CHAIR PALTIN: Yes, I did.

COUNCILMEMBER SUGIMURA: Okay. So 14.

CHAIR PALTIN: You're at 14. Yeah. You're...remember, you're acting on behalf of you and Member Molina because I believe he lives in Makawao, but I think he trusts you.

COUNCILMEMBER SUGIMURA: Oh, you better ask him.

VICE-CHAIR KING: Chair, Member...Member Molina would have the Pā'ia-Ha'ikū District.

CHAIR PALTIN: Yeah, but doesn't he live in Makawao?

COUNCILMEMBER SUGIMURA: But there's Makawao. Yeah. But that's my community plan area, so that's what we're --

CHAIR PALTIN: Yeah.

COUNCILMEMBER SUGIMURA: -- looking...yeah.

CHAIR PALTIN: Go ahead.

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COUNCILMEMBER SUGIMURA: Yeah, 14.

CHAIR PALTIN: So you want 14? 14?

COUNCILMEMBER SUGIMURA: Yeah.

CHAIR PALTIN: Okay. Do we have consensus on 14?

COUNCILMEMBERS: Consensus.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR PALTIN: Okay.

COUNCILMEMBER SUGIMURA: I got to leave at noon too.

CHAIR PALTIN: Okay. For Pā'ia/Ha'ikū, I believe the Department proposed 48. Since Member Molina is not here, shall we just go with the Department proposal?

VICE-CHAIR KING: Consensus.

CHAIR PALTIN: Consensus.

VICE-CHAIR KING: Oh, it looks like the Director has...

CHAIR PALTIN: Oh, Director McLean, go ahead.

MS. MCLEAN: Chair, the number we provided today is 47.

CHAIR PALTIN: Oh, okay. 47. Okay. Yeah, whatever you guys propose. I know Member Molina likes you guys, so there you go. Wailuku/Kahului, six. And then now we have West Maui, which is at 60 plus two. I think I'd like to do a similar to Member Sinenci, and propose that the cap be 50 through attrition, and let those two pending ones go for now, and then get to 50 through attrition. Consensus?

COUNCILMEMBERS: Consensus.

CHAIR PALTIN: Okay. All right. I think...I'll just recap what we have. So Hāna and West Maui will allow pending permits to go on, but our numbers that we would like to get through...through...through attrition are 15 and 50, respectively. The number for Kihei/Mākena is 46. The number for Makawao, Pukalani, and Kula is 14. The number for Pā'ia/Ha'ikū is 47. The number for Wailuku/Kahului is six. And the number for West Maui is 50. And we'll take up Lāna'i in the next meeting. And Moloka'i, we already did take up. So I...at this time I will entertain a motion with those numbers and the redrafting of the legislative intent as was stated.

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VICE-CHAIR KING: So moved.

COUNCILMEMBER RAWLINS-FERNANDEZ: Second.

CHAIR PALTIN: Moved by Committee Vice-Chair King and seconded by Member Rawlins-Fernandez. It looks like our first comment comes from Mr. Hopper.

MR. HOPPER: Oh, just in drafting the language, I'm pretty clear on I think what you had said. But as far as the cutoff date for pending applications, I think I would plan to reference applications deemed complete by...by today's date, so July 1st, 20...2021. Because I think Member King had brought up the issue of people, you know, submitting those in the future. I think that we could draft that and be...you know, since there's notice now, but I would plan to have that proposed as part of the legislation if that's --

CHAIR PALTIN: Thank you --

MR. HOPPER: -- if that's the motion.

CHAIR PALTIN: -- very much. Members, consensus on including that date as part of the legislation?

COUNCILMEMBERS: Consensus.

CHAIR PALTIN: Okay. All right. Member King, as the movant, would you like to speak to your motion?

VICE-CHAIR KING: Well, no, I think it's a...it's a very good thing that we're doing. We're basically looking at the numbers that...that exist now, capping it at that. And you know, as we...as I brought up earlier, ever since we had these caps and we did our short-term house legislation, we haven't had a run on these permits. You know, it hasn't been like instantly getting to that cap. So I think these are really safe numbers to use. But I also am appreciative that we're using today's date so there's not a run...run on new people trying to apply to change these numbers. So if we can stick with these numbers and just say anything after this is not...you know, should...nothing should be received after today, then I think these are very valid numbers. But I...I also would hope that the...the wording of...at the end about attrition is a general wording so that if any of our communities decide they want to go lower and, you know, take advantage of that attrition, that it would immediately apply. We wouldn't have to make special...you know, we would just change the number in that district, and then that attrition clause would apply.

CHAIR PALTIN: Thank you. And Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I echo the sentiments shared by Committee Vice-Chair King that...and I think that Staff will be able to make that language general for...that would apply to all numbers, especially since we've made our legislative intent clear via this deliberations right here. One thing I just wanted to add,

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and I'll make it quick, is one of the things that on Moloka'i that happened, and I'm sure on Maui as well, is with the vacation rentals, STRHs permits, people were building on the shoreline these large beach houses with the intention of making them STRHs. And that will never be an affordable house to someone...someone here. And so now that we...we don't have permits on the island, you have these houses that can't be rented long-term. And so for that reason, I think, you know, capping it where...the direction that we're taking with these caps is more appropriate for (*audio interference*). So mahalo for everyone's good work. And mahalo, Chair.

CHAIR PALTIN: Thank you. Any further discussion? Member Sinenci, followed by Member Sugimura.

COUNCILMEMBER SINENCI: Thank you, Chair. Real quick. Yeah, our community desperately needs affordable housing. And so as stated prior, you know, when we have people purchasing our short inventory of housing, and they're...we're including them in our income levels for East Maui, it...it definitely takes us above what is actually...you know, it doesn't represent our...truly represent our rural community. So that's why we're...we're working at all levels, and this is just one of them in addressing that problem. Thank you, Chair.

CHAIR PALTIN: Thank you. Member Sugimura?

COUNCILMEMBER SUGIMURA: So you know, what we're doing is we're trying to get to where...Moloka'i got zero, right. So I was just wondering what the impact of these laws are on your island since we're --

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER SUGIMURA: -- at zero.

COUNCILMEMBER RAWLINS-FERNANDEZ: My community is so happy. They're...and they're so grateful.

COUNCILMEMBER SUGIMURA: There's no...there's no illegals, right?

COUNCILMEMBER RAWLINS-FERNANDEZ: They're so grateful for...for this Council for that work. Is there no illegals? But there were --

COUNCILMEMBER SUGIMURA: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- there were illegal rentals when it was legal. So I think the illegals never go away.

COUNCILMEMBER SUGIMURA: So did it impact those that had permits? Are they now not operating? I guess that's more it. Because that's where...that's what we're talking about, right, legals [*sic*] that we...what happened to that? Just curious.

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COUNCILMEMBER RAWLINS-FERNANDEZ: Well, they're not supposed to be operating. There's no permits.

COUNCILMEMBER SUGIMURA: Okay. So they're not...you're saying there aren't any? Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: I don't stalk them, so I don't know what they do, but they shouldn't be operating.

CHAIR PALTIN: I think Moloka'i and Hāna still have the Apartment-zoned short-term rental, but no short-term rental home permits, that's what we're discussing right now.

VICE-CHAIR KING: Chair?

CHAIR PALTIN: Yes?

VICE-CHAIR KING: If I may, just to point out too, that the legislation where we zeroed out the short-term rentals on Moloka'i had very specific language for attrition there. So there was language in there allowing folks to...to, you know, keep operating as long as their permit was...was valid, and then there was also language about renewals. And you know, there was specific timelines for when you had to renew and who...who...who could renew, you know, how close you were to your...the end of your permit. So if you look at that...the language in there, it was...it addressed that, and it was pretty specific.

CHAIR PALTIN: Okay.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR PALTIN: Any further comment? Mr. Hopper, yes?

MR. HOPPER: Just to clarify, I think the Moloka'i bill lets you operate until the end of the year, but nobody was allowed to renew, and there's a pending lawsuit on that issue right now, which I think the Council's been briefed on. As I understand it, distinguishable from that in this case, you would like the...you know, the attrition will happen so that there will be...people will still be able to renew their permits. But because permits are non-transferable, they won't be able to operate past, you know, however long that permit can be renewed for. So I would still work in language that says they're eligible for renewal, they still have to go through the renewal process, and...and so I would want it there. So that's a little distinguishable, and...and again, we got a pending lawsuit on that. And we would...can see the outcome of that to sort of better understand what our parameters are there. But just to clarify that, and that's what I would plan to work on drafting for this one.

CHAIR PALTIN: Thank you, Mr. Hopper. So this is different in that we're not telling them they can't renew. We're allowing them to renew, and then when they choose to stop operations, that permit will go away until we get down to the...the number. For...for West Maui, you know, 50 may seem like a lot or a little, depending on your point of view, and I've heard multiple people say that West Maui was intended to be where the tourists

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are, but you know, just take into consideration we have many places still in West Maui where short-term rental usage is legal without a permit. We have the Nāpili Bay Civic Improvement District, we have the planned development of Puamana, we have the Historic District. So depending on how you're looking at it, 50 might be a little, but it's actually still a lot more than 50. So that's my two cents. Member King, you spoke twice already.

VICE-CHAIR KING: I know. I just wanted to let you know I have to drop off, I'm late for a meeting. So if...if we're ready to vote, I'll hang on for the vote, but...

CHAIR PALTIN: Okay. Is everybody finished with their turn to speak? Are we ready to take the vote? All right. All those in favor as the...with the motion as...I guess we didn't amend it...as presented, raise your hand and say "aye."

COUNCILMEMBERS: Aye.

CHAIR PALTIN: Okay. It looks like unanimous. Anyone opposed? Motion passes unanimously with Member Molina excused, so that's eight "ayes," one excused.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmember Molina.

MOTION CARRIED.

ACTION: Recommending FIRST READING of revised bill and FILING of communication.

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CHAIR PALTIN: And this will conclude today's PSLU meeting. The time is 12:06. Good work and we will see you next, next week. . . .*(gavel)*. . .

ADJOURN: 12:06 p.m.

APPROVED:



TAMARA PALTIN, Chair
Planning and Sustainable Land Use Committee

pslu:min:210701

Transcribed by: Daniel Schoenbeck

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CERTIFICATION

I, Daniel Schoenbeck, hereby certify that pages 1 through 62 of 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 5th day of August 2021, in Kula, Hawai'i

A handwritten signature in dark ink, reading "Daniel Schoenbeck", is positioned above a horizontal line.

Daniel Schoenbeck