

**PLANNING COMMITTEE**  
**Council of the County of Maui**

**M I N U T E S**

**Council Chamber**

**June 30, 2016**

**CONVENE: 9:01 a.m.**

**PRESENT: VOTING MEMBERS:**

Councilmember Don Couch, Chair  
Councilmember Robert Carroll, Vice-Chair  
Councilmember Gladys C. Baisa  
Councilmember Elle Cochran  
Councilmember Don S. Guzman (arrived at 10:16 a.m.)  
Councilmember Michael P. Victorino  
Councilmember Mike White (excused from 10:24 a.m. to  
10:45 a.m.)

**STAFF:** Greg Garneau, Legislative Attorney  
Pauline Martins, Committee Secretary

Ella Alcon, Council Aide, Molokai Council Office (via telephone  
conference bridge)

Denise Fernandez, Council Aide, Lanai Council Office (via  
telephone conference bridge)

Dawn Lono, Council Aide, Hana Council Office (via telephone  
conference bridge)

Autumn Ness, Executive Assistant to Councilmember Cochran

**ADMIN.:** Michael J. Hopper, Deputy Corporation Counsel, Department of the  
Corporation Counsel

Michele McLean, Deputy Director, Department of Planning  
Kathleen Aoki, Administrative Planning Officer, Plan  
Implementation Division, Department of Planning

John Rapacz, Zoning Planning Program Administrator,  
Department of Planning

Pamela Ann Mayer Eaton, Planning Program Administrator, Long  
Range Planning Division, Department of Planning

Joseph Alueta, Administrative Planning Officer, Department of  
Planning

**OTHERS:** Tom Blackburn-Rodriguez  
Stan Franco  
Thomas Croly  
Lisa Starr

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David DeLeon  
Albert Perez  
Plus (2) other people

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

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CHAIR COUCH: *...(gavel)...* Will the Planning Committee meeting of Thursday, June 30, 2016 please come to order. My name is Don Couch, I am the Chair of the Committee, and before we get started can I ask everybody to please turn off any noise-making devices.

COUNCILMEMBER VICTORINO: Thank you for reminding.

CHAIR COUCH: Everybody check your pockets, check your phones, make sure it's on stun. Okay. I would like to introduce our Committee voting members first, as I said I'm Don Couch the Chair and then the Vice-Chair is Councilmember Robert Carroll.

VICE-CHAIR CARROLL: Good morning, Chair.

CHAIR COUCH: Good morning. Then we have Councilmember Gladys Baisa.

COUNCILMEMBER BAISA: Good morning, Chair.

CHAIR COUCH: Good morning. Councilmember Elle Cochran.

COUNCILMEMBER COCHRAN: Good morning, Chair.

CHAIR COUCH: Good morning. Excused is Councilmember Don Guzman at this point, and then Councilmember Mike Victorino.

COUNCILMEMBER VICTORINO: Good morning and aloha, Chair.

CHAIR COUCH: Good morning. And Council Chair Mike White.

COUNCILMEMBER WHITE: Good morning, Chair.

CHAIR COUCH: Good morning. Alright, from the Planning Department, we have Michele McLean, who is the Deputy Director.

MS. McLEAN: Good morning, Chair Committee Members.

CHAIR COUCH: Good morning. We will have a bunch of people today. But sitting up there right now is Kathleen Aoki, Planner, good morning.

MS. AOKI: Good morning, everyone.

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CHAIR COUCH: Then we will have, in the, up later is John Rapacz, and Joe Alueta, and Pam Eaton. Alright, with us today Deputy Corporation Counsel Michael Hopper, good morning.

MR. HOPPER: Good morning, Chair.

CHAIR COUCH: And welcome back, and Staff with us today Legislative Attorney is Greg Garneau, good morning.

MR. GARNEAU: Good morning, Chair.

CHAIR COUCH: Committee Secretary, Pauline Martins, good morning. Hana District Office Dawn Lono.

MS. LONO: Good morning, Chair, this is Dawn Lono at the Hana Office.

CHAIR COUCH: Good morning at the Lanai District Office Denise Fernandez.

MS. FERNANDEZ: Good morning, Chair, this is Denise Fernandez on Lanai.

CHAIR COUCH: Good morning, and at the Molokai Office, Ella Alcon.

MS. ALCON: Good morning, Chair, this is Ella Alcon on Molokai.

CHAIR COUCH: Good morning ladies. Alright, Members, today we have three items on the agenda, PC-37(2), which is a letter, which includes a letter from the Department of Planning. It's on increasing inventory of affordable housing and it's based on Rule 7(B) of our Council Rules it's an item that should come before Planning. We have PC-28, Amending the Comprehensive Zoning Ordinance Relating to Affordable Accessory Dwellings as a Permitted Use in the Residential Zoning Districts, and PC-16, Bill 78 (2015) Relating to Wet Bars in Dwelling Units. First we are going to open with Public testimony. For individuals testifying in the Chamber, please sign up at the desk outside the Chamber door. If testifying from a remote testimony site, please sign up with District Office staff. Testimony will be limited to the items listed on the agenda today. Pursuant to the Rules of the Council each testifier will be allowed to testify for up to three minutes per item. I'll also be allowing an additional minute to conclude testimony. You'll get a lighting system, we have green light for three minutes, yellow light for one additional minute and then when the red light flashes please end your testimony. When testifying, please state your name and any organization you may be representing. Members, without objection, we'll open public testimony?

COUNCILMEMBERS: No objections.

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CHAIR COUCH: Okay. The list of testifiers, first we have Tom Blackburn-Rodriguez, followed by Stan Franco.

**. . . BEGIN PUBLIC TESTIMONY . . .**

MR. BLACKBURN-RODRIGUEZ: Mr. Chairman, good morning, Members of the Committee. Before beginning my testimony I would like to request permission to read the testimony of Kellie Pali-Cruz during my time period and then not to take any additional time. She's unable to attend due to a business requirement.

CHAIR COUCH: Okay.

MR. BLACKBURN-RODRIGUEZ: Thank you. I'm not sure if I should address this Committee, as you know I do not have a cane because I wanted to honor you all because you are still standing. Good morning, Chair Couch and Members of the Committee. I'm reading this for Kellie Pali-Cruz. My name is Kellie Pali-Cruz. I live in Kihei. I am a businesswoman and the mother of four children. Like them, I am lucky enough to be born and raised on Maui. I am testifying as a volunteer on behalf of Go Maui, a nonprofit organization working to expand the supply of affordable housing and jobs. Go Maui strongly supports the passage of PC-16 relating to wet bars in dwellings and PC-28 to permit affordable accessory dwellings in Residential Districts. In both cases the opportunity to open up more housing opportunities for Maui's local families more than justifies their passage. The State Department of Business, Economic Development and Tourism (DBEDT) recently noted that to supply the County of Maui, that to supply the County of Maui with the housing needed by 2025, 13,494 units are required which supports a projected 25 percent growth rate. Both of these measures under consideration look at resources we already have and how to expand them further. They will not solve our affordable housing crisis, but they are the kind of steps we need to take now to at least begin to chip away at the problem and that is far better than doing nothing. My only concern is that it's crucial you realize the definition of a single-family residence per Fannie Mae is one kitchen. Of course Fannie Mae does almost all the mortgages, guarantees them in the United States. Their definition of a single-family residence is one kitchen. Allowing a wet bar would be my recommendation verses additional kitchen language so that homeowners don't run into problems when selling these properties later. They could be determined to be nonconforming along Fannie Mae guidelines. I will be happy to provide a copy of the Fannie Mae Selling Guide to the Committee Chair next week to equip you with the necessary information. I should point out it is a Federal government document and is 300 pages. Thank you for the opportunity to testify and thank you for your work on this issue. Mr. Chairman, that concludes my remarks.

CHAIR COUCH: Thank you, Mr. Blackburn-Rodriguez. Members, any questions to the testifier? Seeing none, thank you.

MR. BLACKBURN-RODRIGUEZ: Thank you.

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CHAIR COUCH: Stan Franco, followed by Thomas Croly.

MR. FRANCO: Good morning, Chair and Members. My name is Stan Franco. I am the Co-Chair of the Housing Committee for FACE Maui and I speak for that organization. We really want to thank Bob Carroll, Gary Saldana to bringing this accessory, affordable accessory dwellings to the picture of helping to build affordable housing on Maui and we're very supportive of PC-28. Again thank you, Bob, for bringing this to the floor. And as Kellie was talking about as Bob...Tom is reading this is just a small piece of the big picture that we need to really get together as a community around the issue of affordable housing. I know I'm getting old, but the other day a young man maybe in his mid-30s says to me uncle we'll take care of that for you and I was not accustomed to be called uncle, even though I was not his uncle, but it does show one thing that we have talked about and I've heard about all my life, that we are one ohana. That we as a small island need to work together and I was at the Pookela fundraiser this past weekend on Saturday and I was talking to a person that's running for this Council and he made the...I asked the question how we going to do this, you know, I think all of us are trying to figure out how we're going to build affordable housing in a large enough amount as Kellie pointed out, as Tom read so many needs for affordable housing. How we going to do this? And he said that we need to gather as one ohana, as together, we are, I think from our point of view, FACE Maui, we're seeing too much dissention around the issue of affordable housing. We cannot do this over here, we cannot do that over there because of this, because of that. Developers tell us, we cannot build affordable housing because it doesn't pencil out. When we're going to get together on this issue? You know, I am really lucky and I've shared this with you, when I first got married I went, I was in rental housing for three years, then I bought an Arisumi home and nine years later, because by then my family was growing I decided to sell my Arisumi home and move into another home. I had that opportunity, I was working for the government and you know how much that pays and I still was able to do it, but today our young people cannot do it. How are we working together as one ohana to solve this issue? All my three kids and four grandsons are on the mainland in California. We are losing our people because we are not addressing the issue of affordable housing. So I ask you to approve PC-28 today, move it along, thank you for Bob and Gary for taking care of this and bringing this to our, to the floor and let us really work together. FACE Maui wants to sit with the Council or anybody else on the issue of affordable housing so we can create a plan that we all can agree on as to where we're going to build for the people on Maui. Thank you so much.

CHAIR COUCH: Thank you, Mr. Franco. Members, any questions to the testifier? Seeing none, thank you. Next up is Thomas Croly, followed by Lisa Starr.

MR. CROLY: Aloha, Chair. Aloha, Committee Members. Tom Croly speaking on my own behalf and we have three agenda items and I'd like to be, address each of those briefly. On the first item, the increasing the inventory of affordable housing, I reviewed the correspondence from the Planning Director and I think each of these are good ideas to

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bring forward to, you know, help the situation. However, each of those has, carries with it some struggles. If we change zoning in areas you're going to have people standing here at this podium saying don't change my zoning, you know, you can't do that and you may even have other departments coming forward and saying well that would be more dangerous, you're going to create a traffic problem, or you're going to create a fire problem. And we understand that 'cause each of these criteria that have been passed in law they did have a rational basis behind them but what we have to realize is we're paying the price for that. The price we're paying is we can't afford to build a house anymore. It's very simple. I recently submitted an application to do some renovations to my own house, okay, and it cost me \$10,000 just to get to the point of being able to meet the requirements to submit, okay, that wasn't building anything, that was just to get to the point of submitting something. Then it comes back to me, oh no, you can't do this and you can't do that because it doesn't fit within the Codes. So I'm trying to comply with those things. Then I submit it to some builders and say what's it going to cost me to build this and I get back about \$300 a square foot, hold it I'm not adding a bathroom, I'm not adding a kitchen, I'm not adding any extra footprint to my house, \$300 a square foot for a box, with a roof on it. So now let's put that in perspective, a 1,500 square foot home, okay, now let's add a bathroom to it 'cause people need a bathroom, now let's add a septic system to it because the Department of Health is requiring that septic system, now let's add a kitchen to it that we have to, you're up over \$500,000 and you don't even have the land at that point, okay, and we all know what the land costs. So again I support all of these ideas but we have to recognize that we can't even build an affordable home and meet the regulations for anything close to affordability. Chair, I'd like to move on my comments to the second item, which is Bob Carroll's amendment here to allow these ohana dwellings to be built on smaller lots. I think is great idea but again we run into the situation where on that smaller lot, now you're going to build an ohana dwelling, we have to have more parking, oh, and those two dwellings have to be separated by at least ten feet, oh, and they have to be in the setback areas. So we have to look at how can we do this stuff practically, okay, maybe we have to revise the setbacks, maybe we have to say to Fire, you know, maybe we can make these buildings a little closer. I can understand they want the buildings separated for a fire separation in a fire break but how many, you know, fires is it going to save, how many lives is it going to save to have that separation, maybe we have to take a little bit of compromise here to make this work. I was, was sadden to see that over on Oahu where they passed a similar ordinance about a year ago the news reported that in the year that they have that ordinance in place and I don't think it was a full year I think it was about nine months, there were four, only four ohana dwellings had been able to be built in an island, on an island that has 260,000 residential homes. So they were able to add to their inventory by four, because these people couldn't meet the requirements, it just, on these smaller lots it becomes more and more difficult to do that. We have also the problem here is interpretation of laws and policies. You can interpret a policy very strictly and you can figure out a way to say no to almost anything or you can interpret a policy more liberally and you can figure out a way to allow it. I'm going to give you an example; the Department of Health is currently saying any room that could be used as a bedroom is a bedroom. So if you build a new

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family room onto your house they say, oh, that family room is a bedroom, now why does that matter? Because then they say the septic system that you have that was for five bedrooms, now you're adding that family room, that's a bedroom, you now have to upgrade that septic systems, and let's look at the idea of building more dwellings even on larger lots like let's say in the Agricultural District. Someone whose put a septic system in, it's for five bedrooms, they've already built a house that's four bedrooms, they've already built an ohana that's one bedroom. Now they've got all this other land and you say it's simple, just build another dwelling on there. We're going to give the ability to do that, but now Department of Health says that septic system isn't adequate. So now we've increased the cost of building that home, but also even on a big lot we may have made it impossible, because the leach field for the existing septic system is taking up a quarter of the lot. The existing house is taking up a quarter of the lot, maybe the house is on a bit of a slope and, you know, there's a part that you can't use. So I hate to set people up for failure and that's what some of our laws do. They set people up for failure. They say, gee, I have this great idea, I want build a ohana here and I want to get it done and they go and they have the plans drafted and they find out it's \$10,000 to do that but they follow it. Then they submit these plans and they get shot down. So we have to think about, you know, these policies that we have and liberalize them here so we're not depending on that liberalization of them to take place at the administrative level. We can't let the administrators make that policy decision, it has to be done here. Thank you, Chair, I'm going to move onto the wet bar issue and I've testified three time on this issue, and I think I understand the issues that are at play here. And again it's a matter of tradeoff. Okay. These wet bars if we define them strictly as wet bars as this new definition attempts to do and not as, you know, what they've kind of been used as for years, these accessory kitchens. We then are taking away an opportunity to really create some immediate impact on affordable housing. Everything that, the two other items above might have an impact years down the road, okay, changing zoning could happen years down the road, that kind of thing, but this one could have an impact immediately. If we liberalize the rules for a wet bar, allow a full-sized kitchen sink, stay within what Kellie Pali-Cruz was talking about, we don't want to create something that would make a home non-financeable but if they're going to put a countertop stove on there and do some light cooking, that is a way that we can really create some housing for people. There was a concern that was expressed about this at the Planning Commission when it came by them and they said we don't want to create a whole bunch of new short-term rentals with these and I would say let's deal with that in the short-term rental rules or in the bed and breakfast rules. If we want to say these can't be used in this way for a bed and breakfast or for short-term rental, that's the place to do that, okay, but let's let people build these things and house people because that can have an immediate impact. The other thing is we all know it's already happening, I mean let's not bury our heads in the sand and while we're not trying to shut people down on that, I also recognize the difficulty that the Planning Department has when a neighbor calls in and says oh, my neighbor has an illegal dwelling in there and they have to waste the time and resources of a Zoning Enforcement guy to say, oh, this wet bar is not being used properly or is not properly permitted and you need to take it out now. And that really is a true waste of everybody's resources, because we might be having someone lose

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their home and we're spending County resources, and isn't the goal here to create housing rather than restrict housing? So I encourage you to liberalize this definition of a wet bar. As I said before I think the idea of no gas and no 220 makes sense, okay, but the idea of limiting the size of the sink does not make sense. Let them have a sink of whatever size. The idea of the size of the refrigerator, I have to roll my eyes, I've got a refrigerator in my office, okay, does that make my office into a kitchen? You know, it houses my cold drinks, I think that, that's, we're going a step too far when we start regulating the sizes of refrigerators, you know. So anyway those are my thoughts on it. I hope that you have a good discussion on it. I recognize you're not going to take any action today but please recognize that it's the laws and policies that come out of this Chamber that dictate whether or not it's possible for us to have affordable housing and this is a place where you can help that. Thank you.

CHAIR COUCH: Thank you, Mr. Croly. Members, any questions to the testifier? Seeing none, thank you. We have Lisa Starr, followed by Dave DeLeon.

MS. STARR: Good morning and thank you, Chair and Committee Members. Tom Croly made my testimony very simple. I didn't really come here to testify but he, we had a little chat outside and he encouraged me to say a couple of things. His reference to liberalizing the wet bar some...I've...as he demonstrated there could be a connectivity between the wet bar issue and the affordable housing and I concur with him. In that sort of gray area, is there any way that you could make somehow affordable housing out of where there's, once was a completely restricted wet bar. I've been on Maui quite a long time and the question of the wet bar or second kitchen has been going on for a very long time. There was a time where it was kind of like, well if you just have a hot plate it's okay, or if it's just a microwave it's okay, or no you can't have any heating element at all, well no you could have a coffee maker. So it went on, it's gone on for so long and a few months ago I submitted an after-the-fact permit for a house in Hana that was getting ready to the sell the house and historically the house was on the records as a three-bedroom house and in actually it had somehow over time turned into to a two-bedroom house. So we got plans drawn and we submitted it and in their office in this home there was a bar sink and it went up to Planning and it came back as, with a note saying bar sink not allowed, remove, revise, Page A2 and A3, remove bar sink. So I wasn't sure why, so I looked it up and I was trying to figure out, why, it's not a bedroom, I thought I understood what the wet bar definition was. I went back I looked again for the definition of a wet bar. I found actually the ordinance that didn't get signed but I wasn't paying attention to there was no number on that ordinance. So I called Joel Alueta and I said I don't understand what is the, why is this being, why is this bar sink not okay and he said well there's no such thing as a wet bar. I said there's a definition of a wet bar and he says, yeah, where did you see that? Did it have a number on it and I was, he alerted me to it, oh, no it doesn't. He said the policy, well the reason that they're, that Planning said no wet bar is because we have no definition for wet bar and therefore there is no such thing as a wet bar and therefore it's not permitted. So I'd like to encourage that you adopt a definition, whatever it is so that whoever else behind me comes along and tries to present a plan for a wet bar isn't told you can't have any wet bar of any kind because we have no



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definition. On the how to merge the affordable housing liberalize wet bar to adapt to affordable housing, what I keep picturing is if as much as like Tom was saying a hot plate could be allowed and I do understand and I've written letters to Don Couch, two years ago and more recently to Jon Rapacz and Michelle McLean trying to say how come we can't just like liberal, using his word liberalize and it comes down to well the zoning then you're creating two additional housing and that zoning doesn't permit and I do understand that. I'm not totally naïve to the law but I keep thinking in terms of college students coming home and not being able to afford moving out but they don't really want to be eating their breakfast with mom and dad anymore or I think of the Kupuna who aren't really, you know, don't need to go to Hale Makua or be sent out of the house but nobody in the family really wants everybody together for breakfast, lunch and, et cetera. How nice if they could live in a bedroom where they had a little hot plate, a little fridge and sink and they could have a little bit of self-respect where they're living and supporting themselves independently. So those are my ideas, I don't know how you can fix but I wish it could be simple, it seems simple. Thank you.

CHAIR COUCH: Thank you, Ms. Starr. So do we. Members, any questions to the testifier? Seeing none, thank you.

MS. STARR: Thank you.

CHAIR COUCH: Next up is Dave DeLeon and nobody has signed up to testify anybody else wants to testify, please come on down and then we'll go to the District Offices.

MR. DeLEON: Good morning and Aloha. Dave DeLeon representing Maui's 1,500 licensed, professional realtors. Mr. Chair I'm speaking on all items so I'm going to go a little bit over three minutes but not much and I apologize for forgetting to get the copies before I got here. I cannot begin to tell you how excited we are to see today's agenda; Maui County is finally making moves towards being part of the housing crisis solution, instead of being part of the problem. Both Governor Ige and Mayor Arakawa have stated that a key to fixing our housing shortage is for government to stop being an impediment to housing development and instead recognize its responsibilities to become a housing facilitator. The creativity represented in today's agenda demonstrates that Maui County is coming to grips with the depth of our housing dilemma and is willing to step out of its comfort zone to address it. And I want to make note that this Council did this at the beginning, at the end of last year with a resolution singling to developers that the guys that had entitlements for projects that never activated those projects and told, and singled them that, you know, we want to see you guys come in, so you guys already took a first step in that direction. And actually, this effort began last year with Bob Carroll's proposal to allow more density in the Residential District by allowing ohana dwellings on properties as small as 500 square feet, 5,000 square feet, excuse me. We recommend that the Council approve the measure without any stipulations except a prohibition on vacation rentals. There's no need to add requirements that these units be used as affordable units because clearly 450-square-foot dwellings will not be luxurious. Adopting detailed requirements may actually impede their development. One obvious strategy for

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addressing our housing shortage is to increase allowable densities in existing neighborhoods and to make better use of our existing housing stock. That's why we seriously recommend that the County consider allowing additional cooking facilities, beyond one standard kitchen in "single-family" residential units and that's single-family in quotes. It is time to realize that families have been adding density without permits for decades, and to recognize that the additional families who share these homes should also have access to safe, healthy cooking facilities. Call it a wet bar or whatever, but recognizing these families existence and needs would be another step toward, a step outside of our collective regulatory box, and towards making dwellings safe. Finally, we would like to praise the Planning Department's ambitious offering of other potential out-of-the-box housing solutions as recognized on the list we have here before us today. The last year, RAM surveyed a variety of knowledgeable housing and planning professionals and came up with a number of the same steps that the Planning Department is offering here. Key elements on this list would include adding density, making better use of both existing homes and undeveloped properties. We would suggest one more, Maui County hiring a housing czar whose sole job would be to promote the development of affordable housing. If this Planning Department's list is fully implemented, Maui County...if this Planning Department's list is fully implemented, Maui County will have gone from being part of the problem, to becoming part of the solution on our housing crisis. Mahalo.

CHAIR COUCH: Thank you. Members, any questions to the testifier? I have one, can you repeat your addition that you wanted to add?

MR. DeLEON: Oh the housing czar?

CHAIR COUCH: Yeah, just a little bit longer only because the beeper went on.

MR. DeLEON: So, okay, well roll it back, we do have a Housing Department, we do have a Housing Director, but a Housing Director's has got a department with a variety of responsibilities and so that person is going in 45 different directions at once. I mean it's everything from immigrant services to the housing crisis and meanwhile we have, you know, we've had the situation where we've had like what 19,000 units identified as affordable that should have been developed or 19,000 units that should have been developed and have been entitled but there's nobody going out there and asking why aren't you building? What can we do to get that going? How can we get that moving? There's nobody going to the State Land Use Commission and arguing when a developer goes, alongside the developer saying Maui County needs this and you guys need to get out of the way and let this happen. Nobody's going to the Legislature and trying to change State laws on these kind of things, specifically and aiming at that, but the more, the clearer idea and this came from developer's themselves they said that there needs to be somebody in the...and we're not even thinking like in terms of like a bureaucrat, a person who works in the bureaucracy, we're talking about someone more entrepreneurial. Somebody who has the capacity and knowledge of this field and, you know, I know he's probably not going to like it when I say this but the guy I'm thinking of is Vince Bagoyo, somebody like that. Who has those skills and has

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those abilities and but whose job would be to bring it home and actually get houses built and that's it and none of the ceremony stuff or anything else, just doing that.

CHAIR COUCH: Okay. Any questions to the testifier? Seeing none, thank you, Mr. DeLeon.

MR. DeLEON: Mahalo.

CHAIR COUCH: Alright. We're going to the District Offices now. Molokai District Office, do you have any testifiers? Molokai District Office? There we go.

MS. ALCON: There's no one here on Molokai waiting to testify.

CHAIR COUCH: Okay thank you. Lanai District Office?

MS. FERNANDEZ: There is no one waiting to testify at the Lanai Office.

CHAIR COUCH: Thank you, and Hana District Office?

MS. LONO: There's no one waiting to testify at the Hana Office.

CHAIR COUCH: Okay thank you, ladies. If you have somebody, we have one more testifier here if you have somebody please e-mail us or let us know. Otherwise we won't be coming back to you. Thank you. Alright the last person that signed up to testify this time is Albert Perez.

MR. PEREZ: Good morning, Chair.

CHAIR COUCH: Good morning.

MR. PEREZ: Councilmembers. I love it when I agree with Dave DeLeon. I'm Albert Perez and I'm Director of Maui Tomorrow. You know, I've actually been working with Vince Bagoyo, been meeting with him and, you know, we're, we kind of have this arrangement where we're going to agree to disagree on places where, you know, it's developable but there's not enough infrastructure or it wouldn't be a good place to live. I think people who live in affordable housing deserve a good place to live too. So what we're trying to do is find places that we can all agree on that have good infrastructure, that won't have any bad environmental impacts and let's find them. We're having some difficulty because we don't have access to some of the GIS data from the Planning Department. I've asked for that and I've been refused. So that would be helpful if we could work with them. I would just like to say that we are, what we need to do first is go after existing housing stock and that includes illegal vacation rentals that, I mean I just did a search just now on Airbnb, there are over, I don't even know how many there are but I think the limit is over 300, it just says 300 plus. I don't know how many legal ones there are in Paia, I don't think it's that high. Every time you do a lot of legal ones or illegal. Anyway I think in general there, that's the low-hanging fruit, we need to go after that, and hopefully we can do...I like some of these

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ideas that have been proposed. I'm concerned that we're creating some more unenforceable conditions, you know, saying that the unit shall never be utilized for short-term or market-rate rentals. Who's going to enforce that? Are we creating an additional burden on the Planning Department? When we have laws that are unenforceable it just creates disrespect for the law and so I think that we need to think about the kinds of things that we're going to require. We need to think out of the box, some other things. You know, Vince Bagoyo he went, in his tenure, he developed over 1,000 affordable units and so I think we need to think out of the box, that includes working with developers who know how to build affordable housing and who will actually do it. Make them use it or lose it instead of just creating the entitlement and then flipping it to somebody else. We should put expiration dates on these things and target them towards local residents in whatever way that we can. Even within the Wailuku area there was a study that was put out recently that said more than half of the homes on Maui are going to out-of-State buyers, even within the Wailuku area within the affordable range it was over 20 percent that are going to out-of-state people so that creates an additional burden on our homeowners to try to buy anything. We also need to be brave, I think and talk about condemning some land for affordable housing and create a nice community on, in appropriate areas where some of this land is becoming available. And that pretty much sums it up but I'm working with Vince, also met with Yuki Lei Sugimura, we're trying to work with different people who maybe...I met with Mike Victorino, we're trying to think out of the box and see where we can come to some agreement. It is a crying need but I don't think it's helping anything to build three unaffordable homes for every one that's affordable. I think we're losing ground every time we do that. Thank you very much.

CHAIR COUCH: Thank you, Mr. Perez. Members, any questions to the testifier? I have a couple and I'm glad you agree, I agree with you on a few thing on there that you were talking about so it's an agreeable meeting today.

MR. PEREZ: Yes.

CHAIR COUCH: You talked about be careful on the conditions you put on these affordable ohanas and I agree with you it's going to be difficult to enforce. One of the concerns I had in discussing this meeting with the Department is right now even a small studio is going for an enormously high price that I don't think needs to go for that. If we could find a way to make sure it's affordable either through the Housing and Human Concerns Department with agreements there, putting things on deeds or not necessarily putting it in Department of Planning's lap because Housing and Human Concerns can do things like that. Would that be kind of a good compromise? I agree with you it's going to be hard to enforce unless there are certain agreements.

MR. PEREZ: If it's possible as a homeowner I wouldn't want to be having to report to the County, you know, every time I rent my thing and I think when we create these structures we're creating an opportunity for people to not comply. So enforcement is really important and I think that's really key. So, but, yes within the urban growth boundaries, certainly.

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CHAIR COUCH: Right.

MR. PEREZ: I think that there's room for a solution there and we'd like to be involved.

CHAIR COUCH: Okay.

MR. PEREZ: Thank you.

CHAIR COUCH: Thank you. Thank you very much. And this discussion is going to go on, we're going to have a pretty lively discussion today and we want to keep everybody who's in agreement here, keep everybody in agreement as much as we can 'cause we all agree that we need the affordable housing so thank you very much.

MR. PEREZ: Thank you.

CHAIR COUCH: Alright, Members, anybody else wanting to testify in the audience? Seeing none, Members, without objections we'll close public testimony?

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR COUCH: Okay public testimony is closed.

**. . . END OF PUBLIC TESTIMONY . . .**

**PC-37(2) INCREASING INVENTORY OF AVAILABLE HOUSING (Rule 7(B))**

CHAIR COUCH: Alright. Members, our first item up is PC-37(2), Increasing Inventory of Affordable Housing. We recently received the correspondence from Planning Director, dated June 16, 2016, that summarized the Department's ideas for increasing the County's affordable housing inventory. The Department's letter included a long list of things for our consideration such as amending the Zoning Code, looking at entitled projects that have been stalled to see what we can do to move them along and other methods to reduce the cost of projects. The Department is going to address us first and I'll open up the matter for discussion, and I think the way Ms. McLean and I discussed it is, she'll go through each item on the list, if you look on the, it's the only item in your binder, the letter, she'll go on each item and we can have comments if you have or questions if you like, after each item just because we wanna keep that fresh in your mind. And then at the end of the whole list we can still discuss it further. So feel free to ask questions at the end of each item. Ms. McLean?

MS. McLEAN: Thank you, Chair, and thank you for scheduling this important item for discussion today. Sitting with me at the desk is Kathleen Aoki, she's the Division Chief of our Plan Implementation Division and she gets to ride shotgun because if we pursue these items, okay, if we pursue these items she and her small but mighty staff

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would likely be the ones taking the lead on the follow-ups. We do also have Pam Eaton who heads our Long Range Division in the gallery 'cause her folks would also be involved in some of these and then as we get into some of the detail like the affordable accessory dwelling bill or the wet bar bill we have John Rapacz and Joe Alueta from our Zoning Administration and Enforcement Division. Joe also wears another hat as our Administrative Planning Officer, so we have our whole squad here, hopefully we can get into whatever areas of discussion this might lead us. When the Governor issued his emergency proclamation last year, we pulled together a large group to have a brainstorming session. We had deputies or directors from Housing, Water, Public Works, Finance, as well as a number of senior staff to get together and brainstorm with the goal being how can we get inventory fast. We've heard that from Councilmembers, Councilmember Victorino has been saying it quite a bit lately, we need inventory. So how can we get inventory fast? With the focus on that inventory being affordable but really the focus on how can we get a lot of inventory going. So we brainstormed, we came up with a list of ideas, we concentrated them down for the purposes of this letter and so we can go through them one by one. These are in no particular order of priority, or importance, or timing or feasibility. This is just to get a good dialogue going, and what we're hoping to get from today or from follow up discussions with the Council is some sense of your prioritization. There are 11 ideas on this, on this letter, certainly there are other ideas but we can't pursue 11 major initiatives all at one time, you know, an 11-point plan is a little bit too much for us, maybe a 2 or 3 point plan. So if we could get your guidance as to what you want to see coming back to you then we can go ahead and move in those directions. The first item on the list, I'll just read it real quick amend the Zoning Code to allow additional dwelling units per lot depending on lot size with requirements relating to lot coverage, floor-to-area ratio, parking and owner occupancy. This relates to Item PC-28, Councilmember Carroll's affordable accessories dwellings bill. You've heard testimony on this item today. We wanna protect against some of the concerns that were expressed by the testifiers to make sure that we don't overload lots that there is still parking available, there is still some open space on each of those lots but that would, you know, further discussion of this issue could come if we're able to get to discussion of that bill today. Are there any questions on that item for now?

CHAIR COUCH: Members? Chair White?

COUNCILMEMBER WHITE: Thank you, Chair. One of the interesting items that one of the testifiers brought up was the challenge of allowing an ohana on a 5,000-square-foot lot, where, and I'm assuming they're talking about where there's already a structure. And in the initial planning of the first structure it probably had no intention of the second structure. So how do you...I'm not sure how we move forward with allowing additional structures without doing something to address the setbacks. What would your recommendation be with respect to the 5,000-square-foot lot setbacks and also would we need to do the same if we're expanding it to allow additional lots or additional structures on larger lots? I am assuming we'll run into some of the same challenges.

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MS. McLEAN: On the smaller lots in particular ohanas can be attached or detached. So if you have an existing structure on 5,000-square-foot lot and I would agree they didn't lay out their site plan thinking that they would be able to build an ohana someday. Something like that they could turn their garage into their ohana. You wouldn't necessarily have to increase the footprint or you could increase the footprint modestly while still meeting existing setbacks but ohanas can be attached. They can also be dethatched but on those smaller lots I would imagine it would just make more sense to have them attached. So you could create these small attached units without changing the footprint and that would be the same for larger lots as well.

COUNCILMEMBER WHITE: Yeah it's a, I think it's a concern that we're going to have to think about addressing because if as Mr. DeLeon said only four new homes were built or four new accessory affordable dwellings were built on Oahu when that process was allowed, that's not a big impact.

CHAIR COUCH: Right.

MS. McLEAN: There were some restrictions on those. The bill before you today has restrictions based on affordability but I believe the Honolulu bill limited it to family and that might have been, you know, more of a limiting factor, I mean this one does allow family as well but it's more focused on the pricing.

COUNCILMEMBER WHITE: Right, yeah that would have a more significant impact I'm sure. Thank you.

MS. McLEAN: And as testifiers have mentioned we understand a lot of this is already going on. So it would in a sense --

COUNCILMEMBER VICTORINO: Chair?

MS. McLEAN: --legitimize so of what already is happening and allow those to be lawful but then, you know, those that are currently in compliance would be able to do that in a lawful way.

COUNCILMEMBER WHITE: Okay. Thank you. Thank you, Chair.

CHAIR COUCH: Thank you. Mr. Victorino?

COUNCILMEMBER VICTORINO: Yeah and thank you and you're absolutely correct it goes on all over this County. My question is with the ohanas and smaller lots...

CHAIR COUCH: Mr. Victorino, can you get closer to the microphone please?

COUNCILMEMBER VICTORINO: You cannot hear me?

CHAIR COUCH: Others can't.

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COUNCILMEMBER VICTORINO: No one can hear me?

COUNCILMEMBER COCHRAN: I can hear you.

CHAIR COUCH: What?

COUNCILMEMBER VICTORINO: I think I find that hard to believe, I find that hard to believe. I just watched *My Cousin Vinny*, so that's why I'm saying I find that hard to believe. Anyhow, my question since I was so rudely interrupted again. If we build up would that be considered a ohana so, you know, like they have a lot of these homes the footprint of the lot doesn't change, the lot's still the same size but they build these bigger two-story units which is known as the mega mansions of Central Maui but they really are for families who need housing, whether it's rental and or ownership or partnership. So would that be considered ohana if you build up or is that extending the home you have?

MS. McLEAN: That could also be an ohana. It could be an attached ohana, a separate unit upstairs.

COUNCILMEMBER VICTORINO: Upstairs?

MS. McLEAN: And ties into Council Chair White's question, generally the first floor setback would be a six-foot setback.

COUNCILMEMBER VICTORINO: Right.

MS. McLEAN: The second floor would be a ten-foot setback. So on smaller lots you might be somewhat limited as to how big that ohana would be if it were built on the second floor, but yes an ohana can be the upstairs or the downstairs or side by side.

COUNCILMEMBER VICTORINO: So that would make it much more easier for people who have these small lots, Mr. Chair, to be able to add if they're going up instead of trying to put it in the back or trying to put a attached or even detached structure.

MS. McLEAN: Yeah.

COUNCILMEMBER VICTORINO: I think, you know, or like I've seen people build on top of their garages extended units. So I believe there's some real merit in what this one proposes, Mr. Chair. I think the restrictions Oahu put on really limited the number of people that even wanted to try. I want to try to make it as easy as possible because I have and you're right, I have said inventory, inventory, inventory and, you know, as a business person they'll tell you when you got more inventory than demand, prices drop. It's just basic business 101 so I think it's time we start working towards that direction 'cause all the rest of the rules are not going to be applicable unless we have housing and you folks who are running for office again are going to find this to be the



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biggest issue where you go and when you talk to people no matter where you go in this County, and even in the State to be perfectly honest. So thank you, Mr. Chair.

CHAIR COUCH: Thank you. Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much Chair. I am in support of the idea of creating more places where people can live. Obviously there's no question we need them and we're all passionately saying let's do something, let's get it done and this looks like one way of getting it done. I do have a concern and it's a strong concern and that is with this limitation that we're writing in here that this has to be rented to family or low-income people. I'm sorry but if you wanna talk about creating an unenforceable law here we go again. Why, what difference does it make, who's going to make sure that the person in my cottage is my son or my daughter or my aunty or my mother-in-law? Remember when we were doing mother-in-law cottages. I am more concerned about not being able to use this for a vacation rental but as far as the limitation of it's got to be family. It's a nice idea, it's motherhood and apple pie. But first of all a lot of families don't get a long and don't wanna their kids in their backyard. I mean let's be honest, you know, I come from a generation of people that are living with grandchildren and great grandchildren and, you know, they're not, not everybody's in this beautiful situation where everybody's all in love with each other but, you know, if I rented it to Mr. Couch who is not related to me and he'd find a house, I mean what's the difference. What I'm concerned about is creating another law that people are going to laugh about and laugh at us about 'cause it's got to be family or it's got to be low income. I just don't think that we're creating an enforceable situation and I know the Planning Department is already drowning in the stuff we've given you and I don't feel good about giving you one more. If we want to create inventory and get people in homes I'm happy with that. I don't mind the restriction about not giving them permits for short-term rentals or whatever it is, B&Bs or whatever they want to do if you make it attached but I just think we're creating another problem.

CHAIR COUCH: Okay thank you, Ms. Baisa, that is an item we're going to talk about a little bit later but it is, it does relate to this and just so you know the Planning Department didn't suggest that, that was Mr. Carroll's bill.

COUNCILMEMBER BAISA: I understand.

CHAIR COUCH: Okay.

COUNCILMEMBER BAISA: But, you know, I live in the real world I'm sorry.

CHAIR COUCH: Yeah.

COUNCILMEMBER BAISA: With real people and a huge family, huge.

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CHAIR COUCH: Okay thank you. Members, any other questions? Have a couple questions/comment.

COUNCILMEMBER COCHRAN: Chair?

CHAIR COUCH: Yes.

COUNCILMEMBER COCHRAN: Just real briefly in regards to setbacks just tell me what those are in reference to this lot square footage.

MS. McLEAN: The setbacks are the same.

COUNCILMEMBER COCHRAN: For all?

MS. McLEAN: The setback's based on the zoning.

COUNCILMEMBER COCHRAN: Okay.

MS. McLEAN: So in the Residential District regardless of the lot size the setback is 6 feet, in the side and rear yards either 10 or 15 in the...

MR. ALUETA (from the gallery): Fifteen front.

MS. McLEAN: Fifteen front.

CHAIR COUCH: Yeah 15 front.

MS. McLEAN: Fifteen in the front yard.

MR. ALUETA: *Speaking from gallery.* Six side.

MS. McLEAN: Six in side and rear.

CHAIR COUCH: On single story?

MS. McLEAN: For single story.

CHAIR COUCH: If it's a two story, it's ten feet?

MR. ALUETA: *Speaking from gallery. . . .(inaudible). . .*

MS. McLEAN: And then the second story would be ten feet.

MR. ALUETA: *Speaking from gallery. . . .(inaudible). . .*

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COUNCILMEMBER VICTORINO: Why don't we call this gentleman 'cause I feel like I hate when someone's talking behind me and they think I'm the one that's talking. If you guys would come up, that's fine.

COUNCILMEMBER COCHRAN: Yeah, if we could, I mean I'm just, I have a whole spreadsheet here that's why so I'm trying to incorporate that within my spreadsheet in regards to setbacks --

MS. McLEAN: Right.

COUNCILMEMBER COCHRAN: --is what I'm trying to do, so you're saying residential regardless of square footage of the lot.

MS. McLEAN: Right.

COUNCILMEMBER COCHRAN: Six feet side.

MS. McLEAN: Six feet the side and rear yards.

COUNCILMEMBER COCHRAN: And rear. Fifteen front.

MS. McLEAN: Fifteen feet in the front yard.

COUNCILMEMBER COCHRAN: And you said ten feet from the second story?

MS. McLEAN: So six feet in the side and rear for single story and then ten feet side and rear if it's, if there's a second story.

CHAIR COUCH: So the ten feet includes the first story, if you have a two story house, the first story has to be ten feet side and rear.

MS. McLEAN: No the first story can be six.

CHAIR COUCH: Oh yeah.

MS. McLEAN: So you do...it's like a wedding cake.

CHAIR COUCH: Okay.

COUNCILMEMBER VICTORINO: So the ten.

MS. McLEAN: So your first story is set six feet back and then your second story is set ten feet back.

CHAIR COUCH: Okay.

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COUNCILMEMBER VICTORINO: Okay, okay.

COUNCILMEMBER COCHRAN: Okay and so this is strictly just in residential lots?

MS. McLEAN: That's right.

COUNCILMEMBER COCHRAN: Residential-Zoned lots.

MS. McLEAN: That's right.

COUNCILMEMBER COCHRAN: Okay.

CHAIR COUCH: Including zero lot line?

MS. McLEAN: Zero lot line would be zero.

CHAIR COUCH: Okay so we have a, we do have Residential category called R-0 which is zero lot line.

COUNCILMEMBER COCHRAN: Which is the County buyback, Alulike in Lahaina?

COUNCILMEMBER VICTORINO: No, no. If you want zero lot line anybody wants to see, just go right down the street to Kaimana, right here. I got more zero lot lines per capita than any other place in the County, right here. Kehalani is zero lot lines. In other words---

COUNCILMEMBER COCHRAN: Okay.

COUNCILMEMBER VICTORINO: --bam-bam, they abut each other.

COUNCILMEMBER COCHRAN: Yeah.

COUNCILMEMBER VICTORINO: There's not even three feet and you can hear your neighbor when they...never mind, you can hear everything.

COUNCILMEMBER COCHRAN: Yeah okay, and you are still able to build, get a permit for an accessory dwelling on those, ohana?

MS. McLEAN: I would have to look at the bill and see, I don't think so, I think it applies to the R-1, R-2, and R-3 Districts only.

COUNCILMEMBER COCHRAN: Okay. Okay. Alright thank you.

CHAIR COUCH: Okay thank you. Anybody else? Okay. One of the questions/comments I had, if you...I think Mr. Victorino was talking about opening a second story and making that an ohana, if that's the case then they're restricted to the size aside from

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the setback. Say it's a, let's say it's a 2,000-square-foot house down below and then so if it's a 2 story they can be slightly under 2,000 square feet if there's no ohana. If it's an ohana it gets sucked down to the size allowed in the, the size, because of the size of the lot is that correct?

MS. McLEAN: That's correct. The size of the ohana is governed by the size of the lot.

CHAIR COUCH: Okay maybe outside-the-box thinking on this one would be potentially if you have a one story and want to make it a two story and it can be bigger because the size of the lot is small but you're not changing the footprint on the lot that that might be something that we can look at and say okay the second story can be an ohana and it can be built out to the setbacks. Is there a concern with that? I know it's just a quick thought but would that be something to think about other than the...

MS. McLEAN: We would want to do some quick sketches and see what that would like.

CHAIR COUCH: Yeah. I mean that's a potential so you can have a little bit bigger family as opposed to, you know, it's a let's say 7,000-square-foot lot so they get what 500, I believe they get a 500-square-foot ohana but if you put it on top of a 2,000-square-foot single story then you can have a whole second family that, yeah there's issues with sewage and water usage and potential parking issues but I mean that's something to look at too. If they don't add to the square footage of the footprint. But then would that get into...I know in Commercial we have floor-to-area ratio. Do we have that in Residential or not?

MS. McLEAN: We don't have that in the Residential Districts --

CHAIR COUCH: Okay.

MS. McLEAN: --at this time. That's something that we've been advocating but that's not in front of you --

CHAIR COUCH: Okay.

MS. McLEAN: --specifically today.

CHAIR COUCH: Okay. Alright. Any further questions or comments? And you can always come back to this at anytime but as you can see we got a lot to go through here so ready for the second one?

MS. McLEAN: Okay thank you. The second item reads identify existing single-family residential areas both developed and undeveloped that would be appropriate to re-designate to duplex or multi-family. This would both legalize existing unlawful multi-family uses and allow greater density for existing and new development. This ties into the extended and lively discussions we've had about wet bars. Our challenge with the wet bar definition as testimony has indicated is that right now we only have a

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definition of kitchen and that definition is very, very broad and so when something comes in that looks like a kitchen to us the only thing that we can call it is a kitchen and dwellings can only have one kitchen and so what probably realistically and sincerely is a wet bar we can't allow. That's why we wanted the definition of wet bar and we had told the Committee Chair, oh the wet bar definition that will take 20 minutes and we'll be done we just need...and it's lead into all of things, but the idea isn't...creating a definition of wet bar is one thing and to us that's a very simple, isolated, we need a definition for this thing that we see in building plans that isn't a kitchen so that we can allow them. Separate from that is how many dwellings or something close enough to dwellings do we want to allow on lots and what should we call those, because to us the kinds of things that we're hearing about oh, you know, the, you know, having your kids stay with you, not completely with you but sort of with you or, you know, different generations of family members all living together. We need to be able to allow that and we agree with that. So it's coming up with what do we call it and how do we zone it. Is that the same as single-family 'cause once you open up the Residential District for example and say you can have two kitchens, let's just say that for example, that means everywhere in the entire County any of those homes can have two kitchens and essentially become duplexes and I don't think anybody wants, quite wants to go quite that far. So what No. 2 talks about is really identifying those areas where that kind of density on what initially were residential lots, that kind of density is appropriate. It's happening, we know it's happening and that should be allowed to expand to greater areas. We have worked on some rough language on defining triplex and quad-plex. Those are housing structures that we really don't see here all that often and should see them and figuring out where would be appropriate places for that. It's not the same as multi-family, you see multi-family and you think, oh, a ten-story condo and that's not what we mean. We mean a lower density multi-family. So that's what item 2 is about to look predominately in Central and South Maui in these dense residential areas and changing their designations to legitimize existing density and also to allow for infill and greater development.

CHAIR COUCH: Okay thank you. Members, questions/comments? If not I'll start off with one. I'm glad you mentioned the whole duplex, quad, you know, triplex, quad-plex 'cause that we had brought that up --

MS. McLEAN: Yes.

CHAIR COUCH: --at another item under the duplex zoning Code of which there's like two, I think two lots in the whole County that...

MS. McLEAN: It's very underutilized yeah.

CHAIR COUCH: Yeah. My question would be, you know, if we were to say in the duplex zoning Code that you can actually have, you know, triplex and quad-plex is that mess with the, you know, should we maybe rename that zoning Code and then do it out there? Or then does it come close to multi-family and also how does that mesh with the community plan?

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MS. McLEAN: Right the community plans are pretty specific and the Single-Family designation it says single-family and duplex. So to go beyond duplex we think you'd need to re-designate the community plan for these areas.

CHAIR COUCH: So maybe have a separate district as well, not quite multi-family, I don't know or is it add that to the Multi-Family District potentially?

MS. McLEAN: Right well it would be multi-family at that point if got to three and above.

CHAIR COUCH: Yeah, okay.

MS. McLEAN: And, yes, the, we could rename the Duplex District to --

CHAIR COUCH: Two-plex district.

MS. McLEAN: --multi-plex.

CHAIR COUCH: Or whatever, yeah multi-plex.

MS. McLEAN: Sounds like a movie theater.

CHAIR COUCH: Yeah I know. Okay. Members, any questions on this one? Looks like Ms. Cochran or Chair White. Ms. Cochran first.

COUNCILMEMBER COCHRAN: Well I was just thinking of parking we're like thinking more structure, more roofs, more dwellings and as it is we already got people double parking on our roads and I was looking at Mr. White, I go, oh, a multi-structure garage for like...I mean where are these cars, that's a question --

CHAIR COUCH: That's a huge issue is parking.

COUNCILMEMBER COCHRAN: --'cause I, it's already having issues, yeah.

CHAIR COUCH: Parking right.

COUNCILMEMBER COCHRAN: Our poor Solid Waste has to tell, call home to say please don't do that, we can't even get our refuse truck to you on your block on access. So it's a tough one too.

CHAIR COUCH: Okay. Chair White?

COUNCILMEMBER WHITE: Yeah the challenge of infrastructure, you know, straining the infrastructure I think is big concern but I do feel, I feel that No. 1 makes sense, I think No. 2 makes sense, you know, for them to see if we can identify changes that would

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make some sense in certain areas that may have the infrastructure that would support it and I think I appreciate them bringing these ideas forward.

CHAIR COUCH: Oh yeah. Anything else? Okay, oh, Ms. Baisa?

COUNCILMEMBER BAISA: I heard something that I wanted to just mention and maybe have Planning comment on. When she was explaining, the Deputy was explaining she kind of said and this would be Central Maui and was it West Maui?

COUNCILMEMBER VICTORINO: South.

MS. McLEAN: South.

COUNCILMEMBER BAISA: South Maui.

COUNCILMEMBER VICTORINO: South Maui.

COUNCILMEMBER BAISA: What about, why would you limit it only there?

MS. McLEAN: Our initial look at his idea revealed that that's a, a somewhat common practice in those areas. That's where the denser residential zones are located and where we feel that a lot of this is happening already.

COUNCILMEMBER BAISA: The reason why I ask this question is because the growth that's occurring in places like Haiku. I mean it's growing really, really fast and I think there's going to be a huge demand for housing there. Something to think about.

MS. McLEAN: Yeah, yeah.

CHAIR COUCH: And also, you know, we've got those two-acre lots that are supposedly being farmed and some of 'em are going, at least in the Maui Island Plan have been changed to Rural. If those get changed to Rural, I don't know I'd hate to see super high density in those places that don't have the, huge infrastructure problems there because Rural, it implies rural utilities and facilities. Right, Members?

COUNCILMEMBER VICTORINO: Chair?

CHAIR COUCH: You get a lot of room but you don't have a lot of infrastructure and then when we ask to provide the infrastructure, you know, at what cost, it's....these are all the questions. I'm glad they brought these up because it's not just a simple oh yeah and I would like, you know, I'm paraphrasing or channeling Mr. Victorino I would like the public to know that it's not a simple thing and there are a lot of well what about this and what about that. So the whole idea is to throw it out there and throw out ideas and see what we can do to accommodate this. So thank you.

COUNCILMEMBER VICTORINO: I think White, Mr. White was first.



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CHAIR COUCH: Okay, Chair White and then Mr. Victorino.

COUNCILMEMBER WHITE: Yeah I would agree with Ms. Baisa that I don't think we should be limiting the review to just certain areas because if we are looking at potentially increasing the number of structures on a lot it may be appropriate in some of the two-acre subdivisions to, you know, to change the zoning to Rural and allow it if the infrastructure is able to handle it. So I don't think we should be limiting it to one type of area or only. So thank you, Chair.

CHAIR COUCH: Okay thank you. Mr. Victorino?

COUNCILMEMBER VICTORINO: Well limiting it I think is not a good idea. However, we've got to be realistic, if you're talking Haiku and you're talking Upcountry you got a thing called the water meter list and that's going to stop everything dead in its tracks. So and I'm not trying to say you don't want, and the other part is the people up there have this strong calls to say keep country, country. Okay. So let's be realistic on what they're wanting to do. In town, or Central Maui, and South Maui there are a number of dynamics, water is not as big an issue, our sewer system and everything is more connectable, everything's here and I understand why the Department did what they did. You know, West Maui, they have a sewer capacity problem so, you know, they're, each area has a challenge that this is more for the purpose of building homes expediently or building units expediently or adding to units where they know it can be done because the infrastructure and the available services are there already and I can understand and I can support that, Mr. Chair. It's not to say we wouldn't include any place else, that's not what we're trying to say. This can be done pretty much now. Others may take some time down the road to get some of that improvements or the upgrades or the capacities, levels that are needed. So that's, I see the difference here and I agree with the Department, it's not limiting but it's really pointing out where it can be done now --

CHAIR COUCH: Yeah to start off. Yeah.

COUNCILMEMBER VICTORINO: --and the possibility of other areas later.

CHAIR COUCH: Yeah okay.

COUNCILMEMBER VICTORINO: So just so that clarification.

CHAIR COUCH: Members, any other questions? Ms. Cochran?

COUNCILMEMBER COCHRAN: For Department, so West Maui was not looked at or thought to think about in reference to this question?

MS. McLEAN: No I wouldn't say that, in the letter it doesn't identify specific areas. Central and South we're quite confident that these uses are already going on. Perhaps in West

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as well we don't know that to be quiet as widespread as it is certainly in Central but the point today is to get your input and your guidance and so if this ends up being one of the items that you want us to pursue then we would pursue it, you know, with the guidelines that you give us and if the guidelines don't limit it to any particular area, look at all residential areas then that's what we'll do. And if you want us to look at changing agricultural areas to rural then that's what we'll do. So this is really just putting these ideas out there and then getting your direction for where we go.

COUNCILMEMBER COCHRAN: Okay very good.

MS. McLEAN: Yeah.

CHAIR COUCH: Apparently we need to take them knocking on doors up Lahainaluna Road.

COUNCILMEMBER COCHRAN: And is that why we got miss...Kathleen back? She's back, I thought we had Kaunoa here this morning.

COUNCILMEMBER VICTORINO: She's back.

COUNCILMEMBER COCHRAN: Welcome back to Planning.

MS. McLEAN: She head our Plan Implementation Division.

COUNCILMEMBER COCHRAN: Oh okay.

MS. McLEAN: We lured her back to Planning.

COUNCILMEMBER COCHRAN: You never left?

MS. McLEAN: She did.

CHAIR COUCH: No she did.

COUNCILMEMBER COCHRAN: Oh okay. Okay got it. Welcome back.

CHAIR COUCH: Okay any further comments on this one? Next one.

MS. McLEAN: Okay.

CHAIR COUCH: No. 3.

MS. McLEAN: No. 3 identify under developed properties with Multi-Family and Industrial designations that could be targeted for redevelopment as multi-family and again I, the intent isn't to limit it to any particular area in the County. We did specifically look at a very small area in Kahului in the Hana Highway, Kaahumanu Avenue area and there are quite a number of properties there that are undeveloped or underdeveloped that

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because of their Industrial zonings, multi-family is an allowed use and so those sites could be targeted for development as multi-family.

CHAIR COUCH: In some of these, in that area that's almost a good spot for potential, you know, walkable, not quiet bikeable yet because of there's, we don't have that capacity at this point but a walkable...

MS. McLEAN: Definitely.

CHAIR COUCH: They can go out...yeah, to reduce the need for using the automobile which is what we're trying to do as well in a lot of this and that can also, almost be a part of transit-oriented development 'cause that's right on a --

MS. McLEAN: On the bus lines.

CHAIR COUCH: --bus line and --

MS. McLEAN: Right.

CHAIR COUCH: --two major arteries, so.

MS. McLEAN: Right.

CHAIR COUCH: Okay good.

MS. McLEAN: So the first two items would definitely require Council action and/or legislation. This third item we'd be looking at properties that are already entitled for that use. So that would require, you know, various efforts from the Administration to find the property owners to learn more about these particular sites. How they're being used now, why they're not developed more and to try to figure out how they could get redeveloped.

CHAIR COUCH: Okay. Any other questions for these, for this item? Okay, yeah that seems pretty straight forward.

MS. McLEAN: Yeah.

COUNCILMEMBER VICTORINO: Yeah.

MS. McLEAN: Straight forward but not necessarily --

CHAIR COUCH: Correct.

MS. McLEAN: --easy.

CHAIR COUCH: Correct.

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MS. McLEAN: Okay. No. 4, identify lands with Single-Family and Multi-Family community plan designations and change the zoning and State designations to complete their entitlements. So this is plan implementation right there where various community plans have up-designated lands that remain whether it's Agriculture or Rural or if there's Residential land that's now Multi-Family on the community plan to proactively change those designations so they're fully entitled and could be developed. So those certainly would come to Council if..

CHAIR COUCH: So that kind of like comprehensive zoning then?

MS. McLEAN: Yeah.

CHAIR COUCH: Okay.

MS. McLEAN: But focusing just on Residential.

CHAIR COUCH: Correct.

MS. McLEAN: Not on Business and Industrial.

CHAIR COUCH: Correct.

MS. McLEAN: Yeah.

CHAIR COUCH: Any questions? Yes, Chair White?

COUNCILMEMBER WHITE: I think from a housing stand point that makes a lot of sense but I think it also makes some sense once we complete our plans that we got to the, you know, we change the designations at the State level and from a zoning perspective to make it across-the-board entitled because a lot of the time is spent getting the State's agreement and getting the zoning changed and so forth. And if you want to move projects along, that's probably one of the most effective ways of moving, you know, moving the process along. So I think this a...and you guys had come up with this I think in the budget didn't you, or I know that you had had some plan on...

CHAIR COUCH: That was a plan in conjunction with the State law is to at least get the State land use --

COUNCILMEMBER WHITE: Right.

CHAIR COUCH: --district boundary amendments taken care of.

COUNCILMEMBER WHITE: Right.

MS. McLEAN: Correct.

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COUNCILMEMBER WHITE: And I think that's, those are all very good ideas.

MS. McLEAN: What would be challenging with this is typically what you would see is an individual applicant would come in and say okay I have Ag land that got changed to Single-Family on the community plan, I want to change my State, I want to change my Zoning to Residential and they have some sort of site plan which isn't required at the Change in Zoning level, but often they have it because you folks want to see that, before you approve the zoning, you want to have an idea of what's going to be built there. And you put conditions on it related to the traffic improvements or whatever it might be. With this kind of effort it would be this broader initiative and so it wouldn't be, you wouldn't have that level of detail that you typically see when properties come one by one. So that is a challenge for this, is that it is somewhat more open ended than what you would typically see on a project by project basis. So that's...

CHAIR COUCH: And that's my question to dovetail onto that is, okay, this says single-family here do we change the Zoning to R-1, R-2, R-3, R-0. What do we change the zoning to? So unless we get all the landowners to say what do you think you want to do and we'll change it to what you think and then when they come in with their final plans and say we, you know, we really wanted R-1 versus R-2. So they would have to come in and re-change the zoning but it wouldn't be as difficult as, you know, going through the district boundary amendment and then the initial Change in Zoning. So and I would have to ask probably Corporation Counsel or Mr. Carroll, in his Committee generally with a Change in Zoning we have a unilateral agreement that has been signed as well. Is that...

MS. McLEAN: If there are conditions.

CHAIR COUCH: If there are conditions?

MS. McLEAN: Correct.

CHAIR COUCH: It's only if there are conditions.

MS. McLEAN: Correct.

CHAIR COUCH: That's the second issue.

COUNCILMEMBER WHITE: But see that's the other issue is that...

CHAIR COUCH: We can't have conditions if we don't know.

COUNCILMEMBER WHITE: --if we have, but if we have a...I mean in an ideal world when you have certain types of zoning you have conditions that go along with that zoning.

CHAIR COUCH: Right.

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COUNCILMEMBER WHITE: Rather than providing the Council target practice. And so, you know, I think there's a level of which we could change the zoning as long as the Department has those conditions in place for all of that, all of those specific types of zoning. If they want to change it from that, if they want to go from R-1 to R-2 or R-2 to R-1 that's when they're exposed to additional conditions because they're changing it --

CHAIR COUCH: Correct.

COUNCILMEMBER WHITE: --in a way that is not included in the comprehensive change. So it's not that we will be giving up having conditions applied to the zoning, it's just that they would be known when that comprehensive change is made.

CHAIR COUCH: Yeah, agreed, there are, I don't think we have a lot of conditions that we put on Residential, it's mostly Business 'cause generally we'll say oh this is B-2 zoning, but we'll let you change that zoning except for we don't want you to put a gas station in there, we don't want you to put this. So we would restrict further what the zoning requires. I don't know that there are that many uses in Residential that we would necessarily want to restrict. The other conditions would be, you know, you gotta do this kind of sidewalk or you gotta do this kind of park and if those are what we want to do as far as the zoning is concerned then that should be part of the Zoning Code.

COUNCILMEMBER WHITE: Right, that's what I'm saying.

CHAIR COUCH: Okay.

COUNCILMEMBER WHITE: Because when they come in they're asking for either being allowed to avoid park assessment or building --

CHAIR COUCH: Right.

COUNCILMEMBER WHITE: --you know, sidewalks on one side only. They're asking for all kinds of things but if these, all of these conditions are known up front --

CHAIR COUCH: Right.

COUNCILMEMBER WHITE: --then they know what they're dealing with.

CHAIR COUCH: Yeah, yeah, and again see how a simple suggestion turns into a long discussion. Okay any other questions/comments? I want to acknowledge that Mr. Guzman is here, thank you.

COUNCILMEMBER GUZMAN: Good morning.

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CHAIR COUCH: Good morning. So any other questions on this one? Seems straight forward and again not as simple. But that is a good one that will help lower the cost of housing in my opinion because if we get that done first that saves a) a lot of time that the landowner has to go through, State district boundary amendment if it, especially if it's over 15 acres, then Change in Zoning and we're talking at least 3, 4, maybe even 5 years. And as long as that money, I mean that time goes a long they're paying interest on the property so that adds to the price of the house as well. It just all adds up, and, Ms. Cochran, you had a comment?

COUNCILMEMBER COCHRAN: Yeah and this is good but, you know, where is where we put the hammer to it all that say, you know, we entitle it and now they're land banking and sitting 'cause that's what's happened in West Maui a lot and other places I'm sure. So this is all fine and dandy but there's got to be something in here where in the end if we're expediting then you expedite those homes, not yay we got everything and then just put it on the market for some other, you know, big wig to come on by and buy up this land 'cause now this ag turned into an entitled piece of nice property. So that's in reference to that, I'd like to somehow incorporate that aspect because again great to have but let's really make it happen. Okay, thank you and then also is it mid-morning break?

CHAIR COUCH: You guys up for a mid-morning break? Yeah, okay I see everybody's eyeballs floating so we will go into recess for ten minutes. So please be back at 10:35 a.m. This meeting is recess. ....(gavel)...

**RECESS: 10:24 a.m.**

**RECONVENE: 10:40 a.m.**

CHAIR COUCH: ....(gavel)... Will the Planning Committee meeting of June 30<sup>th</sup> please come back to order. Okay, Members, on the last item we talked about rezoning and how do we keep the land from staying vacant from land banking. I ran into Mr. Alueta at the break and he had a really good idea that we should consider at, you know, just to throw it out on the table and put it in the mix. First of all if you rezone to R-1 then that means they can go to R-2 and R-3, they can do this lot sizes R-2 and R-3 which are smaller lot sizes. So they're allowed to do any lot size in, pretty much in R-1 the only thing that would be different would be if they wanted to go to zero lot line, R-0 they would have to come in and do a Change in Zoning. And then if we did that do as they do in other countries is on vacant land you tax it very high at its best, you know, highest and best use or even higher until they develop on it and then go back down to a reasonable, you know, whatever the taxes for R District, so that is a potential way to incentivize not holding onto the land.

COUNCILMEMBER COCHRAN: No and, Chair --

CHAIR COUCH: Ms. Cochran?

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COUNCILMEMBER COCHRAN: --isn't...thank you, Chair. Aren't we supposed to be doing that already?

CHAIR COUCH: Not...you can tax it at, you know, if you tax it at let's say if it's an R-1 big lot, it's still not subdivided so it's one lot R-1, at the land value, no house value 'cause there's no houses on there. There's no subdivision so it's not 50 lots instead of 1 lot which would just bump up the taxes. So you can do a vacant entitled land lot classification kind of thing and have it really high until they come in and do their subdivision and actual start building.

COUNCILMEMBER COCHRAN: Right I mean 'cause a lot of lot, there's a property in Lahaina that was ag and it kept sitting there in ag with all entitlements on it. RPT found out and they needed to, they should have been taxing this out of ag.

CHAIR COUCH: Right.

COUNCILMEMBER COCHRAN: There's no ag anymore.

CHAIR COUCH: Right.

COUNCILMEMBER COCHRAN: So that's what I mean.

CHAIR COUCH: But it's not a very high, not a higher tax.

COUNCILMEMBER COCHRAN: No, yeah it was, they had to kick in close to a million dollars.

CHAIR COUCH: Sure.

COUNCILMEMBER COCHRAN: In taxes.

CHAIR COUCH: Sure.

COUNCILMEMBER COCHRAN: Which they were, we were supposed to be collecting all along.

CHAIR COUCH: Yeah. That is a situation when we do a Change in Zoning I believe RPT gets notified. That's part of the process and maybe the Department can, you know, verify that, that you guys send, when there's a Change in Zoning you send RPT the Change in Zoning information, is that correct?

MS. McLEAN: Correct, they get the...yes, I won't go into to detail but yes they do get the information.

CHAIR COUCH: Okay. Okay and I do recall at some time and we even still see it in the budget although it's a zero amount every time is...or at least the last couple of budgets, Unimproved Residential. That class, tax classification we may want to go



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back to that. Hopefully Mr. Hokama hears that 'cause he'd be the one to work on that. Yes, Ms. Cochran?

COUNCILMEMBER COCHRAN: Did we utilize that category before?

CHAIR COUCH: Apparently a while back.

COUNCILMEMBER COCHRAN: Was that used before?

CHAIR COUCH: I don't know how long ago we did that.

COUNCILMEMBER COCHRAN: Oh okay.

COUNCILMEMBER VICTORINO: Didn't we...

COUNCILMEMBER COCHRAN: Ms. Aoki recalls I suppose, okay.

CHAIR COUCH: Ms. Aoki? Identify yourself too please.

MS. AOKI: Good morning, everyone. Kathleen Aoki from Planning Department. I just wanted to say yes you did and I know that personally because I use to be taxed that on a lot that we owned and then at some point it got changed into the designation that it has now and it was high.

COUNCILMEMBER COCHRAN: It was high?

CHAIR COUCH: Yeah.

COUNCILMEMBER COCHRAN: Okay.

CHAIR COUCH: So maybe we need to go back to that practice. That would be something we could probably in a letter to or a, some sort of item to Mr. Hokama's Committee is to say hey, can we look into Unimproved Residential and then also include unimproved, any unimproved entitled land, fully entitled land because there's Unimproved Light Industrial, Unimproved Business. The whole idea is if you're going to change the zoning and you're going say you want to change the zoning then change it and build, you know, it's getting old this banking for 30-40 years. I know developers, it takes time to do things and there's ups and downs but some of those things maybe we should discuss in the Budget and Finance. Okay? Thank you, Department. Next up.

MS. McLEAN: We are on Item 5.

CHAIR COUCH: Five, yeah.

MS. McLEAN: Review existing entitled projects that have affordable components and that have stalled, determine why they are not proceeding and evaluate if there's any

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County action that could be taken to get them online. This is one of the items that may not involve Council action but it could if for example one of the reasons that a project may have stalled is because of zoning conditions that the applicant today isn't able to fulfill. It could be bringing that project back for consideration to amend that zoning condition. So this would take some research on the Planning Department side and if there are changes that can be made that involve Council authority then those could come to you.

CHAIR COUCH: Members, any questions on that? Chair White?

COUNCILMEMBER WHITE: Not really question but I think --

CHAIR COUCH: Or comment its fine.

COUNCILMEMBER WHITE: --this falls in line with our reso requesting developers to come back to Council if they felt that a change in the conditions would make their project pencil out, if they were subject to a 50 percent affordable housing requirement as opposed to the current 25. And I believe there are also discrepancies or not discrepancies, differences between certain project districts. My understanding is Kehalani is under a 50 percent affordable whereas Maui Lani is under 10 percent affordable.

CHAIR COUCH: Wow.

COUNCILMEMBER WHITE: And so having that differential when you're competing with each other for, you know, the creation of housing makes it significantly more challenging. If you're at 15 you're competing against folks that are at 10 percent. And as Mr. Victorino said the issue here really is inventory because, we've, you know, we've not got the inventory that allows the prices to come down a bit. When the market dropped there was a lot of affordable housing and I believe my, for example with the pricing that we talk about here as being affordable is often \$350,000 and up. Well when the market dropped, a two-bedroom, two-bath condo in Kihei was selling \$139,000. And so, you know, these are items that we just, we really have to review because the question is are we more impacted now by our lack of creating inventory than we can ever catch up with by just a focus on affordable housing.

CHAIR COUCH: Okay. That is a good point is that all housing helps.

MS. McLEAN: Right, right.

CHAIR COUCH: Okay. Any other comments on this one?

COUNCILMEMBER COCHRAN: Chair?

CHAIR COUCH: Yes, Ms. Cochran?

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COUNCILMEMBER COCHRAN: I have a project in Lahaina and it's due to, it's stalled because of water and that's of course the whole Upcountry issue. So, yeah, County can get more water source to Lahaina where it needs tap-in to be built.. That's one project I know off the top of my head. And then, you know, in reference to getting entitled areas going, do we not have a law already in place that sort of the use it or lose it thing? You are, your entitlements are stripped if you don't, I mean I know we do it now on a lot of our new projects in our conditions. You need to start breaking ground, you know, build your affordable concurrently or whatever but previous things that are on the books now sitting, being stalled, does it pertain to those?

MS. McLEAN: Entitlements like zoning, community plan, State designation, are permanent entitlements. There's not a use it or lose it component to those. It has been talked about at Council before but for the time being none of those have any sort of expiration. Projects in the Special Management Area however do have deadlines to initiate construction and to complete construction. Oftentimes they do come in for time extensions, we saw a lot when we had the recession, saw a lot of projects that stalled that came in for time extensions. So SMA majors, well minors as well but SMA does have time limits but permanent entitlements don't.

CHAIR COUCH: Yeah, Mr. Hopper?

MR. HOPPER: With the caveat that if there are conditions of zoning there might be timing requirements --

CHAIR COUCH: Right.

MR. HOPPER: --in those conditions and so if --

COUNCILMEMBER VICTORINO: Yeah. We have that.

MR. HOPPER: --aren't met then there's a potential for the property to be down zoned if they're in breach of conditions. There's also and as you mentioned in some of the recent projects like the State Land Use Commission has there was like a backbone infrastructure ten-year deadline that says they got to complete the backbone infrastructure for the project like roads, water things like that within ten years of the time of the Change in Zoning. And if there was a failure then the Council could consider down zoning the property or at least bringing the project up for review to see where it's at. So those are some options down those lines, but the Deputy Director is correct that in general there's not a like an automatic down zoning or a, something that would trigger a down zoning automatically if a certain amount of time passes from the entitlement to the, you know, from the entitlement.

CHAIR COUCH: It's my understanding and I thought we talked about this before that there is something in, at the beginning or at the end of Title 19 that says, that allows, hey, if after 5 years Council can bring it up and potentially remove zoning, I believe.

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MR. HOPPER: Well no, there's a provision--I can try to look up--that in, for conditions of zoning it basically says that if there's no time limit specified in the condition that they've got to be met within five years, that's like the default. Usually there's a time limit in the conditions or it will say something like prior to obtaining building permits or prior to subdivision approval, things like that. But at that point it's still not automatic, it needs to be done by Council action to --

CHAIR COUCH: Right.

MR. HOPPER: --change the zoning back to its previous category.

CHAIR COUCH: Okay. Mr. Victorino?

COUNCILMEMBER VICTORINO: Are you done?

CHAIR COUCH: Were you done, Ms. Cochran?

COUNCILMEMBER COCHRAN: Real quickly --

CHAIR COUCH: Okay.

COUNCILMEMBER COCHRAN: --and in reference, so it's safe to say then old I guess existing projects we cannot put that sort of clock on them now 'cause it's already been done so to speak and entitled and all this stuff?

MR. HOPPER: Well if they're fully in compliance with all of their conditions then yeah they'd have, the Change in Zoning would be done, provided they're not in, provided they're in compliance with all their conditions, yes, generally. I mean there might be other...I don't want to speak broadly for every single possible project I mean maybe there's something but in general the Change in Zoning a legislative act so the Councils deciding we're going to change your zoning from this to this and so unless, I mean if the Council wants to go and look at changing it to something else the question would be does the person have certain vested rights where they've put money or relied upon that Change in Zoning to the point where changing it back would be illegal. So we'd need to look at that for certain projects. That's the general rule but again I don't, I can't speak for every single project in the County, there might be certain circumstance that we can look at for each, for certain projects.

COUNCILMEMBER COCHRAN: Okay.

CHAIR COUCH: So if you know of some that you think might be applicable to that, you might want to...

COUNCILMEMBER COCHRAN: Yeah okay we'll look into that.

CHAIR COUCH: Okay.

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COUNCILMEMBER COCHRAN: Thank you, Chair. Thank you, Mr. Hopper.

CHAIR COUCH: Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you, Chair. And we have in recent years put on time restrictions to start.

CHAIR COUCH: Yeah.

COUNCILMEMBER VICTORINO: You know, Kaiwahine and Kahoma and a number of 'em. The real challenging faces when you have outside interest who have the right to intervene and stop everything. How do you deal with that? You know, and that's where the real challenge has been. Far more than water, far more than like Kaiwahine, where you got a...never mind what kind of developer but we'll leave that alone yeah. I found that to be more of the pressing problem when someone or some entities decide that they don't want it there and they press and go from each level of the court system until either they exhaust everything or they get their way and that's what really is the challenge as far as putting time restrictions, you know. So I'm all for putting some kind of restriction and condition when we have these but all with the caveat that if there is no outside intervention 'cause once intervention comes in you can't keep the clock rolling. That's not fair to the developer or to whomever is trying to put that project there. That's not...it's like you wanting to build something and I say no I don't like it and five years down the road you're still waiting to do it because I'm staying, stopping you from doing it and maybe you have that right but I feel you're taking away my view plain or I don't know, you can name the different entities that bring up different questions as far as development is concerned. So, you know, I like this, again, I know Mr. White has brought out, you know, a proposal to bring these people back and verify where they're at and what they need to do to get their projects going and I think it's a good time but on the other side of the coin right now we're in a very robust I should say construction period. So costs have just skyrocketed. So now you're going to try to build a house or I think Mr. Croly mentioned yesterday or today that he wanted to build an extension and was like \$300 a square foot or something like that. It has gotten out of hand in that respect. Now what do we do next? And you wanna to go build, Mr. Couch, tomorrow and instead of paying \$150 you are going to pay \$350 and you're wiggling your head but that is what is really out there now. So anyhow with all that being said I thank the Department. And these again we can pick holes and we can shoot all kinds of holes into these suggestions but I really feel they're good suggestions, things that we can really work on and again inventory, inventory, inventory. Until we get there I don't think anybody can argue that point. Until we get more inventory all of these high-price housing or high-price units are going to continue to skyrocket. Thank you, Chair.

CHAIR COUCH: Thank you, Mr. Victorino. And yes these are great ideas. I guess they're looking for direction from us on how, which ones, which one or two that they can pursue sooner rather than later.

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COUNCILMEMBER VICTORINO: She said three so I'm going to go with three.

CHAIR COUCH: Or three, that's fine. Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah and I like this and of course we need to focus on what we the County can do 'cause other entities will, we have no control and so I completely agree with that. So I just to be clear the existing, like we can't...if the hindrance is, I don't know what the excuse would be or whatever, why they haven't built but they've been entitled and all that. So it would be sort of a illegal thing on our part if we were downzone them or I mean I don't want to give people ultimatums or threaten in any way, but the point is, you know, this has been sitting here for decades or whatever X amount of years already. What, you know, something's got to give, you know, some kind of pressure needs to be put on them to get moving and so, you know, I think that's...

CHAIR COUCH: I like the taxing.

COUNCILMEMBER COCHRAN: I think that too but also but stripping them, down zoning them to what they really worked hard to get to they might think really hard on okay hey we better get a move on here. So I guess, Mr. Hopper, or would that be is that, are you, did you say that was illegal to do and I know you said you didn't want to do a blanket statement for all developments but in a general sense if there's an answer to that?

MR. HOPPER: Well it's going, again it's going to depend on the case so general Hawaii law is that if you get your last discretionary permit to build that's the time in which the government can't really take away your entitlement. It could, they could potentially, who knows with development here you may need other entitlements after you get your Change in Zoning before you can actually build something that are discretionary. So other than building permits you made things like a conditional permit, well probably not a conditional permit in that case but a special permit, a SMA permit, you know, things like that and if those haven't been obtained there be the opportunity to look at changing those entitlements or down zoning. But I would proceed with caution in any of those cases because there could be the case where the person argues that their rights have vested and it's going to depend on that particular situation whether they can make that argument or not. Generally I wouldn't recommend just giving someone a zoning and then reversing it and taking it back at that point but, you know, there could be certain circumstances where we could look at that but I can't say in every single case that would be illegal to do that but it would definitely not be something you would do lightly and without a very thorough review of the particular circumstances of the project.

COUNCILMEMBER COCHRAN: Okay yeah and thank you very much. Well I guess the more direct question is if there were to be say like a use it or lose it type ordinance, could that be applied to pass projects and not just things from here on out?

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MR. HOPPER: See applying that retroactively would be difficult. That would be one thing that I don't think you could necessarily do.

COUNCILMEMBER COCHRAN: Okay.

MR. HOPPER: I think you could...if you want to have a general ordinance that says you have to be build all, entitlements will be good for a certain period of time. I mean you could look at that but you can't really have an automatic because it's a legislative act, you're actually passing an ordinance. So in order to undo that you need to pass another ordinance and go through the same process. So that's part of the challenge there. You could potentially I guess have an ordinance that would bring a project like up for review if it's not built in a certain period of time. I don't know if you'd want to do that because the infrastructure requirements for one project may be a lot more extensive than another project to be built within a certain period of time. So a one-size-fits-all approach rather than doing it as a specific condition of zoning on that project, you know, it may be a good idea just to look at each project and say what's a reasonable amount of time for you to build the infrastructure or some other time for the, you know, for that to be done. So I think conditioning it on an action to be performed within a certain period of time, I think is something that you can look at.

COUNCILMEMBER COCHRAN: Okay thank you, Chair.

CHAIR COUCH: And that circles...thank you for bringing that up 'cause that circles us back to the comprehensive zoning, you know, if we do that comprehensive zoning we can't put those one-size-fits-all restrictions on, we would have to really be very careful when we do the comprehensive zoning. Okay?

COUNCILMEMBER COCHRAN: Okay.

CHAIR COUCH: Alright No. 6.

MS. McLEAN: No. 6, Identify State and County-owned properties that would be appropriate for the County to re-designate for affordable development. We would certainly look for undeveloped or underdeveloped properties with no particular plan for County or State use within the growth boundaries, within the Maui Island Plan growth boundaries or at least adjacent to them. And that would be something where the County would most likely do a solicitation for a developer to come in and develop a project, you know, the scope of that solicitation would be, you know, how many units we would be looking for, what price range we would be looking for, whether it would be sales or rentals and I would imagine that at various steps in the way this would also involve Council action.

CHAIR COUCH: Okay, Members, I certainly have a question on, you know, we had the opportunity and I think we still have the opportunity to buy a 5-acre or 3-acre lot over here by Foodland and get 14 or so acres or 15 acres I believe --

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COUNCILMEMBER VICTORINO: I don't think so.

CHAIR COUCH: --of other land. Has that gone away?

COUNCILMEMBER VICTORINO: That's gone away.

CHAIR COUCH: Okay. 'Cause that would have been.

COUNCILMEMBER VICTORINO: 'Cause I talked to the developer, it's gone away already.

CHAIR COUCH: Okay.

COUNCILMEMBER VICTORINO: It's gone.

CHAIR COUCH: That would have been a good opportunity to do both and we can look for some of those opportunities but that might be a bit easier than most to find, to see if we can find the land and then see what we can do. Okay. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair. And I really, I just want it highlighted 'cause I figured out how to do that but I like this because well, Chair, I understand your point in seeking out people, landowners but if we already have it that's one cost we don't need to worry about.

CHAIR COUCH: Right.

COUNCILMEMBER COCHRAN: You know, and possibly seek out all these lands County owned and then install infrastructure that we can do and from there hand it to a builder, or if there's a way, I don't know, like a owner-builder style of subdivision. I know Maui Land and Pine did that for their employees, that worked out well. Each person built to what they could afford but all the infrastructures put in place from the roads to the sidewalks, you know, sewer, gutter, whatever and it works that way. So I would love to see perhaps this County take a look at something like that but I'm still trying to get word on where are those County owned priorities. Especially I'm trying to focus of course in West Maui in particular and where could we, you know, perhaps do something like this so that's up for discussion. So I like this one in particular. I think we could probably move on this on a little quicker in sense 'cause we really don't got to rely on outside entities just ourselves as County-owned lands and then our own built infrastructure.

CHAIR COUCH: Yeah. Mr. Victorino?

COUNCILMEMBER VICTORINO: Yeah that suggestion is all fine and well but Mr. Perez made a good point, it needs to be in areas for which people can feel they're a part of a community. And a lot of our County lands and you go check on it and I know exactly where most our County lands, you're not near any kind of community. Other than



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Waiale here where we have land, most of the lands, Ukumehame and all that are far from infrastructure and other improvements that have to be brought in, very far. Now, you know, again lot of those lands are bought for open space and other, parks and other issues but we can start looking to get land especially if it's abutting or adjacent to what I call the infrastructure needs of that community and they'll be a part of a community. That's what I liked about Mr. Perez's suggestion is, you know, you want decent housing in a community for which they feel a part of and not built somewhere way out. So, you know, because we had other options to get land but the land is extremely difficult to use. We still have 50 acres here from A&B in Central Maui, in the Kahului area, Mr. Guzman's area along with a promise to give us land for a community center and so there's a number of, those are the ones I'd like to see us go after. Those are the ones that I know exist right now and whatever others we have that are abutting or adjacent to lands that are already are communities. In other words they're developed or somewhat developed so that when you build you're building a community, not some isolated group somewhere three miles, five miles away from everybody else.

CHAIR COUCH: Yeah.

COUNCILMEMBER VICTORINO: Okay, so thank you, Mr. Chair.

CHAIR COUCH: Thank you. Ms. Baisa, did you have your hand up? Okay. Chair White? I thought I say you wanting. Okay.

COUNCILMEMBER VICTORINO: Everybody flinches, you think it's...

CHAIR COUCH: Yeah I know. Alright No. 7?

MS. McLEAN: Require developers to develop their affordable units, do not allow cash in lieu of creating affordable units if there are affordable requirements applicable to a project. And this would also relate to credits. The thought behind this is that, you know, the idea of credits or cash in lieu is an understandable one but we need houses and so that was the thinking there. Just if there's going to be a requirement the requirement is that it gets built and you can talk about the concurrency part of that but in terms of inventory we need inventory, we don't need credits and cash.

COUNCILMEMBER VICTORINO: Chair?

CHAIR COUCH: Okay. Mr. Victorino?

COUNCILMEMBER VICTORINO: I wholeheartedly agree with this one. I think it's long overdue and we've seen when we do get credits or we do get cash in lieu it is a fraction of what really units would cost to build. So I think I like this idea. It may scare a few developers but it also makes sure that these big projects, especially when we have projects in the resort area for which they need workers and we don't have any housing that abuts or even come close to what the needs of that particular industry

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...(inaudible)... using the word industry, I don't want to be particular picking on one group, you know. We need housing and this I think I'd rather see this instead of cash in lieu where when we get the cash generally speaking it's not going to do us much good when we get it. Thank you, Chair.

CHAIR COUCH: Okay. Ms. Cochran?

COUNCILMEMBER COCHRAN: Yes this is another one that I highlighted and completely, wholehearted support too. You know, as West Maui has some newfound money I guess it's been there for a while but hasn't been spoken about, around \$3.8 million in lieu fees for affordable in particular West Maui. So it's been sitting and here we are saying we need houses but this money's been sitting and we have not built physical actual structures so I'm definitely in support of build actual structures. And I also go back to the story working at Maui Surf Hotel, they build Hale Ohana in Lahaina, that was for their workforce, their workers and I was, you know, I rented there and I worked at the hotel and it worked well and still there and that's the kind of thing that I think truly makes sense. It's there, a structure, a roof over your head, a place that you sleep, get up, go to work for the company and it's a great program I believe. So I would definitely like to not do the in lieu anymore and the credit. Thank you.

CHAIR COUCH: Okay.

MS. McLEAN: If I could also add?

CHAIR COUCH: Yes.

MS. McLEAN: In general we talked about the idea of putting the other, more of a panel discussion for the Committee that would involve the development community. Because we don't want to end up with if we pursue this sort of idea which again is another one of the ideas that would require Council action, you'd need to change existing affordable housing requirements. To get feedback from the development community so that the result of this would be no housing whatsoever.

COUNCILMEMBER VICTORINO: Right.

MS. McLEAN: You know, because the requirement is too high that if they have to actual provide the units, you know, it's not 50 percent any more but even at 25 percent if they have to provide the units does that make the project no longer pencil out. So wouldn't you rather have, you know, 20 percent units actually built than the cash in lieu of 25 that we never see. So anyway, that need to be, get some input from the development community in how to pursue this one in those kinds of legislative changes.

CHAIR COUCH: Okay, anything else? Okay next.

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MS. McLEAN: No. 8, provide a tax incentive for developers to create affordable rentals, do not tax them on the improved value which gets past a long to tenants as long as the units meet affordability criteria. I think this idea came up when the affordable rental project in Kihei moved forward.

CHAIR COUCH: Right.

MS. McLEAN: That there was that idea on how they were struggling to keep the rents low but the, being taxed on the improved value so that's where that idea came from.

COUNCILMEMBER VICTORINO: Mr. Chair?

CHAIR COUCH: Mr. Victorino?

COUNCILMEMBER VICTORINO: Again is it enforceable? Because that's the key that the savings is passed on so that the people that live there get the affordable rentals and that's what I'm always afraid of. I mean I like the idea, I support it but whose going to monitor and make sure and again every time we create something and there's enforceability then my next question is who will do it. I mean this is good, this is very, very good and I can save that developer money by letting 'em do and build and have that available without and give 'em a tax incentive, what I want to make sure that much of that incentive is passed onto the person or people that live and rent from him or her, whoever the person might be. Other than that I am, I'm really good with this. That would, my only concern is some kind of, Again, another layer of bureaucracy to be checking up on somebody. So but I mean it's good.

CHAIR COUCH: Okay.

MS. McLEAN: Okay.

CHAIR COUCH: So, Members, any comments/questions? My thought on that too is especially on the Kihei one there's an agreement with again the Department of Housing and Human Concerns. So they're keeping an eye on that, they do that already all over the place supposedly.

COUNCILMEMBER VICTORINO: Yeah okay.

CHAIR COUCH: Okay.

MS. McLEAN: No. 9, provide no interest or low interest loans to developers of affordable projects for their offsite infrastructure and/or onsite construction that's allowing the developers rate of return to be narrower than banks typically require since the County does not need to see a profit. This is getting a little bit out of my comfort zone but the limited time that I did work in the private sector on the development side, you know, very early on in a project you have your pro forma and you have to show a certain on your investment to get your financing. And obviously that includes all of your costs

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and then what you expect to, what the revenue you expect from your sales and those construction costs being the onsite or offsite infrastructure in construction, if you can reduce that or have that be separate from what you get the bank to finance then you can still see your return on investment but on a lower upfront cost. So then the sales prices could be lower.

CHAIR COUCH: Yeah, that is a little bit out of the comfort zone but that's a great idea. I have a question for Corporation Counsel, could something like that first of all be done with, by the County? And second if so, is that potentially a use for affordable housing funds? Because it can be paid back with, you know, with interest or a slight amount of interest and we can then revolve that or can we even set up another revolving fund to loan that out.

MR. HOPPER: Yeah, Mr. Chair, I'm not prepared to answer that right now, I think that's something we'd need to look into as far as setting up funds and how they're used in the budget and we'd want to get involved in the, you know, the budget issues as well in looking at something like that so I mean sure it's something we could look at though.

CHAIR COUCH: Okay, and maybe, Staff, we can put a question to...is that something that you'd want a question in writing or just kind of move it to the Budget and Finance Committee side?

MR. HOPPER: We don't have to do either necessarily, I mean if there's, if we're going to actual look at a proposal then someone could, you know, come up with a proposal and we can evaluate it, but I don't know if there's anything specific that we're actually being asked to look at here or if that's actually been done. I mean it doesn't have to be, you know, in writing, we can review it along with whoever else would be involved. I would include the, you know, Department of Finance, Budget as well as any Councilmembers interested in that issue as far as the budget issue.

CHAIR COUCH: Okay.

COUNCILMEMBER VICTORINO: Chair?

CHAIR COUCH: Yes, Mr. Victorino?

COUNCILMEMBER VICTORINO: You know there are in municipalities in the mainland and all over that have programs just like we're talking about, in fact there are many municipalities for which the county or the municipality puts in all the infrastructure and has a special assessment for all the homeowners with runs with the land. In other words like what we have here so there are and if you need you can just go online and find a number of programs that do very similar to what we're suggesting here. And it does decrease the cost so that the homes become more affordable in the initial stages and the person that buys it pays the bond down and it's not...and bonds are generally very inexpensive as far as interest rate and it doesn't go against their loan

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because it's an assessment, so like taxes it is not, goes against them as a loan. So that's another way that I think we can move on that and that way they can get in at a lower price, we put the infrastructure, we get the money back as paying off the bond and also the taxes that come along, the RPT. So it's a win-win situation. So there are many methods we can...this is good suggestion I understand why you feel uncomfortable but I think there's other methods that can be inclusive of this and that can find us some again, expedite way of getting housing built. Thank you, Chair.

CHAIR COUCH: Members, any other...Ms. Cochran, were you just stretching your hand?

COUNCILMEMBER COCHRAN: Oh I was just stretching me hand, sorry.

CHAIR COUCH: Thank you okay next one?

MS. McLEAN: Okay. No. 10, reduce or waive parks assessment fees for affordable projects. It would be a, you know, a modest break but could have a result on the sales price. Oftentimes when you get a 201H project those parks fees as well as many other fees are waived. So this would be for non-201H projects.

CHAIR COUCH: Would that be 100 percent affordable or 50? A 201H can only go down as low as 50 percent, 51, 50 percent plus 1.

MS. McLEAN: Right. Well this would require legislation so you folks would determine at that time what, you know, what the criteria would be for a project to be able to benefit from that kind of reduction or waiver.

CHAIR COUCH: Okay. Members, questions/comments on that one? Mr. Guzman, this hits your Committee. No? Okay. And I know...

COUNCILMEMBER COCHRAN: I don't like it.

CHAIR COUCH: You don't...I know the park assessments you got a lot.

COUNCILMEMBER COCHRAN: I know I have a lot and I'd like to keep it that way.

CHAIR COUCH: Yeah.

COUNCILMEMBER COCHRAN: No I mean I don't want...they need to take care of that, you know, I have it in West Maui especially with condos that don't have all this additional park space and we are lacking in County parks itself. The poor kids they got, they're setting up makeshift basketball courts in the parking lot I mean, you know, it's dangerous and they need safe places to recreate. So it's important that we have these amenities when people build so I think that we need to keep it in place but that's my take. Thank you.

CHAIR COUCH: Okay. Ms. Baisa?

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COUNCILMEMBER BAISA: It's a hard one, Chair, because I know we're, the goal that we're trying to find here is to make prices affordable but the upshot of it is if we don't include these things in the cost of building then sooner or later we're going to have to pay for it another way. Because we need parks, we need parks. You know, I had an experience last week when we were driving on the Big Island from Hilo to Kona and we drove through all these towns and every town we drove to because we're in the period now when kids are on vacation, they're not in school and every park was packed with kids and they were all playing whatever it is they were playing and, you know, there were all kinds of activities going on. And it stayed in my mind and I was thinking boy, you know, we really, really need our parks. You know, I'm at the age where we don't go to parks 'cause we don't, you know, we have no reason to do that anymore, our kids are grown up and our grandkids are grown up and so...

CHAIR COUCH: I believe your husband goes to a park every Saturday doesn't he?

COUNCILMEMBER BAISA: Well he goes three times a week to the golf course but, you know, parks --

CHAIR COUCH: It's a big park.

COUNCILMEMBER BAISA: --are really not on our radar screen other than that we pass them and, you know, we see them. But it really brought it home to me how busy our parks are and how much we use them and if we're going to build houses we got to have a place for those kids to play. More so if we're going to build them on smaller lots and with houses with zero lot lines, where do these kids go to recreate? And we've got to get 'em outside, we're hearing that they're not physically fit because they're not running around doing their things that we did and so I have a real concern about this. All we're doing in my opinion is moving the cost from one place to another but playing musical money. Thank you.

CHAIR COUCH: Okay, any other comments Members?

COUNCILMEMBER VICTORINO: Chair?

CHAIR COUCH: Yes, Mr. Victorino?

COUNCILMEMBER VICTORINO: Real quickly. I tend to agree with my colleagues about parks, especially if we're building, you know, units that are either multi-family and/or, you know, with zero lot lines where you're really not going to have that ability to have open space for kids to play and all that. The good news, in most of our developments a lot of them now are using remnant lots or remnant pieces to put in pocket parks. You know, you go up Kehalani right here, you drive up Kehalani, there's about three of 'em, all these little pocket parks and people are there with their little ones and they're playing. It's not used for sports purposes, not for practice of athletics but to run around, you know, take their dog, you know, all these different issues and so I

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understand on why and how much it costs not only to develop a park but to maintain it. And with Central Maui we have the good fortune once these come online, both Kehalani and Maui Lani are going to put in a number of smaller parks and then we have the Central regional park. So Central Maui in one respect really is not...again we going by areas, I think Central Maui we're going to be in very good shape as far as parks but maybe not West Maui, maybe not Upcountry, maybe other areas would have the same, would have that challenge. So I would say I like the idea but I'd probably and like some of the other ones earlier you have to get more specific to the area. I think it would be based upon the area that you're looking at developing and what's available adjacent or abutting that particular development so that's would be my only comment with this. I'm not totally against it. I'm not totally for it, I just think it really is more based on the fact that where you develop is there parks abutting or adjacent schools, other things that are available to you to use, if not, then yeah you're going to have to consider that. Thank you, Chair.

CHAIR COUCH: Thank you. Any further comments? Okay last one.

MS. McLEAN: Last one, No. 11; amend the workforce housing ordinance so that developers receive 100 percent credit for the affordable units that they build.

CHAIR COUCH: That seems to go against No. 7.

COUNCILMEMBER COCHRAN: Right.

MS. McLEAN: I have some notes here but yeah, just trying to incentivize.

CHAIR COUCH: Yeah I know it's hard...you know, Members, I'm going to take a little bit of privilege on this one. The whole idea of credits is, you know, you're required to build right now 25 percent affordable homes. So if you build 50 percent you get credit for 25 percent so that somebody else doesn't have to build them because the inventory is there, but to give somebody a 100 percent for something they're required to build I can't see that at all. I think that's...I don't...yeah that might be an incentive but that will take away the affordable housing because you're going to build 100 homes and then somebody else is required to build 50 won't have to build 50 won't have to build 50 even though...

COUNCILMEMBER COCHRAN: It's the in lieu thing.

CHAIR COUCH: Yeah. So I don't know but that's up to the whole Committee. So any comments? I think we know where Ms. Cochran stays on this one. Yeah.

COUNCILMEMBER COCHRAN: My head is vigorously going no, no, no.

CHAIR COUCH: Anybody else?

COUNCILMEMBER VICTORINO: No.

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CHAIR COUCH: That didn't get well received but that's alright.

MS. McLEAN: That's okay.

CHAIR COUCH: Alright, Members, so we went through, now that we've seen each one, any comments overall? Ms. Cochran?

COUNCILMEMBER COCHRAN: I guess probably Ms. McLean or because you mentioned that you have experience from the private sector and of course within County, what within...I mean has within like maybe parts of our Building Code or any of the permitting, I mean where truly are the huge red tape roadblocks for your developers out there that just simply, you know, this is...is there like something across the board that's really hindering the progress of these types of projects? I mean do you have any comment in reference to that?

MS. McLEAN: I would really encourage getting a panel of the development community and it could even be, you know, past developers who don't have any skin in the game anymore who might be willing to speak more frankly about their experiences. The, from my experience it was the uncertainty of the entitlement process, how long that might take and that you don't know what you're going to end up with and what kind of restrictions you might have, and then the carrying costs of the land during that time. So you put in an offer for a piece of property or you do your due diligence on a piece of property and you sketch out a project and you say okay, if we, you know, subdivide this into ten lots and create ten homes this is what we should be able to sell them for and then you say well, okay, if we buy that land we're going to be sitting on it for two, three, four, five years before we can even break ground. And so therefore, you know, we have those carrying costs added to the construction costs plus the uncertainty, you know, you need to be able to sell those units for a high enough price that you'll be able to get lending and so it's the time and the uncertainty are the big ones. And I mean maybe that's why a lot of these suggestions focus on the entitlement process to take that time and uncertainty away. So the lands entitled and leaving it solely up to developers to come up with their, with a development plan but I think getting the feedback from the development community and Mr. DeLeon earlier said that his group put together a panel to talk about affordable housing ideas, you know, involve some of those folks too. And even folks from the construction industry to talk about what their costs are like these days, whether it's labor, whether it's brining in materials, you know, what adds to the cost of a home being so high.

COUNCILMEMBER COCHRAN: Yeah. No, and I love that idea, I think that's really good and, you know, having I've spoke to Mr. Bagoyo and been, you know, living in Lahaina and living in homes that were built actually the land was given by plantations whether it was Maui Land and Pine or Pioneer Mill back in the day, you know, then you had affordable builders such as Arisumi Brothers and Mr. Stan Franco spoke about them. My mom still lives in an Arisumi home built well, 30 or whatever years later still going strong and it's affordable and people are still in them today, you know, but the land



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and everything was built was, you know, in conjunction with County and what have you and it was a collaborative effort that built these places. So I really don't see that part happening anymore, these big landowners are actually, you know, they're building the high-end things especially in West Maui. So there's sort of a disconnect within that. And that's how Napili Hau was built, you know, Wahikuli Terrace was built. So like to maybe somehow get back to that, you know, type of paradigm but that's going to take developers other outside entities we truly really don't have control on at this time, so anyways, thanks.

CHAIR COUCH: Chair White?

COUNCILMEMBER WHITE: Yeah just I think having a panel is a great idea. My recollection is that the HHT Committee wanted to bring a developer in who on Kauai had developed a little more than twice the number of units with the same basic HOME funds that we received and so we wanted to hear from her. But she was advised by Corp. Counsel that if she appeared before our Committee that she would be disqualified from taking part in an RFP on a County project.

COUNCILMEMBER VICTORINO: Wow.

CHAIR COUCH: Why?

COUNCILMEMBER COCHRAN: What?

COUNCILMEMBER WHITE: I don't understand why.

CHAIR COUCH: Okay.

COUNCILMEMBER WHITE: But she declined to come and although, you know, we've had developers here time after time that still do business in the County so I'm just throwing that out because it was a shock to me that we couldn't have somebody come in here and share their experience and their knowledge with us so that we have a much better understanding on how we can move forward in a way that generates more units for the amount of the money that's available. And I just find it really troubling that by assisting us in the process of getting a better understanding of what works and what doesn't work that that person would be disqualified from participating so we're going need to identify what the issue is there before we put together a panel but I think a panel is a great idea. So just one little red flag.

CHAIR COUCH: And one of the things that we could also do, I know I hate to form another group but we can do a TIG off of this Committee and involve like people like Mr. Franco, somebody from that maybe because it's a, you know, in the public then maybe that person come. 'Cause it's more of a private kind of thing and have a huge discussion to go through these 11 things, prioritize them in what they feel is important and drill down into these things and say okay what specifically can we do for this, this and this or at least come up with the top three and see what we can, if we have to

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change laws, if we have to...if we can do that. But if we try and do this in this format it's going take months and months and months and I would say if we can do some sort of TIG that can do, you know, two months just focus on it and get some of the groups that are heavily involved already so they can sit and talk and free flow of information. I don't know, would that be something and then come back to us and say here's the choices and here's what we need to do and Planning do what you can do, Housing and Human Concerns do what you can do. Any thoughts on that?

COUNCILMEMBER WHITE: I think a TIG is great idea because it, you can get a lot of information --

CHAIR COUCH: Quickly.

COUNCILMEMBER WHITE: --very quickly.

CHAIR COUCH: Yeah. Would anybody be willing to sit on that TIG?

COUNCILMEMBER VICTORINO: ...*(inaudible)*...

CHAIR COUCH: Yeah.

MR. HOPPER: I think we don't have a TIG as I recall on the agenda --

CHAIR COUCH: Oh, I understand that but...

MR. HOPPER: --for formatting, so we might not want to --

COUNCILMEMBER VICTORINO: Yeah so --

MR. HOPPER: --discuss specifics as to --

COUNCILMEMBER VICTORINO: --we can discuss it later.

MR. HOPPER: --forming it until maybe we put it on an agenda but just a suggestion.

CHAIR COUCH: Sure.

MR. HOPPER: Into specifics as well.

CHAIR COUCH: No, yeah, the specifics, the only reason I'm asking is I was going to put it on the next agenda to say to form the TIG if people are interested in being on it. Only three, we can only have three so okay I got some hands raised, so.

COUNCILMEMBER VICTORINO: Yeah.

CHAIR COUCH: Okay.

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COUNCILMEMBER VICTORINO: Got it.

CHAIR COUCH: So I'll put that on the agenda next, for the next meeting and then we'll form it and get it going and if you folks know of people that would be very interested in working on it, let me know by then for the next meeting.

COUNCILMEMBER BAISA: Chair?

CHAIR COUCH: Yes.

COUNCILMEMBER BAISA: I wanted to say something while this is the matter on the floor today about developing affordable housing and some of the barriers that we face. I'll give an example, this is real, I have a property in Makawao, I have a house on it and I have a storage building built, it was built for a storage. At the time the house was built Sherman was a handy man and he needed a place to keep all his equipment and all of his lumber and tools and God knows what else, 900 square feet permitted. Well that was a long, long time ago and Sherman hasn't been a handy man for years and now we are approaching, both of us retirement and it would be wonderful if we could convert that into a cottage because it's there and it's been there for over 40 years. We're not adding anything new to the neighborhood, we're not, you know, upsetting anything. I don't think our neighbors would care at all but I went to see what would be involved there and they said it's 40 feet too big so you have to cut out 40 feet, right. It's on a cement base and it's got a roof and everything so in order to do that, you know what that's going to involve to take out 40 feet. And the reason it's that big is 'cause it was, it has a little like garage thing attached in the building and but if we take that out there goes the roof and whatever, okay. So they said if you want to do this you go to BVA. So I went and picked up an application and when I saw what that application involved, I said to my husband I'm sorry but it will continue to keep garden tools and old paint cans and old tires and anything else that he find and my husband likes to keep things, you know, that's been his business all his life. But what we would have liked to do was to turn it into a place where maybe we could move into the smaller part of, and one of our kids could move into the front, that way we would have somebody on the property as we get older and we might need some help. Not that, you know, we're looking for rental or whatever but it could be in the short time while we're still able to function but, you know, it's getting there, we getting there and we're not unusual, there's a lot of people like us who are getting older and who might be able to get out of their big house and then give it to a family and then a family would have a place to live. I mean you do two things, right, you take care of us and you take care of a young family. To me this is providing housing and providing it in a hurry but if I've got to fill out all those papers of BVA and get help to do it and spend a lot of money, I am not ready to do that and so it's going to sit there with paint cans and lumber or whatever else we have stored in there and I know that I'm not alone. I know that there are a lot of other people that have similar situations. So to me, Chair, we gotta look at what we're requiring people to do and that's why a lot of people don't do it. And it's just we got to be more practical and it's got nothing to do with changing

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zoning and all this stuff, to me it's a very practical situation but the only way to solve it is to go through this crazy process which I'm not ready to do. So I think that, you know, we better look carefully at alternatives, alternatives, because I think it could be handled very quickly.

CHAIR COUCH: Okay.

COUNCILMEMBER BAISA: Thank you.

CHAIR COUCH: Mr. White?

COUNCILMEMBER WHITE: Yeah Ms. Cochran had just brought up that very point --

COUNCILMEMBER BAISA: Yeah.

COUNCILMEMBER WHITE: --in a conversation at the beginning of our recess.

COUNCILMEMBER BAISA: Yeah.

COUNCILMEMBER WHITE: And I think that is something we should take a look at. Is it necessary for us to limit to the extent that it's being limited now the size of, you know, the accessory or affordable units on larger parcels. There is a side to me that says hey this is my property and as long as I'm doing something safe is it really wrong for me to do what I feel is appropriate for, you know, my parcel, my area. And anyway, I think it's something we need to take a another look at.

CHAIR COUCH: Oh yeah.

COUNCILMEMBER BAISA: One more piece, Chair. I think that the thing that is really sad is that we're not going to build anything new. It's been there for over 40 years.

CHAIR COUCH: Right.

COUNCILMEMBER BAISA: You know I could see if we're going to erect a 900-square-foot cottage in our backyard maybe that's a problem but that buildings been there for over 40 years, it's not bothering anybody. All we're going to do is wall it off inside so that it becomes a little cottage which is very simple but we're not going to change anything, we're not going to create more traffic.

CHAIR COUCH: Well make --

COUNCILMEMBER BAISA: It's nuts.

CHAIR COUCH: --one foot thick walls and then that the inside square footage is golden.

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COUNCILMEMBER BAISA: It's just kind of nuts but, you know, these are the kinds of the things that are causing some of the problems that we have.

CHAIR COUCH: Any comments from the Members? The Department? So, Department, thank you very much for coming up with these things. I think it's well worth the discussion we had today, now we...that was just the, you know, the 30,000 foot level, now we gotta drill down and I think I will certainly put the TIG on the next meeting and maybe we can get this sooner rather than later. As far as...so, Members, I would like, if there's no further discussion on this item, I would like to defer it. No objections?

COUNCILMEMBERS: No objections.

**ACTION: DEFER.**

CHAIR COUCH: Okay. Alright.

COUNCILMEMBER VICTORINO: And, Mr. Chair?

CHAIR COUCH: Yes?

COUNCILMEMBER VICTORINO: By the time we come back the next time and, you know, with the TIG and all that maybe we as the Committee can miss, Michelle I should say maybe three or four of our top priorities.

CHAIR COUCH: Right that's what...

COUNCILMEMBER VICTORINO: You know, so that we can move ahead and the list is long --

CHAIR COUCH: Yeah, that's what we're trying to do.

COUNCILMEMBER VICTORINO: --maybe condensing it and getting --

CHAIR COUCH: Yeah.

COUNCILMEMBER VICTORINO: --the three or four which we think is very important.

CHAIR COUCH: That's what the intent is.

COUNCILMEMBER VICTORINO: Okay thank you.

**PC-28 AMENDING THE COMPREHENSIVE ZONING ORDINANCE TO ESTABLISH AFFORDABLE ACCESSORY DWELLINGS AS A PERMITTED USE IN THE RESIDENTIAL ZONING DISTRICT (CC 15-196)**

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**PC-16      BILL 78 (2015) RELATING TO WET BARS IN DWELLING UNITS**

CHAIR COUCH: Okay, Members, PC-28 and PC-16 were put on here to help facilitate this discussion. It's already quarter till 12:00. I do want to say that I want on work on this. I think it, in between, you know, we set up the TIG and then we can talk about this 'cause this is something we can do fairly quickly. I don't think it will affect the list. I mean there's some pieces on the list that will, this will help. So I'm willing to go with that and then we can talk about in light of some of the comments we got, one of the testifier's comments today about funding for single-family homes and number of kitchens and things like that. I'm going to get some more information from that and I believe they also, Fannie Mae has a definition of wet bars. You won't like the definition from what I understand it is but essentially their definition is if it's a full-size refrigerator and there's a stove it's essentially a kitchen, everything else is a wet bar. So if you're okay with that kind of decision or, you know, if you need to be a little bit more detailed then we gotta discuss PC-13...16 a lot more. So anyway, that's my understanding. We will bring these two items up with the other one again and we can actually at the next meeting I hope to really drill down into PC-28 for sure and maybe even PC-16 in light of this discussion, et cetera. So if that's okay with you guys since it is getting close to lunch time anyway, I'd like to defer PC-26...28 and 16 with no objections?

COUNCILMEMBERS: No objections.

**ACTION:      DEFER.**

CHAIR COUCH: Okay. So those two items are deferred as well and that being said we will come up with some ideas and an agenda that is very similar to this but we'll throw the TIG on the agenda and then move forward from there. I want to thank everybody for a great discussion. I want to get this moving sooner rather than later and hopefully we can get this, get some more people on board and work together. As several members of the public testified it's time to start working together so I'm going to put them to the task too and say okay, if you want to do that, let's do it. Alright. Any further comments? Seeing none, thank you, Staff, thank you, departments, and this meeting is adjourned. ...*(gavel)*...

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**ADJOURN: 11:44 a.m.**

APPROVED BY:



DON COUCH, Chair  
Planning Committee

pc:min:160630:jp

Transcribed by: Jean Pokipala

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CERTIFICATE

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

DATED the 21<sup>st</sup> day of July, 2016, in Kahului, Hawaii

  
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Jean Pokipala