

**HANA ADVISORY COMMITTEE TO THE
MAUI PLANNING COMMISSION
MEETING OF MAY 8, 2006**

A. CALL TO ORDER

The regular meeting of the Hana Advisory Committee (Committee) was called to order by Chairperson Kauai Kanakaole, at 4:47 p.m., Monday, May 8, 2006, Helene Hall, Hana Bay, Hana, Island of Maui.

A quorum of the Committee was present. (See Record of Attendance.)

Ms. Kauai Kanakaole: I call this meeting to order.

Mr. Wayne Boteilho: Thank you, Madam Chair. I'll be brief. Just to introduce the staff quickly. At the end, we have Suzie Esmeralda; next to her, we have one of our up and comers in the Planning Department, Ms. Lisa Almeida; and from Corp. Counsel, Mr. James Giroux. I'm Wayne Boteilho, Deputy Planning Director. Over in the corner, everybody knows that man, Mr. Clayton Yoshida, a long time Planner. And the person that will be handling tonight's -- tonight's Communications, I won't read them, everybody can see them on the agenda, Mr. Joe Alueta.

B. COMMUNICATIONS

1. **Maui Planning Commission requesting at its April 25, 2006 meeting comments and recommendations from the Hana Advisory Committee on the following:**
 - b. **MR. MICHAEL W. FOLEY, Planning Director, transmitting Council Resolution No. 06-32 containing a draft Bill for an Ordinance Relating to the Permitting of Transient Vacation Rentals. (J. Alueta)**

Mr. Joseph Alueta: Good afternoon, board members. Thank you for making it to the meeting. Knowing that we're going to lose a quorum, I'll try to summarize. Our first item is Resolution 06-32 from the County Council with regards to transient vacation rentals. Part of your packet, you got a thick document like this, maybe another thick document like this. I'm going to try to summarize, not necessarily what those documents say, but how this bill what I consider to be a major shift in policy with regards to the County of Maui housing. And the basic crux of the question I think that needs to be answered that has not been asked and that is: should local residents have to compete for housing with the tourists? Okay, that's it. If you think that the local people should have to compete for their local

housing needs with the tourists, then you're going to be supportive of this bill. If you think the housing is sacred and should be protected from the tourism industry, then you're not going to like this bill. And that's as simple as that.

The transient -- the bill and every other form that has come around is trying to slip what -- their transient vacation rentals into what is considered or has been allowed and that is the bed and breakfast ordinance, okay, and that's how they've stuck it in there. There's other ones floating around that are more blatant, which basically would allow for transient vacation rentals, but I think they got a lot of opposition so now they're trying to slip it in and try to disguise it as a bed and breakfast, and that's all this bill is doing.

It would change some of the key significant criteria for bed and breakfasts. One is the owner -- that a owner-occupant or owner operator live within the same structure as the rooms that are being rented out for tourists, okay. That's a true -- what we consider to be a true bed and breakfast, okay. This would not only expand it to where the person doesn't have to live in the -- in the same structure, but it doesn't even make mention about the owner or operator having to even live on the property, okay. The intent of the bed and breakfast was to allow for local residents to have a direct access and have direct benefits from tourism, okay, and that is to -- and to lease out maybe two rooms, one or two rooms of their house which they live in, have complete control. The house still stays as a single-family residence. You haven't lost that housing unit. That person still gets -- I mean the owner still lives in the house, maybe their empty nest, they have a few extra rooms, and that's kinda what the concept or the idea was behind the whole bed and breakfast to -- and the key component was to allow for local residents to have a -- have direct financial benefit from tourism, okay.

In all of the bed and breakfast ordinance -- bed and breakfast permits that ever came before, and we've had many a times in which they tried to use what we call ohana units, okay. Every time the commission has always turned them down. We've always said no. Ohana units, the whole concept of ohana units was to allow increase density on property for family members that has been expanded to allow for long-term rentals, okay. And if you, I'm not sure about the Hana region, but I can tell you central Maui and the rest of island in a lot of areas, ohana units represent a big rental and affordable housing component in Wailuku, Kahului where you have five hundred and six hundred square foot units that are rented out either to family members, as the term means, or as a relatively affordable unit, okay. This would open it up and eliminate that because we opened ohana units up toward vacation rentals. I think that's -- and, once again, you're going to put local residents in direct competition with tourists for housing and that's -- I mean I don't wanna go -- we haven't made a report. I think we've all been circulating it. The proposed amendments, from the Planning standpoint, is trying to sneak in what we call transient vacation rentals into -- into what is a relatively decent good bill and that is the bed and breakfast ordinance. I think they're two separate animals and they're trying to muddy the

water and I think it's going to be a disaster for local residents trying to find either affordable housing either for rent or for purchase cause I think that you're going to see, not only in the rental market, but also conversions or people buying up housing that can be converted to vacation rentals and stick a manager on it. And I don't -- because it doesn't limit it to owner-operator and just a manager, you could have someone, and this going on, where one company owns twenty properties and has a manager, quote-quote, on every property, but it's controlled and been bought up by corporations so --

Secondly, this will open up into which -- would open up the rural district as well as the agricultural district to these areas, and I think that's more key for Hana. It is, from a department standpoint, we have -- if it was a true B&B, we don't have a problem because single-family residence is a permitted use within the rural district, so there's a potential we would probably see maybe a support expanding the bed and breakfast ordinance to include the County Rural District, if it operates as a true B&B where you live in the home and you rent out rooms within the same structure. Within the agricultural district we have a little more trouble because the State law and County law single-family residences are not listed as an outrightly permitted use within the agricultural district. They are a permitted use provided that it supportive of a farm, okay. Now I know a lot of you that's ...(inaudible)... cause most people will never farm on these things but that's the way the State law is. If somehow these B&B's were somehow supportive of the farm, well, I think that's a little tougher. I think they need to meet a higher standard than what's being proposed here if they're going to be expanded into the County and State Agricultural Districts.

And that's pretty much a quick summary of our position. I think one of the key handouts that was -- that is important that you may wanna look through is your community and general plan of how this bill or how transient vacation rentals, and bed and breakfasts are understand within the residential -- within your local general plan and community plan. A lot of times it is left -- it either restrict or prohibit, okay. Hana's Community Plan, basically, it says, for bed and breakfasts, yes, within the Hana urban core. Under identifying major problems in operation. Problem, affordable housing. Use of existing housing inventory for illegal vacation rentals was cited as a factor for decreasing availability of housing to residents. This bill would go totally contrary to what you have in your community plan, okay. So I think that you're looking at discourage transient vacation rentals outside of the housing urban core, and there's a number of other ones there that are listed in your packet, which I think that's -- it just touches the surface of some of the analysis within the both general and community plan. But, once again, I wanna leave you with do you feel that local people should compete for housing with tourist, and I think that's the crux. If your answer is no, then this bill is not for -- is not what you wanna vote for. If you think yes, then that's a separate question. Thank you.

Ms. Kanakaole: We'll start with the public testimony. If anyone wants to testify, you can come up and sign up here on the sign-in sheet and begin. You have three minutes. Okay, John Romain.

Mr. John Romain: Hi. I'm John Romain and it's nice to be on this side of table here for a change. I had a -- kind of prepared comments but after this introduction, I feel that some of your comments, Joe, need to be addressed. In my whole five years of being on the panel, I have never seen such a one-sided advocacy for an issue that's supposed to be decided openly. I know I spoke with you years ago when I started and there's no secret that you consider vacation rentals the biggest harm on the island, and I accept that point of view, but for an issue that has two sides, I think that you're doing a disservice in presenting only one in such a strong adversarial way.

That said, I feel I'll qualify, no matter how this happens, because I'm in the right zoning and have the right kinds of things, but I think what I really wanna talk about is that vacation rentals have become an integral part of the Hana financial community, and certainly there may be some faults that need to be addressed, but we have, counting the hotel, less than a hundred and eighty rooms, counting all the vacation rentals that we know of. We simply don't have alternatives. The hotel rooms start at what? Approximately four hundred a night? I mean it's -- it's an upscale thing. Without the vacation rentals, at least, you know, I don't think anybody in here is advocating more than what we have, but we have kind of an equilibrium between and housing is a problem but so is employment, you know, and everything is part of a rough balance right now. So I think we all want to see this legalized. I mean I've always followed a line of Bob Dylan, not just in this, but in my whole life, and that says, "To live outside the law one must be honest," and that's how I know I've tried to operate my business. I do not take a personal property tax exemption. I've tried to conform to the B&B ordinance in every way that I possibly can, but I don't fit because it's a dual residence situation. But nonetheless, I think that an ordinance needs to be passed because I think we need to put a grip -- get a handle on this thing and I do think that the affordable housing situation is very real here and -- but I don't think taking away all the vacation rentals is going to solve that problem by itself.

Another thing just, I'm probably running out of my time, but those of us that are in the business have tried to be good citizens. I know we contribute either rooms and/or financial contributions to various things. In the last year alone, we've provided rooms or financial support to the Hana School, the cultural center, Ohana Makamai, the senior center, the canoe club, the surf club, the taro festival, and I think others do much the same so we couldn't even have our time with family reunions without having this, so perhaps there's a middle ground that addresses the need for legalizing what we have, making it more difficult for anything in the future that would discourage speculators or anyone to take housing away but I think that we would be in a serious problem in our community if we did take

away vacation rentals or make it so difficult that no one would be able to qualify. Thank you very much.

Mr. Boteilho: Madam Chair, just quickly. And I would like to say that, and, you know, it's no big deal and with all due respect because, you know, people speak from the heart, but if there's any -- anything about staff, please direct them to me because that's why I get paid the big bucks. Thank you.

Ms. Kanakaole: Sandi Simoni.

Ms. Sandi Simoni: Good afternoon. My name is Sandi Simoni and I have two vacation rentals down at Hamoa Beach called Hana Oceanfront Cottages. A few months ago the city council came in and heard testimony. Fortunately, at that time, we had a little more notice and we were able to get a bigger turnout of supporters for this issue and tonight, as you see, we have a few supporters and probably a few naysayers, which is fine, but this is what I presented to the Council and John talked about the balance.

I've heard over and over again that the vacation rentals are taking away affordable housing and I, personally, have to say that that is an oxymoron that affordable and housing with vacation rentals don't happen. I've talked with numerous people that own vacation rentals in Hana and there is no way that they could ever be in a position with their mortgage payment to offer their homes for an affordable housing, and I'm personally one of them. If I was in a position where I could no longer be in business, which is fine, I mean that's the decision of the community and I would accept that, but I would be in a position to sell. My house, which would be sold, would not go somebody, somebody in the community who would say, "Oh, I'm going to offer it for whatever cost it is to afford for affordable housing." It would be sold again to another person, probably off-island, who wouldn't even be a resident. I, personally, care about the Hana community. I care a lot and that's why I'm here. And John is right, there's a balance in the community. Where would the softball tournaments be? Where are the canoe races? Where are the joggers going to stay? They can't all stay at the hotel, plus there's only sixty-seven rooms even if they could afford it. But the biggest thing that I wanted to show you on this sheet is the income that would be lost to the Hana community. And the biggest income in these statistics, again, I'm not a statistician, but I talked with a group and we came up with some statistics of what the revenue alone in food would be to the Hana community, and there's two statistics here: one, there was a realtor study, which is probably more accurate than ours, and then there was our own personal study. But there will be between a million two hundred and sixty-two thousand to a million five hundred and fifty-four thousand just lost in food revenue alone. That's people going to Hasegawas, going to the ranch, going to the hotel, going to Tutu's, going to the ranch takeout window. It -- it's three minutes? Okay.

Mr. Boteilho: Can you conclude in one minute?

Ms. Simoni: Basically, what I wanted you to see is that there will be ramifications that you won't -- that we'll see will happen if vacation rentals do get shut down. If a great portion of them are no longer being able to operate. Then there's the tax situation which you'll see because most of us are law abiding, we do want to pay our taxes. And one point that we brought up to the city council, if need be, tax us at a higher rate, tax us at a hotel rate. We wanna become legal. We don't wanna hide out. We wanna be a part of the community and be respectable. And the last thing is just the amount of employees that would lose their jobs because they're no longer being able to be employed and that's also something to consider. And that's all on this sheet so thank you for your time.

Ms. Kanakaole: Thank you. I can't read this name. Is it Pam or Dan? No? Is that a D A U? D A N B? Okay. Oh, maybe that's Paul. Paul Fagan. He's not here. Next one, it's another D. D A -- David Greenberg.

Mr. David Greenberg: Hi. Welcome to Hana. I'm glad I have a chance to say a few things. I've been involved in I guess what's the illegal vacation rental business for about seven years now in Hana. I guess, first of all, I just wanna make one quick comment, as quick as I can, about the first person who spoke who said, well, if you're for affordable housing and you're just against this bill, you know, you've all done a lot of research, I'm sure so far, and it's a highly complex issue, vacation rentals, highly complex and it deals with all kinds of things, from social things to economic things, to the fabric that makes up Maui a great island, which is the reason I moved here in the first place and my interest and love for the great island Maui, which got me into the business of wanting to share the beauty of Hana and with tourists, a kind of special tourists who are more interested in the nature and the stillness and quiet of Maui.

In its complexity, you know, this bill addresses, as I said, everything from the economic to the social. I think there's something that a lot of people here that I know in Hana that have been involved in vacation rental, the word "aloha" means a lot of us, you know. We become even friends with the people that come here and the tourists that come to Maui that are able to stay in a vacation rental, which I think is a large percentage, I don't know what it is on the island of Maui, but I would guess it must be close to twenty percent of the tourists actually stay in vacation rentals Maui-wide, and these are people that come to Maui for a kind of aloha that they don't get at high rise hotels and it kind of -- I think that the vacation rentals attract a good kind of a tourist, you know, a better than average kind of a tourist to Maui and -- and, you know, I, you know, have been doing it for a while and I enjoy doing it and I enjoy sharing the beauty of Maui and Hana with -- with these tourists and allowing to give them aloha and it just, in Hana, it becomes not only an important part of the economic, because I think it's probably the biggest business in Hana, the illegal vacation rentals, but also it involves some of the more important aloha that -- that is afforded to the tourist. I think that's all I have to say.

Ms. Kanakaole: Thank you. Doug Chang.

Mr. Doug Chang: Aloha mai. I come to you as Doug Chang, as a transient resident of the Hana community. I respect all of you. These are my friends. These are customers of the hotel, which is another hat I wear. My concern is if this bill pass it forever has the potential to change the fabric of Hana. To me it's beyond affordable housing. It's about a value system as more and more people come in who do not live in our community but own real estate in our community and pay their mortgages by doing vacation rentals. There's no connection to the place. This is an investment for them strictly. These are exemptions. These people live in this community, and I don't know how you find a balance, but this has to stop. There are over nine thousand transient vacation rentals in the State of Hawaii. Most of them are illegal and it is an issue that I've seen -- I spent twenty years on the north shore of Kauai and saw transient vacation rentals have a lasting and permanent effect on rural communities like Haena, Kilauea, Hanalei on Kauai, and I am concerned that if we don't do something and take a stance, Hana will be one of those casualties along the way. Mahalo.

Ms. Kanakaole: Thank you. We'll open up questions from the Advisory Committee to any of the people who testified. Are there anymore testimonies? Okay, we'll open it up to questions. Oh, we need to close public testimony.

Ms. Lono: Aloha. Good evening. I heard discussion in some of the public testimony and because I wasn't allowed to ask questions after each one, I'm not sure exactly how to direct my questions, but one of the things that was addressed was about employment so I'll just go through the list. David Greenberg, how many employees do you have of your vacation rental?

Mr. Greenberg: One-half.

Ms. Lono: One half employee?

Mr. Greenberg: I used to have one ...(inaudible)...

Ms. Lono: Okay, do your employees have benefits? Or does your half employee have benefits?

Mr. Greenberg: Well, they get a really nice place to live.

Ms. Lono: Does your employee have health insurance?

Mr. Greenberg: I don't have health insurance.

Ms. Lono: Is your employee a legal resident of the United States of America?

Mr. Greenberg: He's from Arizona so I would assume.

Ms. Lono: Okay, well that's the United States of America.

Mr. Greenberg: I assume he is.

Ms. Lono: And, generally, when we hire employees they have to show us a social security card and it's part of the process of having an employee, so what I'm asking you is do you have --

Mr. Greenberg: Yeah, I'm almost positive -- I'm almost positive he is a legal American. He has a, you know, no accent, he's always been from Arizona. He was born there.

Ms. Lono: Accents have nothing to do with it.

Mr. Greenberg: Yeah, but he's -- he was born in Arizona. I assume he -- so I assume he's an American.

Ms. Lono: Okay. John Romain, how many employees do you have?

Mr. Romain: Well, as far as actual employees, we have currently six part-time employees, and then counting grounds-keeping, maintenance that are not like regular operation employees, we have three others, so we have nine different individuals that we are contributing to in the community. We do have health insurance. Currently, we don't have anyone working twenty hours or more, which would put them on it, but we have it and we make it readily available. We do through payroll services, which means that we pay for the unemployment insurance, there's no deduction from the employees, we pay that fully as well as Hartford. We have an employee that's just off right now on maternity leave and she does have full coverages from that. It's not work comp; we pay that too. But this is something in between that if you're injured or can't work and so she's qualified for that.

Ms. Lono: Do you have any resident non -- or alien non-resident employees?

Mr. Romain: No. On the weekends, we have employee people from the -- that worked on one of the farms that come in here and they come in, they get permits, they all have social security numbers so they're legal, they have legal working visas, but that's only on the weekend and we pay them twice what they're making on the farm. No one makes less than eleven dollars an hour or even starting with us.

Ms. Lono: Okay. Sandi Simoni, same question.

Ms. Simoni: I have one part-time person that works less than twenty hours a week and I would hire more people if I could find people who would like to put in a full days work. I'm capable of doing it and would like to do that. But to just answer one of your questions, the people that I have worked with and have hired before would prefer not to be full-time employees and not to have benefits and that's what I have found, but if -- I'm not in a position either for a forty-hour work week. If somebody wants to work a twenty-hour work week, I could definitely would be open to offering them the benefits that would go along with the law.

Ms. Lono: Mahalo. I guess one of my other questions would be, to any of you, given the fact that vacation rentals are illegal, if you were not able to operate your business under this illegal basis, would you be able to own your property and have improved it and have the assets that you have at this point in time if you were not taking advantage of a system that were not being enforced by the government at this point in time?

Mr. Romain: I moved here twenty years ago next month and I started with a house that, well, it was a ...(inaudible)... situation. I was married before I came here, I did not think I was going to end up -- I, basically, fell into it as a matter of survival. I could not have survived here, I certainly couldn't have restored the fishpond that was all part and parcel of what we've been doing with it, but there's no way that I could afford to live on the property, you know, without vacation rentals and at this -- and, just for record, even though this is a broader issue than my particular case, I have a business partner that owns one of the two parcels, I own the second, and starting the beginning of next year, we're separating them and running them as two separate operations and our assistant manager is going to move into one of those cottages with a lease option to purchase, so we're not only providing housing, we're providing a means of buying a house in the community under market value.

Ms. Lono: Could you repeat that for me again? I'm sorry. I didn't catch that.

Mr. Romain: Alright, we have -- I have a business partner that came in about ten years ago. When we bought the second property, which is the Bamboo Inn, we split them where I own that one, she owns the other side. We currently lease them to a -- our general partnership in which I'm the general partner. They're all adjacent parcels. Starting January 1, I'm going to operate only my small part on the Bamboo Inn and we are bringing Sarah Johnson, who's been assistant manager, she and TD, they're getting married right now or this weekend in Boston, they're going to live in one of the houses on the -- well, actually, there's one main parcel and then small parcel on Trisha's side, the small little one up by the road, they're going to have a lease option to purchase that property and the price, as far as I know, is going to be what she paid for it plus improvements, and she purchased it five years ago, so here's like a real opportunity to buy something that couldn't have been,

so, if anything, we're a net gain on affordable housing in this community, but that's a small scale, but it matters.

Ms. Lono: Are you currently managing Nakukunala?

Mr. Romain: No. What are you talking about?

Ms. Lono: The, you know, the little house where Sinenci used to live next door, Nakukunala?

Mr. Romain: No. We only -- we do not manage anything that we don't own. The Mandalin property, the original Hale Malamalama property, then that little one up by the road that was sold to Trisha and that's where we use the parking, that would be the parcel that TD and Sarah will probably end up buying.

Ms. Lono: Okay, I guess for any of you who have testified, my big question is: do you see any differentiation between rural residential property that is being used for vacation rental as opposed to agricultural property that is being purchased by people only because they can use it for vacation rental property in order to afford the purchase, otherwise, they would not be able to afford that property and, therefore, bring the price of property up as well as the price of -- of residential rentals rates?

Mr. Romain: I completely agree that that is the crux of the problem and I think that this -- that this issue I think would be best addressed on two levels: one, if someone can show that they've been operating without complaint, you know, for a matter of time, whatever that might be, that they become permissible perhaps within the guidelines for what you have here, and then make extreme stringent standards for anything beyond that, and that way you're not putting somebody back that's already been moving in and gotten established but, on the other hand, you're going to prevent the speculators and those from coming in and doing it, and I -- every one of us wants that. None of us wants to see the tone and complexion of this community changed. I think, as I said earlier, I think we're at an equilibrium now, I don't think we need more or nor want more, but so maybe you can look at it at a two-level kind of a situation.

Mr. Greenberg: I'd like to also answer that question, Dawn. When I first bought my property thirty years ago, we had -- we have twenty acres and, for a long time, we were doing agriculture. We had like five and a half acres as a flower farm but then after while, it just got so many flower farms in Hana, it got so competitive, and then we're also competing with the central America, and it got to the point where, ten years ago, we were losing money, number one, and, number two, we couldn't find the workers at the right price, you know, I mean no one wanted to work on a flower farm for under a certain amount of money. So if it wasn't for the fact that we changed over, about eight years ago, to vacation

rental, I would have lost -- I would have lost the property and, lately, I've been kind of trying to keep the vacation rental just down to the point where it just basically pays -- pays for the mortgage. Also, I would like to say, that I think I heard earlier somebody say, I think the guy that runs the hotel, said something about that the quality of Hana, he's fearful of the quality of Hana will be affected by vacation rentals. I think the vacation rentals that I know about in Hana have greatly helped the loveliness of Hana and helped the tourism, the economic, and everything about it. I don't think it ever endangered anything in Hana nor probably will just because Hana is not that kind of a place. But I -- I would not have a house, I would not have property if it wasn't for vacation rentals, which is the answer to your question.

Ms. Lono: Okay. Well, I guess in order to not get into a personal discussion about this, I'm a flower farmer for twenty years. I've dealt with you personally. I've formed an organization, the Maui Flower Growers Association, for which I am a founding member. We are not a competitive organization but a supportive organization and have been able to support each other in the flower industry for all of these years. And if you got flowers you wanna sell, I would like to sell them for you and, you know --

Mr. Greenberg: Let's get together afterwards. I'd love that.

Ms. Lono: There is an organization that would like to do that. I have to say that I have a concern for people who have agricultural property who are not utilizing that property to its highest potential, agriculturally, in an effort, not only to promote agriculture in our community, but to promote the ambiance that Hana is all about and that what people come to Hotel Hana Maui and to Hamoa Hale and to all of these other places to see is because what we have out there is an agricultural community. And by not being able to promote and support an agricultural community, we are going to have a severe detriment upon that industry and it's going to be subtle at first, but it's coming quickly and it's coming so fast that, in a blink of an eye, it's going to be gone and we're not going to be able to bring it back. So my -- I would just like to say that we need to be very conscientious about this ordinance and about how we implement, about how we implement it in rural versus agricultural areas and the rules that go with each of those areas. And if we can protect our agricultural areas and somehow find a balance, which I'm sure there may be a way to do, but let's at least, you know, give it the opportunity to find the balance so that we can promote our agricultural industry which is, you know, what Hana is kind of all about.

Mr. Greenberg: Dawn, I totally agree, and thank you for the offer. I have twenty acres. Only about eight acres you can grow flowers on; the rest is much too steep and you can't do anything about it. I, personally, spent hours everyday just taking care of those five acres. I hardly don't make any money off of the flower farm but just to keep those flowers there cause they're beautiful and the tourist love them and I fill up the rooms with it. And I agree, there should be a balance and I think that all of us in Hana try to keep that balance.

Ms. Kanakaole: We only have about ten more minutes until I have to leave and we can make any kind of recommendation because then we won't have a quorum. So are there anymore questions for Joe or any of the other testifiers?

Mr. Shane Sinenci: Yeah, I get one question and maybe the County personnel can maybe answer this but I think these questions maybe come from some of the residents in Hana. I know that when they're building on the property, there's certain building codes that you need to comply with, you know, preferably being fifteen feet from the -- from the State highway, six feet from the -- from the side boundaries around and some of these places I've noticed is they've got several houses right within or well, you know, you got, for one, you got several houses on a lot, and, two, I don't know if they're complying with some of these building regulations. So I know some of the questions might come up in the community that, hey, we're complying with these, how come some of these properties got three or four houses when you're supposed to go through the whole, you know, there's only a certain amount of house to be built on this square footage, on this lot. So I don't know if there's, you know, equatability issue here or -- and another question is: if you're not complying with these codes, is there ramifications?

Mr. Alueta: Well, first of all, if you're breaking the law on one thing, breaking the law on another thing ain't going to make a difference to a lot of these people, so that's -- I mean, so, yeah, there's a lot of people who do things illegally, and, like I say, I'm trying to address what the bill that I have before you and that's the one my -- most of my comments are on. It's not related to the affordable housing. The connection between TVR's and the impact on housing, in general, not, per se, affordable housing is what my comments are about. My job, primarily, is to take that, you're going to hear a lot of static, what I call static, so you know when you turn your radio and got . . . that's static, and that's what you're going to hear from everyone. Everyone's got this, well, what about this? What about my situation? Oh, I'm different. Or look at the -- look at the benefits I provide for this. And they're going to, for me, they're going to make the issue a lot more complex than what it really is, okay, and that's my -- I'm trying to make it -- I'm trying to simplify it because the bottom line is do you feel that local residents should compete for housing with the tourists, and that's -- that's why I've tried to simplify it because that's the crux of allowing vacation rentals, whether it's in the form of a modified bed and breakfast, or pure transient vacation rental, you're still moving tourists into the residential district, okay. That's the bottom line. I don't care what -- how many employees, what kind taxes you pay, or whatever; that's the bottom line. Adding value to property, right, adding the value, increase uses, and adding a transient vacation use to the single-family district or rural district or agricultural district only increases the value of that property, okay. So do you think that adding a use that will increase the value of land is going to help the local population or not? Do you think that's the -- I mean do you think that's a benefit that everyone's going to get from an economics and business standpoint? No. And from a planning standpoint. I think that -- and we have a -- we definitely -- it's not bias. It's we've analyzed it. I've analyzed it. I've looked at it. And it's a policy choice. And

that's what I'm saying. Do you feel -- I mean that's -- and that's as plain and simple so -- we try to make -- and, like I said, we're addressing the issues of what's in the bed and breakfast that the bill is here today and we've tried to simplify it as best we can.

Mr. Boteilho: And, if I may, Madam Chair. Yeah, Shane, you know, if somebody builds in the setback, then they shouldn't do that, you know. They should follow the building code. What Joe had said, basically, is we're looking at the use in this particular meeting because the Council has sent the bill to you, to the Maui Planning Commission who, in turn, sent it to you for your comments. So I guess, with the limited time, if we could take, perhaps, take one shot at possibly getting a recommendation or a unanimous comment on this and if we can fine; if we can't, then we'll bring it back at the next meeting.

Ms. Lono: What do you mean we'll -- if we don't come to some kind of consensus, then we will have another public hearing related to this bill?

Mr. Boteilho: Not a public hearing, but a public meeting.

Ms. Lono: A public meeting. Well because I kinda feel like this meeting somehow was inadequately noticed for our community. I mean we found out about it at our last meeting of the Hana Advisory Committee, and I don't even know if it was put in the newspaper, maybe perhaps it was not required to be put in the newspaper because it was not called by the Planning Commission, it was called by the Council? Help me, Joe?

Mr. Yoshida: Well, the Maui Planning Commission will be conducting a public hearing on the TVR bill on June 28.

Ms. Lono: Right.

Mr. Yoshida: They're authority or whatever is delegated -- if they wanna delegate to the Hana Advisory Committee --

Ms. Lono: But did they delegate it to us already? Is that why we're here?

Mr. Yoshida: You're here because they wanted to hear comments from the Hana Advisory Committee in their deliberations on what to recommend to the Council.

Ms. Lono: Okay, do we have a second opportunity to have another public hearing?

Mr. Yoshida: Not a public hearing in the sense that we publish a notice thirty days prior to the meeting. We have another meeting scheduled for next week Thursday, May 18 --

Ms. Lono: Right.

Mr. Yoshida: When we're supposed to deal with the Hana Wellness Village district boundary amendment and change in zoning. We're supposed to conduct a site inspection at 3:00 --

Ms. Lono: Right.

Mr. Yoshida: A meeting at -- public hearing at 4:00. Since we'll be here, you know, if the -- since we're going to lose quorum in a couple of minutes, we could sort of notice it again at that meeting and have further discussions on these matters at that meeting. You know the department does need time to sort of do the minutes, since we're doing verbatim minutes, and transmit them to the Maui Planning Commission in a timely manner so that they will have all of the comments made both by the public and by the Committee in time for when they're making -- doing their deliberations.

Ms. Lono: Well, I would like to make whatever proposal it would take to add this item to the agenda on the 18th so that we can continue this discussion in an appropriate forum that is appropriately notice to our community and take it up at that time officially -- add item to May 18 agenda. Does that make sense?

Mr. Boteilho: If that's the consensus of this body, we can do that.

Ms. Kanakaole: So that was a motion to defer to the next meeting. Do we have a second?

Ms. Lono: That's correct.

Ms. Helekahi-Burns: I'll second.

Ms. Kanakaole: Any discussion?

There being no further discussion, the motion was put to a vote.

It has been moved by Ms. Lono, seconded by Ms. Helekahi-Burns, then unanimously

VOTED: to defer Council Resolution No. 06-32 containing a draft Bill for an Ordinance Relating to the Permitting of Transient Vacation Rentals to the May 18 meeting.

Ms. Kanakaole: Okay.

- a. **MR. MICHAEL W. FOLEY, Planning Director, transmitting Council Resolution No. 06-30 containing a proposed Bill for an Ordinance Establishing a Residential Workforce Housing Policy. (J. Alueta)**

Mr. Boteilho: And, Madam Chair, we'll defer the other item too, relating to workforce housing. Okay, thank you all for coming.

Ms. Kanakaole: Meeting is adjourned.

D. NEXT MEETING DATE: May 18, 2006

E. ADJOURNMENT

There being no further business brought before the Committee, the meeting was adjourned at 5:34 p.m.

Respectfully submitted by,

SUZETTE L. ESMERALDA
Secretary to Boards and Commissions I

RECORD OF ATTENDANCE

Present

Kaui Kanakaole, Chairperson
Fawn Helekahi-Burns, Vice-Chairperson
Dawn Lono
Shane Sincenci

Excused

Mavis Oliveira-Medeiros
Melissa Mauliola
Francine Tolentino

Others

Wayne Boteilho, Deputy Planning Director
Clayton Yoshida, Planning Program Administrator

Hana Advisory Committee
Minutes - 05/08/06
Page 16

Joseph Alueta, Administrative Planning Officer
Lisa Almeida, Planner
James Giroux, Deputy Corporation Counsel