

**LANAI PLANNING COMMISSION  
REGULAR MEETING  
FEBRUARY 19, 2020**

**A. CALL TO ORDER**

The regular meeting of the Lanai Planning Commission (Commission) was called to order by Ms. Shelly Preza, Chair, at approximately 5:00 p.m., Wednesday, February 19, 2020, in the Lanai Senior Center, Lanai City, Hawaii.

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

Ms. Shelly Preza: Welcome to the February 19<sup>th</sup> Lanai Planning Commission meeting. Thank you all for coming. I believe we have quorum. So I will say that, Commissioners, just so you know, Corp Counsel Richelle she's not here obviously but she is available by phone. So if we have any questions as we're going on through tonight, then we can give her a call if we feel like we need to do.

The only item on the agenda after public testimony is our revision -- our review of revisions. So I believe we'll start with public testimony and then --. So maybe I should disclose this with this is how it's going to go in terms of our revisions. So I know that this is, you know, have been a long time coming with really trying to get everything done, get all of our thoughts down, and so I believe what we are going to do here today is try to come to a consensus about what revisions we would like. Because obviously what's in front of us are drafts that Jordan put together. So come to a consensus about what revisions we would like. And then Jordan and the Planning Department will rewrite it. And then it will come back to us for a final review before it goes off to County Council.

So that being said, I don't think we will need to make any, you know, motions or, you know, remember when we provided comments to Jordan the last time we didn't --. As long as there was consensus amongst us we didn't really need to make any official kind of, we move to approve this. I think when it comes back to us that's when we make the final decisions.

**B. PUBLIC TESTIMONY - At the discretion of the Chair, public testimony may also be taken when each agenda item is discussed, except for contested cases under Chapter 91, HRS. Individuals who cannot be present when the agenda item is discussed may testify at the beginning of the meeting instead and will not be allowed to testify again when the agenda item is discussed unless new or additional information will be offered.**

Ms. Preza: But before that, we'll start with public testimony. But I just wanted to make sure everyone was on the same page for now. So -- so the only person on the signup sheet right now is Butch Gima to testify. No?

Mr. Reynold "Butch" Gima: Good afternoon. My name is Butch Gima. I have provided testimony for you. I don't know what color that paper is, but I'm sorry for not putting my name on there. So, yeah, I'm recommending that you guys do introduce a motion and it's in bold.

So I'll read what I'm proposing that if I were a commissioner. I would say, I would move to approve the Planning Department's recommendations regarding Maui County Code 19.65, Short-Term Rental Homes for Lanai with the exception of the following. Number one, or Lanai Community Plan be stricken from 19.65.20, section capital D, number two, section lower case B.

And number two, the number 30 be stricken and replaced with a number 10 from 19.65.20, section capital R, number seven. So if you guys so choose to make this motion, approve it, the text will read under 19.65.20 restrictions and standards, (D), the permit holder shall, number two, serve as a manager of the short-term rental home provided that the permit holder may designate, under (b), an individual with an active State of Hawaii real estate license to serve as a manager, except for the properties located in the Hana area where an individual may act as a manager as allowed by State law.

Under section capital R, that the County shall be restricted in approving the number of permits for short-term rental homes as distributed for the following community plan areas, and as further restricted by the applicable community plan. Under number seven, Lanai, replace it with a ten.

So I know in the past, you guys asked how are you going to do it since we have already 19 or 20 approved. My recommendation that you decrease the number from 19 or 20 down to ten by attrition. And also decrease it by not renewing those who are not using the short-term rental approvals as short-term rentals.

So again, my testimony is based on what I have provided to you over the last nine to 12 months. My testimony is biased like I said before towards residents. Most recently in the media, 40 percent of homes purchased in the County of Maui from 2008 to 2015 were purchased by out of state individuals. More recently, similar percentage of homes purchased on Lanai were similar in percentage wise, about 40 percent.

So the change in the Code that I'm proposing will decrease the chances that out-of-state non-Lanai residents will purchase homes for speculation and, or for short-term rental businesses. The change in the Code that I'm recommending will not have a direct impact on affordability or long-term rentals. It may, however, impact housing supply.

So thank you for considering my testimony. Thank you.

Ms. Preza: Thank you Commissioners, do you have any questions for Butch? No? Thank you so much. Would anyone else like to offer public testimony at this time? He was the only one signed up. Sure, if you could just speak into the microphone and tell us your name. Thank you.

Mr. Bruce Harvey: It's Bruce Harvey. It's just a short kind of a personal testimony. Apparently as Butch said there's 19 or 20 approved short-term rentals. 25 percent of them live in my

circle of the 500 feet, just right up here on Houston Street. I'm dealing with people driving up the wrong way up Houston Street a lot because they don't know that it's a one-way even though it says one-way. And then on another note as he was saying I was biased towards people living here on Lanai. I have a very good friend. His wife and three kids are living in one room because they cannot find a house to rent. So we're using these short-term rentals. We're taking houses off of the market for residents of the island. I know the island is short, like, a 100 people that we need for employees. And people are saying, yeah, I want to move back to Lanai, but there's, there's no place to live. I mean, my parents don't want me living back in the house. Then we'll have eight people in a two-bedroom house. So, it's just a personal testimony that I have. And I agree with Butch that we should have -- we should stop it. We shouldn't have any more short-term rentals, and we should be thinking about the residents of Lanai a little bit more than we are. That's all I have to say.

Ms. Preza: Thank you. Commissioners, do you have questions for Bruce? Okay, thank you so much for your testimony. Would anyone else like to testify?

Dr. Andrea Ippen: Hi. Andrea Ippen testifying. Just in response to what Butch had said, and also, I'm sorry, it was Bruce?

Mr. Harvey: Yes.

Dr. Ippen: As far as being in favor of the residence of Lanai. I do agree with that. But if you look on page three, of the short-term rental housing, one of the proposed amendments -- it's at the top of the page, number four, short-term rental homes proposed on the Island of Lanai, the applicant's primary place of residence shall be the island of Lanai. And I think that that addresses sufficiently being in support of the residence here. It allows the residents to be able to have small businesses which is something that is included in purpose and intent of amendment of this law. So I think that being in favor of the resident. Part of that, yes, of course is housing, part of that is allowing economic growth on a small business level which this would allow.

I would propose that 30 short-term rentals is sufficient, but I think less than 20 would be inappropriate considering that those 20, or roughly 20 permits that are already approved. I don't think it's appropriate to take away from people if they're following the law as prescribed as the current law, which is the law under the permit that they have.

I can't find the section right now, but there is a section in here that discusses --. Oh, here we go. It's the very top of page two. When talking about each permitted dwelling unit on a short-term rental home property shall be rented to one group with a single rental agreement except number one, on the island of Lanai. Currently we do have this exception and this is an exception that you're apparently looking at removing. I believe the Commission informed me you were thinking of removing it due to a lack of parking. I think that anyone who has the number of parking spaces per the number of bedrooms -- so a parking is a non-issue -- should be allowed to rent to individuals and have essentially what would be a boarding house type

situation. So three unrelated individuals staying in the home. This allows people such as hunters, artists, medical professionals that are here on three month rotations. The only way that they can find housing is in a short-term rental situation. And if we take away their ability to rent room by room, and require that they rent house by house, suddenly a lot of these people won't be able to afford to come to Lanai. And I'm concerned that with the prices of the only hotels that we have, this will price our island out of being a destination for most people and it will become a destination only for the incredibly wealthy. And I think that that would be a shame for our island to garner that reputation and to take away the opportunity for people of less, lesser -- not lesser income but less income than the wealthy to be able come and experience our island.

The other concern I have...is on page ten. I have addressed this before showing some of the research in the written documentation I provided a couple of months ago. Letter (J), looking to implement a requirement that short-term rental homes are made available for rent and are occupied on a short-term basis for greater than 51 percent of the total calendar year. This is just impossible to guarantee. There is no way no matter how hard you try that you can know that your home is going to be rented for any percentage of time. There's too many variables involved. Whether people want to come, if they want to stay at your particular location, maybe your price is too high for them, maybe your home doesn't have enough beds to sleep their party. There's just absolutely no way to guarantee it. And the only people that really might be able to come close are people using a third party platform such as AirBnb. And so people who just want to do it themselves or by word of mouth only and referral system, being able to reach a 51 percent isn't reasonable. And I don't think it's right to penalize people and force them to -- well basically have them lose their permit simply because they're not geniuses at marketing is inappropriate. Thank you for your time.

Ms. Preza: Thank you. Commissioners, any questions for Andrea? Sure.

Ms. Green: So Andrea, this business of the one group are sometimes, like I know the hospital has doctors rotating in there, is the hospital renting these rooms, and then different people are occupying them, and that be the one group? Or are the doctors individually having to go out and get these rentals? In other words, I'm just kind of asking, is there an umbrella organization that's renting. And then as these people cycle though like I know that they do it for doctors, they do it for nurses, they do it for lab techs, you know. So, would the one group handle that?

Dr. Ippen: I think it's a combination. I actually recently spoke with a traveling nurse who was interested in coming and working at our hospital for a three month rotation. She informed me that because she is not hired directly by Kaiser -- she's an independent contractor -- she did not qualify to stay in Kaiser housing. Now I can't speak to how Kaiser housing is set up because I'm not in any way party to that. I would guess it's something like they own a house or they rent a house as a single party, and they rotate people though. But for people such as the woman I spoke to she actually wound up having to cancel her plans to come out and work in our hospital which is something our community needs is more nurses, more doctors.

Because by the time I was able to check with the Department of Planning to ensure that what I thought could do by offering her a room in my house as opposed to the whole house, by the time I got confirmation on that and called her back, she had already had to cancel. Now she's thinking she might try again, and she has my number, and now I know under the law, as it stands, I can do that for her. But if you guys do remove on Lanai, I can't do that for her. So, independent contractors with the hospital have to find their own housing, and therefore they would have to look at existing short-term rental stock as opposed to go through the hospital. Does that answer your question?

Ms. Green: Yeah, it does. I was just trying to get a handle on how big of a problem this is.

Dr. Ippen: That, I don't have information. I just know from personal experience I have anecdotal story. But I also know artists, traveling artists that come though that stay for more than a weekend, you know, more than they can afford. If hunters want to come through, but not as a group, as individuals, I can't imagine that \$350, \$250 a night is something that they can afford for just one person. So it would definitely impact the community.

#### **C. COMMUNICATIONS**

#### **D. UNFINISHED BUSINESS**

- 1. Review proposed revisions to Chapters 19.64 and 19.65, Maui County Code, Bed and Breakfast Homes and Short-Term Rental Homes, respectively, for Lanai, as discussed and recommended by the Commission. Discussions held at the December 12, 2018, January 16, 2019, April 17, 2019, June 19, 2019, and November 2019 meetings. (J. Hart) (Commissioners: Please bring your copies of the proposed revisions to the meeting.)**

**The Commission may provide further amendments and revisions, and then direct the Planning Department and the Department of Corporation Counsel to schedule a public hearing on a draft bill at a future Commission meeting.**

Ms. Preza: Thank you. Any other questions? Okay. Would anyone else like to testify at this time? Okay. Thank you so much. So we'll close public testimony. Item C is Communications, but there's nothing under it, so I think we'll just move on to D.1. which is what we're all here for which is our unfinished business.

Sorry, I'll also mention for Chelsea since you came in. So we're not -- even though some people have suggested doing motions, but when I spoke with Jordan because I believe we're going to be proposing certain edits to what the drafts currently are, it will be coming back to

us at a later date, and then we will make the final recommendation for the Council if that's correct. Sorry, do you have something to add to it?

So today we're going to go through the edits, and I think -- I'm really glad that this is finally, you know, our focus because I know it has been, you know, many months coming. I do think that going line by line though some of the edits might be some of the best -- the best way to get through everything without bouncing around too much. I will say -- relay that if we have any questions for our Corp Counsel, she will be available on her cell phone, so we can call if we feel like we need her advice on anything.

She, she did mention a couple of things to me in email with was mentioning that Molokai has proposed a cap of zero on their STRHs on their island. And the County Council initially passed that. I think it has to go through other rounds of --. They are proposing zero short-term rentals because they feel like they have enough B&Bs and condos and other short-term housing, and they don't really want so much tourism on their island. And so I feel like we're probably in a different situation than them, but it's something worth mentioning.

And also she mentioned with regard to --. And I'm sorry I know I am jumping and we'll get back to the beginning, but just so you all know so we're all on the same page. With regard to the -- on page three of short-term rentals where the proposed addition is that the applicant's primary place of residence shall be the island of Lanai. She said that as a Commission we can't technically require that in that language. But she said that if that is something that we are still interested in pursuing, then the way to do that would be to require that the permit holder also acts as the manager, which if the manager has to be on island, would effectively make the permit holder needs to be a resident. So she said that if we wanted to pursue that, then that's just the language that we would need to use. We can't leave it as is, or she would advise that we should not do that.

But, that's pretty much all she told me so I just wanted to make sure that you guys knew before we move on. But, in front of us today are short-term rental homes, the draft, and then B&B. I would like to start with the STRH document because I feel like we've probably talked more about that if that's okay with Commissioners.

Jordan, can I just ask you before we get started? As of today, or, you know, as recently as you could remember, what is the current number of issued permits for STRH's and also B&B's? Do you have that info?

Mr. Jordan Hart: I'm going to need to double check on it. Anyway, I, I can look into that and get back to you before -- in a little bit.

Ms. Preza: Okay, thank you, if you wouldn't mind. Caron.

Ms. Green: Can I also ask the question, how many are in the pipeline? That would be good to know too.

Ms. Preza: Thank you. But as you're checking, now we can maybe start our discussion. So I would like to go line by line and discuss issues. But something that I will bring up that I believe Caron brought up at a previous meeting was keeping in mind that we don't have to keep all of these edits. And I think Caron, your comments was if we actually choose to adopt all of the things that were proposed -- and I know that Jordan just kind of wrote in everything that we said and I don't think he expects us to, like, take all of the, you know, the proposals. That if we -- I think we can eliminate certain things. Because I think if we use everything that's written as is, it's going to be very stringent in terms of like who would even be able to have an STRH. Okay, does anyone have any questions before we get started? Okay, so I'm hoping that we can do this efficiently, and you know, not be here for four hours.

But the first page for the short-term rental homes, the only addition for that page is the addition of to retain the integrity. So integrity is an added word; integrity and character of residential neighborhoods. And I think that's per our -- you know, our idea that we would like to keep the residential areas as residential. Sorry, you found out?

Mr. Hart: Chair, Commissioner Catiel in her earlier comments questioned whether or not it could be added without the other Commission. So I just want to make a note that I'm going to check that with Corp Counsel before you see the next, what would be final draft I suppose. Thanks.

Ms. Preza: Thank you. Okay. Sorry, no because I, I --. Well, yeah, does anyone have an issue with recommending that as a --? Okay. Yeah, I will say that at least -- and I'm sure you've all, like, talked to lots of community members about, and I think I'll share briefly about what I've been talking to people about STRH and B&Bs. Typically the view of many, like, long term residents here on Lanai, it's typically negative of STRHs and B&Bs. I know there was a point where we were discussing if this is the option for short-term housing for, you know, various people coming in and out. But, a lot of the comments I heard were, you know, we have a commercial district because that is where we would like commercial business operation to happen, and a lot of people believe that STRH and B&Bs is allowing, you know, commercial activities essentially to happen in residential neighborhoods that detract from the lifestyle of people who live here. So I should just say that I think having the word integrity, like, kind of adds to the fact that those were some of the comments that were shared a lot of Lanai people to me. Anyway. We're doing STRH's, short-term rental.

Does -- I believe Caron has some edits for the first page, which I see some highlighting on her paper.

Ms. Green: Okay. I spent a lot of time going over 19.65.030, and that first -- I'm trying to figure out what that (A) said. And so I guess it seems to apply more to condominiums, and I don't know if we have condominiums here or we may eventually have condominiums, but in that first paragraph it says not more than one two family dwelling per unit. A short-term rental home use is permitted and not more than two single-family dwelling units per lot. And I'm think

based on everything that we've been saying, why would approve two when, I think, one would be the max that we would want. Because we've been talking about neighborhoods. We've been talking about within a block. We've been talking about with a certain circumference. When I read that, I thought, why would you allow two? And then when it goes on, it says no more than one short-term rental home permit shall be approved for any lot, period, is what I would say. And then when you go to number (2) where it says, no owner may hold more than one short-term rental home permit, again, I would say, period because you don't want them to have it. Isn't that the general rule that you can only have one short-term rental, period? You can't have one in one place and then another on Lanai. Isn't that the way it's currently -- the rules currently are? Am I wrong?

Mr. Hart: Yeah, can you clarify where you -- the portion you're referring to the owner?

Ms. Green: Well, I was looking at (A). Alright, it says the short-term rental home use is permitted in no more than two single family dwelling units per lot. But why would we allow two per lot, when we don't allow more than one within 500 --. Well, it's where we're moving is we're only allowing one per block or one per 300 or 500 feet, whatever we decide on. So I just don't why we would say that you could have two per lot. And then it says no more than one short-term rental home permit shall be approved for any lot. This was a very confusing paragraph for me because you -- obviously, you could have one lot and you could have three condos on it. It could be owned by three different people, then each one is considered an individual lot. But if one person owns two units, then...theirs is considered one lot and they could have two rentals or something. I went around and around and around with that first paragraph. I don't know if anybody else had the same problem, but I just don't think we want to have more than one single-family dwelling...on a --. You know, it says you can have no more than two single-family dwellings per lot. We only want one.

Mr. Hart: Okay. Do you guys -- do you guys want to make that --? Like, just, I guess -- in the context of agreeing on which --. Let me just clarify. The way the agenda is written, it's written in a way that it's presumed that the Department will receive a round of edits, and we'll run those by Corporation Counsel and then that will be presented back to you. If you don't establish consensus on the edits that you're giving me, the next meeting where we present this draft to you might not be the last meeting on this subject. So let me enter a few things before getting into, to, you know, consensus on this specific issue.

So the Department -- well, the Council recently adopted an ordinance where you can now have three dwelling units on residential lots that have the criteria that can support that. And so basically, you know, there could be the potential to have more. This is saying two. This is a county wide ordinance and this is the existing language of the ordinance. So only the --. In these drafts that you see, what is bracketed is proposed to be deleted, and what is underlined is proposed to be added. So basically asking the question of why, why is the status quo the status quo. You know, that's just what was adopted the first go around. If you'd like to propose changes that apply to Lanai you can totally do that. I would suggest that you kind of establish consensus when you add revisions for the purpose of me presenting a revised draft to you at

the next meeting when this is agendized, that you don't debate it then, and then I have to revise and potentially bring it back again, or get direction to just revise it and send it to Council. So, just your food for thought on how you organize moving through this project.

Ms. Green: No, I realized I threw a little bit of a monkey wrench in here because this is one of the things that we talked about earlier. But I think you have a very valid point, and so I'm happy to have discussion on it. What I'm just saying is for Lanai, I don't personally think we want to have two, two single family dwellings per lot permitted as short-term rentals.

Ms. Chelsea Trevino: I think that on Lanai, the lots are not large enough to even allow for two anyway, so I don't think that that's something we need to worry about.

Ms. Preza: Okay, so John.

Mr. John Delacruz: We have a few lots on Lanai that allow two homes, single-family dwellings. The ones with the ohana houses, the lots that's 7,500 square feet. But usually those, those lots are owned by the same family. The only place where a building could be considered a condominium is maybe Lanai City Apartments where they're owned by different people. Other than that, the only place where you have, what I would call kind of condominimized -- condominimized. Or for example, there's, there's two houses real close together between Fifth and Sixth Streets, and between Gay and Houston, we did a re-zone on it last year in 2018. Because somewhere 30 years ago it was condominimized. I don't know if you know what I'm talking about.

Mr. Hart: No. No, I don't specifically know. But, but I do want to add, you know, some other comments that, that if you feel so strongly that you want to pre-make the decision, then we can add in these, these provisions that would apply to the island of Lanai. Or, if you feel like, you know, you, this body, or your successors can make the decision if they are asked at that time. If somebody has a scenario where they have two dwellings on the same lot, that are legal dwellings and they want to propose two, you could say we're only give year two, or we're only give you one. Or we could, you know, put it in the draft ordinance so you could approach it multiple ways.

Ms. Preza: So I'm also wondering if, you know, we haven't gotten to it yet, but you know, if we decide that we would like every application to come before the Lanai Planning Commission, you know, now or future ones, then they would be, you know, they would be the ones reviewing any kind of permit that would have too. Because I kind of agree with what Chelsea said there aren't many that we can think of that this scenario would even come up. So is that what you're kind of saying like future planning commissions could?

Mr. Hart: Yeah. I'm just basically saying it's --. I believe you can trust the discretion of yourself or your successors on the planning commission. So, you know, I'm not -- I would encourage you to leave your own decision making authority on the table. I had a follow up comment that I was -- I lost it though. I'll think of it in a second. I'm sorry.

Ms. Preza: No worries. I'm also thinking that -- maybe if everyone is okay with it, maybe let's move through some of the other things that have been actually proposed. Because I'm thinking that once we make decisions about, for example, density that might also take care of the problem, if that's okay. Is that okay, Caron?

Mr. Hart: Chair, if I could? I did also want to point out that the current draft for both ordinances calls out that the commission is approving initial applications and renewals in all situations.

Ms. Preza: Thank you so much. I also had a --

Ms. Green: Can I just ask him one more? Can you clarify for me, is it true that no owner may hold more than one short-term rental permit? I'm not remembering correctly.

Mr. Hart: I believe that that's supposed to be true. I think that there may be one unique situation not on this island. But generally, no, it's only one per person. I do also want to just point out just because you were asking about it, basically you can have one STRH permit that covers two residences, and the boundary is set by the property. So, so the comment about two separate permits on one lot wouldn't be the scenario unless the parcel was condominiumized. And those kind of provisions are described in the numbers following Item (A).

Ms. Preza: Thank you. I actually had another quick question before we move on at all which was -- so if Commissioners were at the last meeting, we took the time to talk with the contractors about who are rewriting Title 19 which is what this is a part of. And I was just wondering -- I know that's like, you know, forthcoming in like four to five years, but, you know, the proposed edits we have for this, do you know if they're planning on editing more?

Mr. Hart: So the, the overall project, you know, is, is ideally a four year project. But the first drafts of the, the work product are going to be much sooner than that. Basically the four years will be completing the initial drafts, making its way through all the planning commissions, you know, struggling over any details, and then getting through Council. That's the four years. So the initial drafts are much earlier. And then I wouldn't expect that if the commission just established intent and the Council just upheld it that we're going to be proposing to rewrite. Ideally what's supposed to be happening is, is that our overall code is made more efficient, and clear, and, and cleaned up. Not to necessarily change the intent of all the districts or the designations.

Ms. Preza: Thank you. That was my main question was because I didn't want us to -- you know, we spent all this time talking about what we would like for our island. But I understand when they were presenting they kind of want to clean up, make it more efficient and easier to access for people. So I think -- as long as the original intent is, you know, the same, I think that's great.

Okay, so if we can move on to page two. So that item at the top which is proposing to be, to be removed, the section (B)(1) on the island of Lanai. What do commissioners feel about that? Because I feel like we've had --. I've heard, you know, public testimony today about, you know, certain scenario where it's impossible for someone to rent an entire property. But I feel like we've had lots of conversations in the past about being pretty adamant that we did not want STRHs to be rented room by room. So I'm not sure how you all feel today about that or if you changed your minds or -- if you would like to see this section removed as proposed.

Ms. Trevino: So I've had some conversations with people as well about in regards to that. I have to say that I was one who wanted all the houses to be rented by one party. And I think, I think the issue was the parking because we talked about if, say, a three bedroom house is rented, and three separate individuals rent it. And then are those three people going to have three vehicles. So that was initially what we talked about.

I do think we need to weigh in the fact that --. I think to address what Caron was asking earlier. Like Lanai Community Health Center, they do rent a house, and then they cycle their people through the house. But I think Shirley had also shared earlier that Straub brings people in sometimes, and I don't think Straub does the same practice. So what she had expressed in the past was that it's hard for them to find a place for a doctor, or a specialist to stay. So I do think that we need to look at -- look at that. And I think the suggestion that was given by today's testimony was could there be something in there that states if their property is sufficient for the amount of parking, you know, would that be something that could accommodate for that? So I kind of want to throw that out there for discussion. I know we were pretty hard and strong about having the whole house rented by one party. But personally I wasn't thinking about those kinds of situations where you do have individuals coming to Lanai to do work for something. Like maybe somebody who is coming to work at the school, just for a small period of time and they just need a room and yeah. Because, because we, we did discuss that we want to make sure that the decisions we're making or helping to contribute to the betterment of our community as well. And so we really need to look at that also. Not just the betterment of our comfort, but the betterment of would this restriction create a situation where some of the community's needs are not met because a person cannot come and be here. So I just want to throw that out for consultation at this point and see what other people think before we move on from, from this point.

Ms. Roxanne Catiel: I agree with Chelsea. In the beginning I didn't like this...rent this whole house to one group only. But like she was saying, maybe a person cannot afford that whole house. Maybe there's only one person, like only one day, only renting one home, and they have -- and they only need one bedroom, but then there's two extra bedrooms in there. So it's more like you have the extra bedroom in there -- two extra bedrooms in there that's not being, that's not being used. You guys know what I'm saying?

So yeah, I agree, you know...on the island of Lanai for a single group, I would think per room just as long as there's sufficient parking.

Ms. Trevino: Is that something we could do? Because right now we're talking about bracket means remove yeah?

Ms. Catiel: So strictly parking. Not parking on the shoulder or on county easement. They need --

Ms. Preza: So you're saying on property parking.

Ms. Catiel: On property parking. Because you know I drive around and I see people where they park. They're parking on the shoulder. They're not even on property.

Ms. Preza: I think -- so I kind of agree with what you guys are saying in terms of --. You know, I understand that there might be a need for a certain people coming for a short period of time. But my concern with even saying --. I think if we specify on property parking, I'm leaning that way, but we've seen even with like the short-term rental home permits that have come and, you know, under the rule that they can only rent to a single group. There's been issues with parking on property, right, like, you know, we've had to tell the County, like, okay, in this picture it says that this lawn is like the parking area, but we know that they aren't parking there, right. So do you think if we allow room by room to be rented because it's for community betterment, like will -- with parking being an issue, do you think that...you know, it will be --?

Ms. Green: What I'm guessing and I don't know for sure, but, you know, defining one group. One group could be one of these construction companies, and then there are three different people in their rooms, and that's why you've got three different vehicles. So, I mean, it's already happening if you had the one group rule in there.

Mr. Hart: So, one option could be to remove the bracket that would delete on the island of Lanai, and, and add a statement, you know, similar to provided sufficient parking is available. And then that would basically could be reviewed during the application and or the renewal process. You know, you could, number one, ask them if they're intending to rent to multiple parties. And if they say that they're not, then they could have a condition that they don't rent to multiple parties. And if they say that they do, then you could say, well, let me see more parking.

The other thing is that in the --. The B&B ordinance talks about vehicles so I added a section to address the concern. But the STRH doesn't mention vehicles, and it basically relies on the parking ordinance. But I'll just read this section of the B&B ordinance, and possibly that could be put in the STRH ordinance as well.

From the B&B ordinance it says on the island of Lanai -- this is a proposed addition -- on the island of Lanai, on street parking by bed and breakfast home, guests, operators, service or delivery vehicles shall not be permitted at any time. So essentially they go through the process of obtaining the permit based on representations and representing to you that they have

sufficient parking. And then during their performance period if they are parking on the street, that includes the operator or owner, any guests, and any service vehicles, then that's a violation of their permit. And then that's, you know, something that you can use to decide whether or not they're -- they should be renewed.

Ms. Preza: I see a lot of nodding heads, so commissioners do you all want to add that proposed thing that's in the B&B to STRH? Yes? I think we have consensus on that. Sure.

Ms. Green: So my only concern here is how do we have a flag for Council Members in the future who didn't go through this process to ask that question on an application? When an application comes before the planning commission, do you intend to, to rent your rooms out individually and do you have enough parking? So how would we make sure that that becomes part of the questions asked?

Ms. Preza: I wonder perhaps if in this (B)(1) that's mentioned, like, you know, we're trying to, you know, we're editing. Instead of removing it, we can, in addition to adding the B&B section about parking, say, except on the island of Lanai where sufficient on property parking must be provided if the applicant plans to rent multiple rooms. Does that -- was that something along those lines?

Mr. Hart: Yeah. I had written is identified during the application process. So I can figure out an ideal piece of language to basically establish that on the island of Lanai -- like basically the dwelling can be rented to multiple parties on the island of Lanai as long as sufficient parking is identified during the application process or something to that affect. It's a, it's a known requirement that they need to present to you, their parking plan, for multiple party rental before they get approved.

Ms. Preza: Commissioners, you all okay with that? Okay, so great. So I think we can move on from that edit. So, thank you very much. See, we're making headway. So on item we're moving down to (E)(5) which is a proposed addition for, for short-term rental homes on the island of Lanai, the manager shall be a full time resident of Lanai. I personally feel very strongly that this should be an addition. We've talked about it many times and we don't feel like it's okay that someone should live on Maui and they're not going to be available within an hour which is what, you know, they need to be if they're managing a property here. So, so are there any discussion on that or does everyone agree that that should be a yes? Just five, yes. Okay. (E)(5) which is for short-term rentals on the island of Lanai, the manager shall be a full-time resident of Lanai, which I think is --

Ms. Green: Before we move there, there was something that was mentioned, I think, by Butch on (D)(2)(b). Do we want to discuss that before we move on?

Mr. Hart: Could I -- could I provide a little bit of comment on that? So my only concern with what was referenced is that the proposed edit limits the geographic area of Hana Community Plan area. So it's totally fine if you want to basically say Lanai Island or something like that.

But you can't delete community plan area because that would then limit Hana's -- the way it applies to Hana, only to the town of Hana, as opposed to the entire community plan area which is very large.

Ms. Preza: I see. So he's saying that in terms of language, this part is referencing Hana Community Plan and Lanai Community Plan, so we can't --. Okay, so I see, so the way that -

Mr. Hart: So we can say Lanai Island, like, shoe horn the word Lanai Island in there. But we can't delete community plan because that's covering another place.

Ms. Preza: Okay.

Ms. Green: Actually, I think Butch just wanted to take out the Lanai part, period, and just make it so that all individuals who are managers are also State of Hawaii real estate licensees, I believe.

Mr. Hart: Okay, then I would just delete Lanai.

Ms. Preza: Is that something that you would like to do? Consensus?

Ms. Trevino: I think that would address --. So if we did that --. Because (5), (5) is to be added right? -- short-term rental home on the island of Lanai, the manager shall be a full-time resident of Lanai. Would --? No, I know we are. But I'm just saying that I feel like those are two are kind of related in the sense of --. Right.

Ms. Preza: Okay so, maybe let's --

Mr. Hart: Clarification.

Ms. Preza: Yes.

Mr. Hart: If, if they -- actually it's not a contradictory. If this portion is deleted, then I don't think that it would conflict with (6).

Ms. Preza: Okay. I --

Mr. Hart: No, basically what it's saying is -- this upper portion is saying that you don't necessary need to --. No, I might need to walk that back. Let me think about it for a second.

Ms. Preza: Okay, let's get back to that. Maybe let's get back to (D)(2), and I know it's relating to what we're talking about right now but if we can just kind of get to number (6) because I have some thoughts about that. So (E)(6) says on the island of Lanai, manager shall not manage more than ten short-term rental homes. I know it was brought up that if we only

allowed licensed realtors to -- or you know, agents to manage property that there's not a ton Lanai. I also feel like number (6) I feel like depending on if we decide on specific cap tonight then maybe I wouldn't feel as strongly about having --. I mean, if say --. This is just hypothetical but say, you know, we take some of the testifier's proposal to limit it to ten. Then I feel like I don't know if we need to say that a manager shall not manage more than ten, you know. Or even if we said 20 or whatever the number may be. Do, do any of you feel strongly about not letting one person manage multiple properties or more than ten?

Ms. Trevino: If I recall, I think the reason that number (6) was being put in was because we did have people who did not have real estate licenses managing homes. And so the issue was were these people -- who were these places being managed with an understanding of what someone managing a property should know.

Mr. Hart: So I believe under existing conditions an individual can manage on Lanai without a license, but there is limitations in the State law on how many you can do. And then (6) is basically for licensed individuals being able to have multiple. Right. So then if you --- and so if you delete the provision that Lanai can have managers who are not real estate licensees, then there's no contradiction to number (6). Because number (6) is just saying if you are a licensee there is only so many that you can manage. That's where I lost my train of thought is organizing these two.

Ms. Preza: Questions?

Mr. Hart: So I do believe that the reason for deleting, propose deleting (2)(a) -- (D)(2)(a) is, is because licensees would be more aware of regulations and have their own liability and a license.

Ms. Preza: Commissioners, do you have thoughts on given what was told to us? Are you confused? Okay. Deleting the --. So what we're discussing is deleting Lanai out of except --. Yeah, we're basically deciding if we would like the people who are managing STRHs to be licensed which is there anyone who does not want them to be?

Ms. Green: So, we're on (D)(2)(b)? Are we back there?

Ms. Preza: Yeah, and it's kind of related to (6) so --. But it's really related to (6).

Ms. Green: Well, that was where I was confused because I thought at one point you said that unlicensed people could only manage so many. But a realtor, is there a limit on how many units a realtor could --? There's no limit. Okay.

Mr. Hart: Yeah, I'm not aware of any.

Ms. Preza: Okay, so is everyone in agreement that we should remove the Lanai part so that everyone who is managing must have a real estate license?

Ms. Trevino: Sorry. Just to make sure everyone is clear on the term “everyone,” it doesn’t mean every single person managing has to have one because we already know. I want to just make sure that everyone is clear on this. You can have a non-real estate agent manage one home for you, correct? Family member?

Mr. Hart: So it appears that you’re talking about deleting that, though, right?

Ms. Trevino: (2)(a), is that what you’re saying?

Mr. Hart: Yeah, (2)(a). But the --. Okay so the proceeding ones is the family members, right?

Ms. Trevino: Right. But this would not affect them.

Mr. Hart: No, no. I don’t believe that it should.

Ms. Trevino: Right. I’m just --. That’s why I’m making sure because I don’t want them to think that when we keep saying “everyone” it means every single person who manages a home has to have a real estate license. That is not what we’re saying. That is not what this is saying. It’s just pertaining to someone who would manage under you.

Mr. Hart: No, no. let me clarify. It’s basically if you’re going to designate --. If you’re not going to manage it yourself as the permit holder, and you’re not going to designate an immediate family member as outlined in Item (2)(a), you could have had the option of designating a, like, an unlicensed person to, to manage one property. But you’re talking about deleting that option, and saying if you’re not going to manage it yourself, and you’re not going to get an immediate family, then you need to get a licensed real estate agent.

Ms. Preza: Which I, I think everyone is nodding. So I believe we’re in consensus about taking out Lanai in (D)(2)(a) which it wouldn’t affect the Hana Community Plan.

Ms. Green: Before we go all the way back down there too, I had several other notes from previous meetings. On (D)(2)(c) I had a note here about an adult to serve as a temporary manager for up to 45-days in a 12-month period. And then I had a note on here, except on Lanai.

Ms. Preza: I don’t feel like we need to change anything with that. I feel like the temporary thing is maybe, you know, if someone is going on a trip or something, then they might need a temporary manager on call so I don’t think. Does anyone else feel like we need to change anything? No.

Ms. Green: Okay. It was just a note I had from another time.

Ms. Preza: Thank you. Thank you for keeping notes.

Ms. Green: And on (D)(3)(b), okay, any change in the manager's address and phone numbers...oh...permit holder shall notify the department immediately. Okay. How about also any temporary manager, not just a change of manager's address, but if you have a temporary one, or does that cover it by just saying any change in the manager's address or phone numbers or a temporary manager?

Mr. Hart: I believe the intent of any change is, is any change, temporary or permanent.

Ms. Preza: Okay. Thank you. So I think --. Okay, so we already dealt with (E)(5). So (E)(6) I believe since we've decided that we would like, you know, if someone has a State license, then we should just leave it because they're not allowed to manage more than --. Is that what you said?

Mr. Hart: I don't think there's any limit on a person who has a license, a license that I'm aware of.

Ms. Preza: So this would create --. So, I mean, would you like to remove it then? Remove the cap on how many properties someone can manage? I feel like I'm not aware of like how --. You know, there's probably not a lot of licensed real estate managers here. So I feel like limiting how many they can manage might be not great. Yeah, so maybe I would suggest removing (E)(6) because we're already saying that if you're not managing it, or an immediate family member is not managing it, then you need to be a licensed real estate agent. And I feel like placing a cap on how many you can manage maybe is not -- I feel like it's a little too much. Is everyone in agreement about that? Okay, so I think --

Ms. Trevino: I don't mind having that number there. Because I think the intent here is that we want more of the short-term home rentals to be people who are here who actually are in the community. And what not having the limit does is makes it so that people even if there's only one real estate agent who is willing to be a manager, they could manage 100 homes for different people who don't live here. So, that's what I'm throwing out there in the sense of creating this limit. I understand that we only have so many real estate agents, and not every real estate agent is going to be willing to manage. However, I think the intent as I understand it is to kind of help subdue the amount.

Ms. Preza: Can I make a suggestion maybe? Maybe we revisit (E)(6) after we decide on if we would like a cap. I feel like that will maybe help guide this conversation in terms of --. Because you're saying --. I understand your example of like, oh, you know renting 100 whatever, but I don't think we want 100 STRHs. I know that was just an example. So maybe we can revisit this after we decide on if we would like a cap. Revisit? Okay, so I'm going to mark that as --. Thank you. Oh, that's very helpful actually.

Okay, move on to the next page...which is --. Okay, so on item (G)(4), this is what I mentioned earlier which is for short-term rental homes proposed on the island of Lanai, the applicant's

primary place of residence shall be on the island of Lanai. I said that our Corporation Counsel maybe the wording of this is not -- we should not do it this way. So...the way -- if we still would like to pursue this, then it would need to be worded differently. But I'm actually going to suggest that we also revisit this because for me I feel like certain things that I would really like to get into this is our determinations of a cap and a density. And I feel like once we decide those things, then we can -- we will be in a better place to decide if we want to have an additional stipulation that the permit holder should be a resident also. Does that sound okay with everyone that we revisit this after we --? Okay.

So the only other change on that page is the number of bedrooms used for short-term rental used on a short-term rental home lot shall be no greater than six. So we're proposing to remove that. And no greater than three on the island of Lanai and Molokai. So we're -- we're saying that we would not like there to be more than six bedrooms, or more than three. Right. Right. Does anyone have any problems with that? Are we okay with the proposed...revisions?

Ms. Green: I, I'm okay with that, but I do think that Andrea brought up last time. I think she has a larger home. She's wondering about grandfathering in homes that have more bedrooms than that so --

Ms. Preza: Yeah, I guess I'm not sure how that works on the Planning Department's side, you know, after we decide tonight potentially some of the drafts how that works for current permit holders. I'm not sure if you can answer that Jordan or that's something that we have to discuss later.

Mr. Hart: I have to consult with Corporation Counsel on existing non-conforming. I would presume if you renew the permit, and the permit stays alive, then it, then it can be, you know, continue to be existing non-conforming. If you put language in that said any existing permits, you know, will sunset and then they can be reapproved at three, you know, that might block it. But I think that it -- if it's an existing permit and it remains alive I should be okay but I will confirm with Corp Counsel.

Ms. Preza: So maybe we can revisit that later once he consults with them. Not revisit -- I mean, I don't think it's something he can figure out right now so I don't think it's anything we can figure out right now.

Mr. Hart: Do -- let me clarify, do you want me to try and call Richelle tonight, or do you want me to address it with her in between the draft that's presented next time?

Ms. Preza: I feel okay with him consulting in between here and next time. Does anyone want an immediate answer? No? Okay. So, great. Moving on, page four; half way there. Almost half way there. So we're on item (N)(6)(a) which is a proposed addition that on the island of Lanai, no more than one short-term rental home shall be permitted within a one-hundred-fifty foot radius, and not more than one short-term rental home shall be permitted on the same block. And so what we've come to right now is the proposed addition to density which I know

we've -- that has been a major concern for us over the past year. And we've actually denied permits because of the density with which there were short-term rental homes in a residential area. And so if you guys -- since we don't have a presentation today, I asked Jordan if he wouldn't mind printing up the density radii that he showed us, you know, a few months ago just so we can see what a 100 feet up until a 500 feet radius what that looks like on a map. And so if you folks want to consult that and just take a look. Because I know Jordan just put in the 150 feet just because to put something in terms of like of having a density cap.

Mr. Hart: I can -- the reason why I put in 150 is because we had talked about circles within a circle and things like that. And I just started tinkering with it, and looking at the, the general block size. And my recollection was no more than one per block, and then not wanting it to be immediately adjacent. So like, across the street. And so in tinkering with the, the radius, 150 seemed to be the one that did those two things.

Ms. Preza: Thank you. Sorry, I didn't mean to say that or say that you arbitrarily threw in there. I know you thought about it. I'm sorry. I am just looking at it, I think 150 feet is a little small. But something else that I -- maybe it's a question for Jordan and something that maybe for you folks too -- in talking to community people I understand that, you know, legally there's a difference between a short-term rental home and a bed and breakfast. Because a bed and breakfast person is on property and lives there. But in talking with community people, I feel like they just view them similarly in terms of like well they're still going to be, you know, random tourists or visitors coming in and out. And so is there a way to put a density cap that includes both STRHs and B&Bs so that it's not like oh we say -- we designate that there can be an STRH within a 150, 200, whatever radius, but there can be a B&B right there, you know. Is that possible?

Mr. Hart: Yeah. I actually have that in my notes for both ordinance.

Ms. Preza: Okay.

Mr. Hart: Yeah, so I would basically add something to the effect of, of first of all whatever radius you decide on, and then also including --. So it would be, for both ordinances, it would be short-term rental home or B&B within whatever radius you decide.

Ms. Preza: Yeah. I see nods. Thank you so much. I think that would be a really great addition because I think for people who live here in the neighborhood it's not going to matter them if they're boarded by an STRH and B&B. I mean, it's going to matter. It's going to matter to them and they're not going to care about the designation, so I think putting them together would be a good idea. Commissioners, do you have thoughts on radius, you know, radii, what you think? Caron?

Ms. Green: I definitely think I like this 200 feet. I thought along with you that 150 was maybe a little too short. But I think if you did the 200 feet you don't also need to have in there the same block because that definitely take care of it. But I think that that looks like a reasonable

radius to me. So on Lanai no more than one short-term rental shall be permitted within a 200 foot radius, period.

Ms. Preza: Okay.

Ms. Trevino: I, I don't agree. I think the reason that we have distance as well as a block number is because we know that the blocks on the Lanai are not all the same size as, as well as property sizes on blocks, right. So some blocks have fewer homes, some have more homes. So I think that the designation of radius and block was to kind of address that because you know we're looking at old school Lanai town right here, like, at this map. And I think again the purpose of having the dimension and the block is because we are trying to keep it as minimal as possible as far as the effects on the neighborhoods. So to go from the 150 to the 200 I do not like. Sorry.

Ms. Preza: Sorry, so you're saying that there should still be the block in it, which I kind of -- I actually kind of agree also. I don't know if that's going to present problems legally because --. So the example that you gave us, like Chelsea said, is like the older plantation homes. They're a lot more condensed, and so it looks like it covers one block. Whereas, for example, the street I like on which in Olopuu which is just -- you can see kind of the top of it, but you know, it goes down, those blocks are maybe twice the length. And so I guess my confusion is if we say no more than within 200 feet, and then also not within a block, if two were proposed to be on a block, but were outside of the radius, what would --?

Mr. Hart: So just to clarify. My -- when I was proposing 150 it was, it was combined with the not more than one block. And what I was trying to say previously is that the 150 generally accomplishes the, the preventing the houses across the street on both sides from also being a short-term rental. But I agree with you, it doesn't capture the length of the blocks, and the language on not more than one per block basically does that. But anyway that's how I proposed the distance based on what we were talking about the time. So wherever you want to go with it, I understand, you know, the concern.

I do want to bring up that the whole existing non-conformity and renewal question, I'm going to check that with Corp Counsel with regard to whether or not the not more than one on the same block stays in. So let's assume there's existing permittees on, on one block, do they go by attrition and just at the time that they don't renew it dies or is there some sort of phase out language?

Ms. Preza: Thank you.

Mr. Gerald Rabaino: Chair?

Ms. Preza: Yes?

Mr. Rabaino: I'm a homeowner. I'm looking at 100 foot. I don't need 150 or 200, 500. I'm a homeowner. So if that's going to be a radius, it should be 100.

Ms. Preza: Wait, so you're saying --. Wait, if you leave it to 100 that means there can be more STRH and you're fine with that? Is that what you're saying?

Mr. Rabaino: No, you should leave it as a 100. Why you want to expand it and make more problems? Just stay at 100.

Ms. Preza: Sorry, if I could understand what you're saying. So the smaller we go, the more STRH and B&Bs would be allowed in your area. The higher the number we go in terms of radius, there would only be one allowed in that radius. So I think what you're saying is you would, would prefer the bigger radius, not the smaller, right?

Ms. Trevino: So if we make the green circle smaller, then you can have another --. You have that circle and then you have another circle next to it. So if you have a bigger circle with fewer approved then you are creating less.

Ms. Preza: I think we're going to continue --. Okay wait, sorry, public testimony is technically closed. Oh, wait, sorry, I just said public testimony is technically so I think -- let's -- we're going to finish our discussion. If Commissioners would like to hear his question or --? Sorry, there's like a legal thing that we have to go by. I'm sorry I don't mean to be rude. Sorry Jerry.

Mr. Rabaino: Okay, Chair, in my neighborhood, yeah, there's already four, in my neighborhood because of the street, okay. So if we stay small I don't have to deal with two streets and the block. Okay, you made it more wider you encouraging.

Ms. Preza: Encouraging what?

Mr. Rabaino: I don't need, I don't need more people buying homes and then they turn around and make it into short-term.

Ms. Preza: But you don't want that many short-term rentals on Lanai, right? So you would -- I think you would prefer to be in favor of a larger radius. So these little circles, you know, it's not saying that would be limited to that circle. It's saying that say you made like ten circles, so with 100 foot radius, you can make 20 circles in there. That means there can be 20 B&Bs, 20 STRHs within that area. So I think based on what you're saying, you would actually prefer a wider radius. Because that means, say for like, if you take a look at --

Mr. Rabaino: So in other words, you say limit the, the amount of rentals can be in the wider circle.

Ms. Preza: In the radius. Yeah, so say if you look at the 500 and that circle, that means there would only be one allowed in that whole circle. Do you get what I'm saying?

Mr. Hart: If I could add. So the purpose was to create buffer. Before the 500 foot circle was determined whether or not the application came to the planning commission. Now what's going on is there cannot be more than one within the circle.

Mr. Rabaino: So what is the proposed from your guys planning committee? Is it 500 or you guys exceeding that?

Mr. Hart: Well -- okay, so, so...based on the comments that I heard when I had been here previously there was residents who had had multiple operations abutting them, on both sides or across the street. And so there was like finding a way so that there wouldn't a scenarios where you have multiple on either side of you. And then not wanting more than one on the same block, I had proposed 150. And if you look at the 150 that basically provides that if you're in the middle of that 150 -- 300 foot circle, 150 feet radius, that there cannot be an approved residence right across the street from you, or behind you, or on either side of you. And then there's already the, the -- there had been the language or there was going to be the language that there cannot be more than one on the same block. So then if you go --. So anyways, that 150, I believe accomplished that goal. If you start going up, and up, and up, then it's like, you know, there's not going to be any within four blocks of you. And if that's what you guys want, that's fine. But the 150 was accomplishing what I thought was the initial approach. And it didn't do more than accomplish it, it just accomplished it.

Ms. Preza: Thank you Jordan. I personally feel like I would prefer probably bigger than 150 because just looking at it, I agree that it accomplishes, like, the bare minimum of what we've discussed but --. And thank you for making these maps too because I feel like that makes it a lot more -- it allows us to visualize it lot clearer than if we just threw around numbers. So, I don't know if commissioners feel similarly about potentially, you know, changing the number to bigger. I hear -- Sherry?

Ms. Sherry Menze: Okay, I've been listening to all this, of course, and I'm just a little confused in that the 150 foot radius would trigger that application to come to the planning commission.

Ms. Preza: No, no. So what we're discussing is --. Because right --. I'm sorry this is the problem with going line by line is that what we're proposing later is that every application, every renewal comes before us.

Ms. Menze: Yes. Exactly. So, anyway, that was where I got twisted was I thought I heard that, that would generate that. So what we're saying now is the radius, we don't want more than one in this radius, right?

Ms. Preza: That's correct.

Ms. Menze: So within this small little radius of a 150 feet, I'm a little confused because with a 150 feet, with one, you can fit more than what the existing law is, the 500 feet, two.

Mr. Hart: That's actually not correct. Let me clarify.

Ms. Menze: Okay, that's where I got confused because I kept trying to put that circle into here.

Mr. Hart: Okay. So, so the radius, the function that it currently serves is if there's more than one within 500 then the second one that comes in comes before the planning commission. Under the proposed language, every single one comes before the planning commission. So now the purpose of the radius is to establish buffers because under the old system there could be the entire cap in 500 feet if the commission so decided to approve them all. Okay.

Mr. Delacruz: By doing a quick count on, you know, how many houses average in a block. If you go with a 150 foot radius, which is a 300 foot circle, only one out of every 48 -- one out of every 48 houses or 50 can be a short-term rental home on Lanai. One out of 50.

Ms. Preza: I think we should make it bigger than 150 feet. Personally --. And this is just -- I know we're all here, you know, as volunteers and stuff, but personally, like, in the neighborhood that I live in, I --. You know, I think we've seen a lot of people who come and have, you know, shared -- not complaints, but concerns because they live like right next to like one, two, or three, you know, in the same area. And I totally feel like that's valid because I have one in my area, and that feels like definitely enough. And so just personally I feel like expanding the radius from 150 feet. I would prefer because I personally wouldn't want to live next to more than --. I mean, I would prefer to live next to any, honestly, because the reason why we live here on Lanai is not to have --. You know, I know it's great for people to come here and experience short-term, but you know, I think that when you grew up here it's because you care about this place, and land, and lifestyle, and knowing your neighbors, knowing the people that you grew up with. And I think that STRHs changed that severely so I think we should expand the radius.

Ms. Green: May I ask a question Jordan? When I look at these radiuses, sometimes it just barely touches a property. If it just touches a property, then that property is excluded. So anything where the lines touch that property, they can't have a short-term rental.

Mr. Hart: Yeah. That would be -- that would be the way the Department interprets it is if the line is touching it, it's included.

Ms. Green: So you start from the center of the property that's --

Mr. Hart: Let me, let me try and help further. If you look at the way the yellow boxes are going around the lots, that would be similar to the way the Department interprets whether or not the parcel is excluded. Do you see what I'm saying? So the circles radiating from the center lot, everything that is highlighted in yellow wouldn't qualify to apply in that scenario.

But I think that -- I want to, I want to revisit Commissioner Delacruz's comment is pretty relevant. Unfortunately, I can't quote it right now, the total number of residential or single-family lots on Lanai, but you know, your cap being somewhat relevant to the, the total possible in relation to the buffer you create is probably a good idea.

Ms. Preza: Thank you for that comment. It's definitely relevant. Caron, do you --

Mr. Hart: I mean, it will work itself out because you know if the numbers --. Let's say the cap is too high, it won't even work because of the radius issue.

Ms. Preza: Right.

Mr. Hart: So, I mean --

Ms. Preza: Or if even if we make it low, it's like that will add another buffer anyway.

Mr. Hart: Sure. Sure, that takes care of it on its own. Right. So anyway, but we can -- I can get those numbers straightened out and have something to share with you next time.

Ms. Green: I just want to make sure I understand your answer to my question. If the circle goes three feet into somebody's property, they cannot be a short-term rental.

Mr. Hart: Right. And so the way the Department would be doing this is likely using our existing GIS system, and this is an example of it. So, you know, it's basically generated by a computer and, you know, if the --. Yes.

Ms. Preza: Thank you. Okay, Commissioners, does anyone else have thoughts on --? I mean, we didn't really say. We haven't really agreed on a number or anything for this density cap. Nobody has?

Ms. Green: I already said 200 feet which looks like a neighborhood to me. But I don't live in the city so I'm going to defer to all of you guys on that. And, you know, if you want to go 300 feet or more that's fine.

Ms. Preza: I'm leaning more to 300. Thanks for the input though. We still care about your input. I'm leaning more 300 feet...or bigger honestly but -- but I'm not, you know, I'm not the sole decision maker so what do you folks think about 300, 400?

Mr. Rabaino: Chair? What's his name again? Jordan, when you made these maps, yeah, just out of curiosity, you using -- this map is Lanai City correct? No?

Mr. Hart: Is that trick question? No, no, I'm joking. Yes, it is, it is.

Mr. Rabaino: Okay, if I were to take Lalakoa III where Sherry and I live, okay. I understand, but I'm trying to make a point. Okay, this is Lanai City. I prefer 300 versus 400, and take away 200 and 500 and we just choose between 300 and 400.

Ms. Preza: Okay, that's good.

Mr. Rabaino: Because you said the larger it is, yeah, the larger it is, the --

Ms. Preza: The fewer can be --

Mr. Rabaino: -- the fewer houses can be turned into short-term, correct?

Ms. Preza: Yes.

Mr. Hart: Let me just say that that is true, but the purpose of the radius is to address the density. I think that you should use the cap to address the total number issue, and just focus on the radius to maintain separation between the short-term rental operations.

Mr. Rabaino: Okay.

Mr. Hart: But it is true --

Mr. Rabaino: The number -- what is the number you looking at before the cap kicks in?

Ms. Preza: Wait. Wait, so Jerry, let's not move on to the cap yet when we haven't gotten there yet, but the density --. So we're dealing with the density cap, which means that you're saying 300 or 400. That's your comment which is good because that means, you're saying within that radius there would only be one STRH or B&B. And then we'll move on to the cap very shortly after we decide on a density cap.

Mr. Rabaino: . . . (Inaudible) . . .

Ms. Preza: Not allotted. But so say someone was applying then they wouldn't -- they would look within that -- whatever radius we established to see if there's another STRH or B&B. And if there already is within that radius, then they can't even have a permit or apply for a permit. Yeah? Okay, so that's what Jerry wants.

Mr. Hart: Chair?

Mr. Delacruz: Just, just keep in mind --

Ms. Preza: Oh wait, sorry.

Mr. Delacruz: -- if you look at the averages. Okay, when Bart Baldwin was here a couple of months ago, he, he said that the number of houses not owned -- number of buildings not owned by the Company is about 900. And if you remember when we were on the Housing Committee, it was about 900.

If you, if you go -- if you stay with a 150 foot radius, okay, the maximum number of short-term rental homes that will be allowed by the 150 foot radius would be 18 on the island of Lanai. If you go 300 feet, you're just going to cut that down to nine.

Ms. Preza: So you did that by calculating length and geographical.

Mr. Delacruz: If you look at the pictures, right, look how many houses average on a block. It's more than six. Sometimes it's, like, 12 when you have double lots.

Ms. Preza: Oh, so you're basing it based on, like, how many houses?

Mr. Delacruz: Yeah.

Ms. Preza: But I feel like maybe that's not a fair calculation either because you said that 900 houses are not owned by the company, which there may be some sprinkled in here, right. So we're looking at actually like --

Mr. Rabaino: Yeah.

Mr. Delacruz: Well, at that time --. Okay, remember that most of the, most of the houses built by the company was plantation houses, okay. When there was such a thing as a Housing Committee, most of the houses were built by the plantation, even the ones like Lalakoa I, Lalakoa II, Lalakoa III were built as kind of like housing for the employees. So they made the lot small. If you look at Lalakoa III, the lots are tiny, okay.

Mr. Rabaino: Less than 5,000.

Mr. Delacruz: Okay, sometimes you can see the people in the back of your lot, like Jerry's house.

Mr. Rabaino: Average 5,000 plus.

Mr. Delacruz: Well, some of the lots down there are 3,000 square feet, minimum. There's a few.

Mr. Rabaino: About a dozen, more or less.

Mr. Delacruz: Yeah. Tiny, tiny, tiny. Lalakoa III was, was just slapped up there so that they

could have housing for the hotel people which did not really work out. Because all the people with seniority was Dole people, so all the Dole people got the housing.

Mr. Rabaino: Well, let's take your subdivision, it's even smaller.

Mr. Delacruz: Yeah. Anyway, 150 -- 150 feet radius, 18 short-term rental homes on Lanai, and that's maximum. When you -- when you look at the places where what you would call the most popular places for short-term rental homes, four or five.

Ms. Trevino: But that's addressing what we currently have right now, correct, the current homes? Not addressing, let's say, a few years down the line when there's more homes built, correct? Your information is based on that.

Mr. Delacruz: The number of lots will basically be the same.

Mr. Rabaino: Yeah, but Chelsea, when you look at this map, yeah, and if you think about it, okay, if a senior that worked plantation decides to sell their home, that's inviting a short-term rental.

Ms. Preza: We're also forgetting maybe that the County has a law that you have to own a property for five years before you can even apply for a short-term rental so to try to avoid speculators. So, I feel like that takes -- you know, someone will have to wait five years before they can apply even if a long term resident sells.

I agree with what Chelsea is saying because I do think we need to be thinking --. I mean, long-term in terms of, you know, there could be another -- you know more housing available, and so I think we should still have a density cap and a number cap. So, I've suggested 300 feet. You're saying keep it to 150. Jerry was saying 300 or 400 feet. What does everyone else think? Caron said 200, but she also said she defers it to us. Roxanne, what do you think?

Ms. Catiel: Okay, where I live there's three short-term rentals, and they're like less than 150 radius. That's too much. So I'm looking at I want to live --. You know, I'm going to retire in four more years. I want to live peaceful. I don't want to see any random people coming up and down my street, disturbing my peace, you know. This is my home. This is my community. You know these people, they don't belong in a residential area. I mean, I grew up here. They had hotels. We had friends. We have neighbors. If we have guests come over, we asked our friends, hey, you can -- you know, can we borrow your or loan your house, and they said, yeah. But then you, the thing is that, you know, some things that happens on Maui island doesn't pertain to Lanai. This is a whole new different island. This island is unique, so we need to keep it unique. So I'm looking at more like, I'm leaning more to like 500 feet radius. I mean, it's big. I mean, I planning to retire soon. I don't want neighbors, random people coming and going, disrupting, you know. So, so --

Mr. Hart: Chair?

Ms. Catiel: -- I'm looking at maybe 500 feet radius, but they cannot be --. The existing -- the existing short-term rental, they cannot be closer to 300 feet next to the other person. I mean, like, you have a 500 feet radius, but then 300 feet.

Ms. Preza: Wait, sorry. So it would be like only --

Ms. Catiel: Yeah, but no less than 300 feet from the existing bed and breakfast.

Ms. Preza: Yeah, I don't know. You know, I think Jordan needs to get back to us about what is possible with like existing applications.

Mr. Hart: Let me just clarify. So, so in the context of what you're saying, I think that you can just use the -- if you can live with the 300 separation, then just use the 300 because the 500 --. You don't need to use the 500 foot radius anymore because all applications and renewals would come to the planning commission under the proposed language. So, so then you're just -- it sounds like you're focusing on the separation issue so you know, that's --. You only need to do one circle. So that's kind of why I thought we were over complicating it by making circles within the circles because you no longer need to deal with 500 feet because every application comes here. So setting that aside, then how close can you tolerate them to exist? That's, that's the real question that should be asked right now.

And then another thing I want to just report back to you, you asked the numbers of existing permits. So the last published list for the Planning Department was 20 STRHs. I just got an e-mail from one of the planners saying that there was a movement to withdraw one of them. I don't know --. Anyway, not fully confirmed, I emailed back, which one was it, and I didn't get a reply back. So there's 20 potentially 19 STRHs, and there's zero bed and breakfasts. Zero, yeah. That's what the published list shows zero.

Ms. Preza: Okay. This is just a suggestion to maybe look into that.

Ms. Menze: Excuse me?

Ms. Preza: Wait, wait. Sorry.

Ms. Menze: Excuse me, Jordan?

Ms. Preza: Oh wait, can I just share real quick, and maybe this is the comment that you're going to make? I'm pretty sure we think there are more B&Bs operating. So maybe illegally. I thought they were legal, but I work at the Cultural Center, out of the Cultural Center, and there are people who come and say that they're staying at a B&B. So, I mean, I don't know if they're operating legally but --.

Ms. Menze: That might be actually a short-term rental because they have a sign up there.

Ms. Preza: No, they -- people come in and say we're staying a B&B, like, with someone who is there with them, I mean.

Ms. Menze: Jordan, I had a question for you. How many are on the existing list to -- our open application list for the short-term rentals? Do you know?

Mr. Hart: I believe that there's the report that we provide to you as part of the agenda every month.

Ms. Menze: Because I saw one on that, on this time -- well, two actually. One was working on his paperwork and the other one had not --. No, this is the old one. This is from December.

Ms. Preza: I think looking at the most current one that they provided to us there's one open application which is the applicant is Armen Majkus. And then there's another that is Russell Neilson but that's for review for completeness. So, two, but one is kind of like --. So sorry. Jordan, you know the number 20 that you gave us, do you know if Russell Neilson is included in that 20?

Mr. Hart: No, I don't.

Ms. Preza: You wouldn't. You're not sure.

Mr. Hart: The list are published by the Department online, though. And I'm reconfirming the list that was published by the Department on December 31<sup>st</sup> shows zero on Lanai. Zero legal issued permits on Lanai, for B&B.

Ms. Preza: Okay. Thank you. For B&B. Okay.

Mr. Hart: I can check. Russell Neilson on STRH, I can check that.

Ms. Preza: It says that he --. Well, I wasn't sure if that was in the 20, in the 20 that was included. But he's on the open application's list, but it says review for completeness.

Mr. Hart: Okay, that generally means that he's submitted an application, and we're verifying that all materials that's required is in.

Ms. Preza: Okay, so it would be 21 if approved. If his is reviewed and --

Mr. Hart: Well, I got the email. Anyway, I need to verify. Because I got an email, and what I wasn't clear was is it an existing permittee that is asking to withdraw their, their issued permit, or an applicant asking to withdraw an application.

Ms. Preza: Okay. Okay, no worries. So around 20, though. Okay, sorry. I do want to have a

break soon. Do you want to have a break now or do you want to decide on our density cap first prior to break? I feel like the number that's been kind of going around that it's fluctuated, right, but I feel like 300 feet is kind of where --. No, no, we don't have to make a motion, but -  
-.

Ms. Menze: 300 feet sounds --

Ms. Preza: Jerry said 300. What do you think, Chelsea? Chelsea's fine with 300. Well, Roxanne, I want to say thank you for sharing, you know, as like someone who has lived here your whole life, like, what it feels like. Because yeah, no, I mean, I feel like it really matters. So I think the sentiment that you shared is one that has been shared with me by people who live here pretty much across the board. I haven't heard anyone who was like, yes, more STRHs. Everyone is like we prefer not to have our kids growing up around, you know, like random people, tourists coming in and out. So, thank you. Caron?

Ms. Green: I'm totally fine with 300 feet, but then I come back to -- it was Butch who said the block thing, you know, one per block or something. It think it's really superfluous if you say 300 feet, because 300 feet is going to cover any block.

Ms. Trevino: What do you think about that Chelsea? Because 300 feet might cover like even some of the larger blocks.

Mr. Hart: Because 300 feet is actually 600 feet; 300 in each direction.

Ms. Preza: Right. Right. 600 in each direction.

Mr. Hart: Three in each direction.

Ms. Preza: What do you think Chelsea?

Mr. Rabaino: Chair, call for the vote for 300.

Ms. Preza: No, no. we don't have to vote on anything. We're trying to reach consensus. We don't need to do that that.

Mr. Rabaino: Oh, that's right.

Ms. Trevino: I think that the reason we have the distance, slash, one per block thing, is because we are recommending that everyone come to the Planning Commission for approval. And so we as the Planning Commission wanted a guideline. Because even though we're saying this 300 we could still approval, correct? Am I wrong?

Mr. Hart: No.

Ms. Trevino: Okay.

Mr. Hart: We wouldn't accept their application.

Ms. Trevino: Oh.

Mr. Hart: Let's say you approved this, this 300 foot radius, and they were within the 300, we wouldn't accept their application because they don't, they don't qualify to apply.

Mr. Rabaino: Okay, Chelsea make the proposal.

Ms. Trevino: No, no.

Mr. Hart: You can just leave the one per block if you're concerned about it. I would wager that there is no 600 foot blocks here. But you know if it's a concern, we can revisit it when we show you the final draft and if anybody feels strongly about, and it needs to come out, it can come out.

Ms. Preza: Thank you. So Commissioners, do we have consensus before we take a break that we are -- we are okay with it being written up as 300 feet, and no more than one STRH or B&B within 300 feet or on one block.

Mr. Rabaino: So move.

Ms. Preza: No, we're not moving anything, but consensus? Does anyone feel, they don't -- do you not want that? You don't like the 300 feet?

Mr. Delacruz: . . . (Inaudible) . . .

Ms. Preza: Okay. Well, so --

Mr. Hart: No. I, I suggested you guys to try to --. You know, just --. No, it doesn't have to be consensus. The reason why I was suggesting you try to establish consensus is because what I would hope that, that the way the agenda is written the next time, that it gives the body the option to either, if you feel like you want to see another draft after the next meeting, we can do that. But, if you feel confident that everything is resolved you can just send it to Council with us making the drafts that we agreed to in the next meeting. So...you don't -- it's not mandatory that you get in consensus, but it's a good idea if you're trying to close in on finishing this project.

Ms. Preza: What I think is that we ask Jordan -- and I understand we do want to keep doing the back and forth, but I suggest that we write it as 300 feet, and no more than one block. Sorry, John, I know you don't agree. But also Shirley and Mili aren't here, and when this does, this draft does come back to us there will be --. It sounds like that there will be a public hearing

and so people can testify on that number. And I know we would like to all be on the same page about it right now, but I feel like, you know --. Let's see, six of seven right now are on board. So, I feel like just for the sake of getting through more of our edits, we should just leave it at 300 feet and move on, if that's okay. Sorry, do you want to talk into the mic?

Mr. Delacruz: Well, you all can move on with 300 feet, that's fine with me, if that's what you want to do. But 300 feet, there's not going to be any applications come to the County...that's going qualify.

Ms. Preza: Okay. Great. Okay. Well, Jordan, I think for the sake of writing it up and getting through the edits, I think we all deserve a break. I think a quick five minutes because I would like to keep going please. Thank you.

***(The Lanai Planning Commission recessed at 6:36 p.m., and reconvened at 6:44 p.m.)***

Ms. Preza: Six minutes or so. We're a few more than six minutes. Okay, so Commissioners, do you think that we are going to be able to get through all of our edits tonight? Yes? Okay, that's our goal because I know we don't want to keep pushing it back. So we are not --. Yeah, so push on because we have quite a bit to go through. So we're still on page four. We decided that we would change the wording to 300 foot radius. We're moving down to (P)(1) which is on the island of Lanai, one sign shall be placed on each street frontage of the parcel and the name of the manager shall be provided with the twenty-four hour phone number. Is everybody fine with that? Okay. Moving on. Great, that was great.

(R)(7), this is the cap discussion. So, you know, the number that he put in was 30. Given our discussion with the density cap, do you, Commissioners, feel like they have an idea if they would like a cap, if they would like a specific number, if they could be done so the cap covers this concern, or what are your thoughts?

Mr. Rabaino: I would move the ten to five.

Ms. Preza: Well, ten is what testifiers proposed right now that's on here. So Jordan, something that I'm -- that I think might, not sway my decision, but just shape my decision or my commentary on this is when you go and talk to Corp Counsel about what happens with current applicant holders. Because I feel like if there's any discussion of the cap or, anything with the density cap it affects current permit holders too. But say if we went with, you know, what testifiers have . . . (inaudible) . . . proposed which is not or ten, right. But if there are 20 current permits out then I think consulting with Corp Counsel to see, like, what that would look like. Should that shape how we decide or do you not think that that should shape about it?

Mr. Hart: Okay, so generally, generally in situations like this there would -- you would expect that attrition would happen. Basically like somebody doesn't renew, they sell their house, you know, someone passes away, and then the number would begin to dwindle down to whatever the cap is. What Molokai did was a pretty aggressive approach, and they basically set their

cap at zero, and then any that are existing term out and that's the end of it. So, you know, it just -- I would presume though that --. Well, you could go with -- you guys give the recommendation of whatever way you want to go suffice to say Corp Counsel and the Council was confident enough to set a cap at zero and say all of them term out, expire when they expire, and that's it.

Ms. Preza: I guess my question was so for Molokai that's seems like, okay, zero, and then everyone, it's just, it's done when their permit ends. But say we said -- say we didn't say zero. Say we set a cap at ten or something, then the Planning Department would then have to decide who or no?

Mr. Hart: No. And that's why I said attrition would take over at that point. Like as an example, there are existing properly permitted operations within your potential radius constraint. You know, the Department can't choose which one has to be canceled, so they just go to term out.

Ms. Preza: Right. I see. I see. Okay, Commissioners, what are your thoughts on this cap?

Ms. Green: I kind of have some feelings on this. I feel -- and I know Andrea is here and people who have made an investment and have gone through and they've been following all the rules and everything like that, I feel like they should be grandfathered in. I think there will be attrition on the along the way, as you say, with the sale of houses and things like that. But I personally feel it's a bit extreme when somebody has made the investment and then their times up and you won't renew their permit. So I guess I would maybe restrict it to -- I would grandfather in people that are there. But then for new additional ones under our -- maybe, maybe limit the number of new ones that could come in, and it's not going to be many given our new rules. So -- and I also, you said earlier something about bed and breakfast and short-term rentals, just make it one number.

Mr. Hart: No, what I was basically saying is that the radius limitation should apply to both. I mean, that was the intent of what was being discussed. No, but, I mean, we're going to go through the same exercise with the B&B ordinance, so you can set a cap there too and you can think about the number on one hand and the other hand so you can arrive at the total that you would prefer and, you know, do it that way.

Ms. Green: Yeah, but obviously we don't have many bed and breakfast so --

Ms. Preza: Sherry.

Ms. Menze: It's really hard for these 20 people that have invested all of their money into the bed and breakfast or the short-term rentals. I mean, I came into this Planning Commission thinking what is it about, you know, I've only been here a little over a year, and I thought, well what's the big deal? I've been so educated in going to the Planning Conference in Maui. They had a -- again, I'll bring that up -- one of their key note speakers or their little meetings was about the short-term rental, and how it's kind of becoming the siege of the world because it's

happening everywhere, taking over communities. But at the same time, I see -- I like the 300 foot limit here. It will in itself limit what's going to be happening. But I also do think we should have a cap. But I think the cap shouldn't be down to ten. I think it should include the people that are existing, the two on the list, and then leave it at that. And maybe, hopefully, we'll never be able to have to another application because that 300 foot limit density would really prevent any future applications, I would think...maybe.

Mr. Delacruz: Well, Sherry, if -- if what Caron was saying, if you, if you grandfather the people who are already there, the 19, then you can set any limit that you want, and it wouldn't affect them. They would not be kicked out.

Ms. Preza: Wait, so what you're saying -- with that suggestion you're saying whatever is current plus the cap that we set? No, they would be included?

Ms. Menze: I get what you mean. And now I see that they will be grandfathered in. They wouldn't lose their permit when they come up for renewal to go back down to the cap. Because we did that at the harbor too. There are commercial permits that are issued. There -- the rules says seven, there's always been nine. And that's been going on for 20 years because no one has ever given one up. So like you said, the grandfather in, and then if one was to give it up, then the number would decrease of course. I see your point. Thank you very much again.

Ms. Green: Following in on that, if we made the total say 25 or 22 or 20 whatever it is, 20, then as you wouldn't have any new permits come up unless somebody didn't renew, sold their place, or whatever. And then, you could only get somebody new if they fit into the criteria which would be pretty difficult.

Ms. Preza: Sorry, I just want to think about this also in terms of say -- I know it's difficult because there are -- there are 20 people who currently have STRH permits. And I know everyone -- we would like to be considered of them of their time. The hard thing that I have with, like, you know, they've made the investment, therefore they're entitled to their permit. I feel like that's sometimes is in conflict with what we envision for our ideal community. And so I think, you know, I'm wondering, you know, say there were no STRHs on Lanai right now. That's just -- I know that's not the case. But if that was the case, then what would the ideal number be? Because I feel like right now everyone is kind of like saying like 20, or like the number that we currently are because there are that many. But if you're looking at, like, what you would like our community to be like, what cap would you set? Would you still say 20 or would you say ten like some of the testifiers have said?

Ms. Menze: You know, if we hadn't been -- if we didn't have any and we didn't -- wasn't aware of the impact of the short-term rentals, we probably wouldn't think about a cap because we hadn't been impacted. When I first came on, I hadn't been impacted by the short-term rentals. But now as I see over a year the people that are impacted, I see the process, and that's the thing about hindsight. You know, hindsight you could say, yeah, we should have never started everything. But how would you know back then when you look forward? Well, yes, and then

we know the world -- in a perfect world, but we know the world is not perfect. That's why we have rules.

Ms. Trevino: Alright. Question and statement. So my issue --. Okay, first I'm looking at growth, right. So if there's growth on Lanai, and there are more housing opportunities, and right now with what we have, you know, at 20, I feel like 30 as a cap is actually a good number because if, if there's growth that's that. I do not agree, though, with the grandfather thing. Because, for instance, in Roxanne's case, she wouldn't want two or three short-term rentals grandfathered for forever, right? Her point is she already has too many there. So if -- so my question after making that statement is if there's a short-term rental cap of whatever number, and we don't do the grandfather thing, is it -- am I correct in believing that when a renewal comes up, if the cap has already been met, they will not be able to renew? That's my question.

Mr. Hart: Yeah, that's a complicated -- that's -- I don't know the answer to that. That would be your Counsel, something your Counsel would reply to. Like --. And I'll try and explain it this way. I think the reason it was more straightforward on Molokai is because it's equal for everybody. Zero, everybody gets hit the same way. And this is why I was also saying I don't see how the Department could decide who correctly got their permits within the buffer area. How is it decided who's the last person standing with the permit in the area. So I don't -- I don't know how to address that equitably. Either everybody gets cut off or, or everybody can continue until they wind down and then they can't renew or someone else can't get a new permit in that region. But, maybe your Counsel can come up with a different alternative or advise you on the, the risks of that. I just -- I don't know from my personal experience as a planner how to address that.

Ms. Trevino: Because I think part of our understanding needs to be that, I think what was John was trying to explain earlier is with this radius, the density radius, based on Lanai currently. Even let's just say for example we played with the 30 cap, our radius rule would make it so you wouldn't even reach 30, right? Based on the radius that we're talking about and right now current amount of houses that are on Lanai. Right? Isn't that what you were saying John? So I'm just --

Mr. Delacruz: Even when they build a new subdivision down there and down there, the five year rule applies.

Ms. Trevino: I think I'm throwing that out there for discussion because we're talking about why are creating a cap. And then what are all of these other --? To be honest, Sherry was expressing to me that the reason we want a cap is cause then there's a number. So if people can come back and say, well, this, that and that. But what I'm saying is with all of these regulations that we're putting in, I honestly don't feel like we need a cap number because the regulations are naturally creating the cap already. So is it necessary to even put a number. Or are we putting a number out there to help our community feel better about what's going on?

Ms. Menze: Yes, I think that we're putting a number out there as a two-fold, two-prong rule so that a lawyer can't fight one rule, they're going to have to fight two rules.

Ms. Preza: I think the --

Ms. Menze: It just cements just a little bit more of what we really want by having the cap. And we are appeasing the community by making cap because I think it's a great idea. I never thought that in the beginning, you know. But through education, through this committee, and through going to the conference, I would like to have a number there. Maybe it's 25 or 30, but I don't think that people who have already gone into business should be penalized because the law is just catching up.

Mr. Delacruz: The cap is a good idea. Keep in mind that the County is going through a comprehensive review of Title 19, okay. The 300 foot thing is one way of looking at short-term with STRH limits. The numerical cap is another way of doing it. And we should do both because if you change on part, it doesn't necessarily affect the other part unless you change the other part too. So it's like the back up.

Ms. Preza: I think what I'm --. I get what you're saying. I think what I'm --. I wish our legal counsel was here because I feel like she does a good job of sharing with us. I think my confusion is say we put a number, but then I would like more clarity on what happens after with the current --. Because we didn't really deal with --. Are you okay? Sorry. Good thing the cap is on. Sorry. But kind of, you know --. Okay, we've been here too long. But, with, you know, Roxanne's house being surrounded by current short-term rental homes, but I just, I'm a little confused. Yeah.

Mr. Delacruz: Remember that there is a renewal process, okay. There are conditions to be met. And there's also a...there's standards that a short-term STRH has to meet to remain a short-term, an STRH. If...a neighbor of the short-term STRH were to file a complaint, that would affect whether or not that house could be renewed on the permit, okay. They don't have to wait for the three years or the five years to expire. If they meet a standard of reporting and numerical standards on the complaints, that permit could be terminated. Right Jordan?

Mr. Hart: Yeah, sure, if they're violating the terms of their permit. Sure.

Ms. Preza: Thank you. Sorry, I also wanted to keep in mind because I do want to --. I know this is so complicated. Something else that I want to keep in mind are we're looking at a cap for STRHs, and then we're also going to be looking at caps for B&Bs. and so, you know, not just setting a higher number for STRHs because we'd be okay with that number because it could be like, say we, say we did 20 STRHs, then how many B&Bs do we want, right? Because they both have similar affects in terms of like --. Two B&Bs. Yeah, I don't know.

Mr. Delacruz: Actually, I would, I would encourage higher number of B&Bs because B&B's

you got to serve breakfast. And to serve breakfast, you got to have somebody there. That means somebody has to check up on those people.

Ms. Preza: Sorry, this is what I mentioned at the very beginning of our meeting with Richelle, which she, her comments because she said, through discussions, you know, sitting through all of our discussions, she said, I think you guys are kind of -- it seems like you guys are more in favor of B&Bs because you have the person living there, they are in the community, and like, they have to be there. Whereas, like STRHs, you know, they don't, the person that holds the permit does not have to be a part of the community at all, right. But that's just something to keep in mind, right? Like if -- like you say maybe a higher number of B&Bs, but does that mean we decrease the STRHs, or do you want to have like 20 and 20 or you know? Just to keep in mind that we're getting to the B&Bs also. So like when we're thinking about a cap for STRHs we should be considering that too. Sorry, Jordan, do you have a comment? No?

Mr. Rabaino: Chair?

Ms. Preza: Sorry, wait Jerry. Jordan can say his comments.

Mr. Hart: I was just going to clarify that B&B, they must be on the -- reside on the property. And STRH, they could reside next door, but they don't have to reside on the property. They could be next door, they could be in Arizona or Australia, but they don't have to be on the property.

Ms. Preza: So that's why Richelle made the comment of, you know, it seems like when we're talking about community investment and stuff like that, it's kind of like, oh, you guys seems more like leaning towards B&Bs and STRHs.

Ms. Green: I have a thought. How about --

Mr. Rabaino: Gee, just cut me off, yeah.

Ms. Preza: Sorry.

Ms. Green: -- going, going back to page four, on number six, where we said on the island of Lanai, no more than one short-term rental property shall be permitted within a 300 foot radius. Why don't we say, on the island of Lanai, no more than one short-term rental or bed and breakfast shall be permitted --

Ms. Preza: Oh, that's what -- we already agreed on that, I thought.

Ms. Green: No. We had put that in here?

Ms. Preza: Uh-huh.

Ms. Green: Okay.

Ms. Preza: Yes. Sorry, Jerry. Your turn.

Mr. Hart: It will go in both.

Ms. Green: It will go in both. Okay. Somehow I missed that.

Mr. Rabaino: You guys got to think now this subdivision is coming up, affordable housing from the County side is coming up. Okay, a lot of us not going to be sitting here pretty soon. You got to think of that. We going make a guide here by setting the caps. Whatever commissioners come after us, they got to deal with the changes if they want to change what we created.

Ms. Preza: I think the other --. Sorry, so some of us were there at the special meeting, but when they went over the Title 19 rewrite, one of their goals was also make it more flexible in terms of --. I don't know if that meant in terms of changes or what, but yeah, I agree with Jerry that we should set a cap. You're welcome. Sure.

Ms. Tevino: I'm sorry I forgot, but John, how many non-company homes did you say there were about on Lanai? Is it 900?

Ms. Green: There are 929.

Ms. Trevino: Okay. Let's just say that we're looking at 30 as a cap, what percentage of 900 is 30? I came out to 0.03.

Ms. Green: No, three percent.

Ms. Trevino: Three percent. So what I'm suggesting is we go with -- we either go with 30 or we go with 20. Because I don't feel that, that's high and we're talking about expansion so we have to look at -- we're not just talking five years. We're looking at ten, 15, and then the Title 19 rewrite.

Ms. Green: Chelsea, I'd probably go with 30 because the rules say when you get 90 percent of the total, it has to go to the County. So, I mean, if we did 20, we'd be there already so it would be revised. Right, I know. To be, to be -- it has to come back to see if we're going to increase the number of permitted short-term rentals. But, there was just one other thing. I agree with you on 30, and the reason I'm going to say that is back to some of the earlier discussion today where we have to realize that short-term rentals do fulfil a purpose in our community. We do have these traveling nurses, we have the traveling doctors, we have, you know, people who come back for reunions and things like that. So we've had a number of testimonies over all these sessions where people have talked about the need for some short-term rentals. So, I guess I'm okay with 30.

Ms. Preza: I personally prefer closer to 20. Sorry, I'm not trying to argue. I prefer closer to 20. Because I agree with what people have said about, you know, there is a certain needs for some transient housing. But I feel like for, you know, local residents or people up who grew up here and coming back, or like traveling nurses and stuff, I'm wondering how -- what percentage --. I mean, I know there's the data, but no one has those, but what percentage of that is actually being used more with STRs or if it's just like tourists are coming for a couple of days. Yeah, so I mean, I would prefer closer to 20 because I feel like if we want to make a cap for --. Because, because I feel like I would be --. Because I think we still have to make a cap for B&B. And so I'm thinking, like, okay 30 for STRH, and then plus whatever we decide for B&B that's kind of -- that ends up adding up more. So I was thinking, 20, you know, at least, you know, min, 20 for STRH and then whatever we decide for B&B, and then it would still be a relatively low percentage in terms, you know, of housing here. Are you okay? Oh, gosh, go ahead.

Ms. Menze: Okay. We've been talking about this for a long time and I have the minutes from September 2016 where Butch Gima goes on and on about having the number be 30. 30. He writes, how many agree, he writes, for the cap to be 30? Raise your hands. Okay, opposed? And so the majority -- okay, majority. These are his words from the 2016. So I'm thinking either 30. I know Butch has changed his mind now because we've had so much impacts since then. Again, the same point of being forethought, not thinking, looking behind. And so I think we should either do 30 or 25. But 20, I think is unfair to the people that are the list who have already put money into it. And, I think like Chelsea said, we're thinking not today and trying to stop people from doing stuff, we're thinking ten years in the future on how we want to have our community be.

And the new housing that goes in, if it's affordable housing, they'll have a ten year buy back. You can't sell it for ten years. And I -- they'll probably have some kind of regulation about short-term rental also. So those houses that are going to be coming up new won't even be in this equation because they'll already have rules for that. Unless people are moving out of these home to move into those. But most of them are going to be for affordable first home buyers. So the kids will be moving out of their parents' homes, into their own homes. And that the new subdivision will barely, you know, tap what we really need. But to make it less than 30 and less than what we've talked about for the last three years -- I've only been here a year -- but it seems that 30 would be kind of a fair.

Mr. Rabaino: Going back to Chelsea's 900 that is going to decrease at least by 300, okay. Because the company is moving forward with a lot of stuffs that you guys not aware that I am aware of. Okay, so take away the 900 because once those County housing, affordable housing, and that housing going in, the other housing going come behind the picture. So put a cap together.

Ms. Preza: Okay, so 25? 25 cap?

Mr. Delacruz: Actually 30 sounds good. And let me, let me talk about the 30. We are tying the density thing in for both STRH and B&B, okay. By giving 30 you'll appear to be generous. But we not going get any applications because of the 300 radius.

Ms. Preza: Are you willing to, you know, just be --? I don't know if that's like --. I think that if you would like less, we should do less. I don't think we should be like, oh, we're going to appear generous like --. I still think 25, but I don't know. Roxanne, what do you think?

Mr. Rabaino: Go 20.

Ms. Catiel: I was thinking more like ten.

Ms. Preza: So I suggest 25 because we've heard a spectrum on ten, 20, 30, and maybe 25 is a good medium.

Ms. Catiel: So we'll just comprise and make it 25.

Ms. Preza; 25. Because also with the consideration that we're also going to have to figure out something for B&Bs also. Okay, we would prefer it to be written 25, Jordan, if that's possible. I feel like that's the general consensus. If we can get it moving on.

Mr. Rabaino: I go 25.

Ms. Preza: Okay, thank you Jerry. Okay, sorry, I know it's getting late so let's try to keep on moving. We're moving on to page seven which is --. Is that okay? Okay thank you. So we're moving on to page seven which has the proposed addition, for Lanai, notifications shall also be directed to current residents of the street addresses of adjacent properties and across the street. Yes?

Ms. Green: You know, when you say 25, you're bumped up against the 90 percent. If two more get approved, then we have 22 --

Ms. Preza: Because I feel like --

Ms. Green: -- then we're up to the 90 percent.

Ms. Preza: Okay, so what I don't understand is -- and we can be advised by our legal counsel when she returns, but I feel like we're already discussing it, you know, so I feel like --. I understand what you're saying about the 90 percent and it will have to go back to the Planning Commission for review, but we're already reviewing it, so I don't know if that really changes anything.

Mr. Hart: I do think that Council will treat this as a review. I mean, the example would be Molokai just proposed zero and the Council approved it so, you know, very similar in the context of their cap of zero.

Ms. Preza: Thank you. Okay, so we're on page seven for like the proposed additions, and so notification shall also be directed to current resident of the street addresses of adjacent properties and across the street. And I know that this -- or not say that I know -- but I'm guessing that this is added in because there was so much confusion about, like, residents who might be leasing from property owners and then not receiving notification. Is that correct?

Mr. Hart: It is and it's probably compounded by the lack of on property mailboxes. So how -- I don't -- I don't know that I have a satisfactory method of addressing that yet.

Ms. Preza: Thank you. Yeah, that was one of my concerns that I wrote down was I just remember when we were reviewing a permit and so many people didn't know. And then they're concerned. I think Chelsea brought it up the very valid concern that, you know, say Pulama Lanai owns a lot of properties and then, you know, certified mail is going out to like the property owners, but then the actual residents who live there, who will be affected are not getting that information. And so, I'm not sure how to solve that either. Sherry.

Ms. Menze: I thought we talked about that and we had decided that they could send it UPS, yeah, UPS because UPS delivers and so does FedEx to actual street addresses.

Ms. Preza: I don't know if we -- we discussed it, but we didn't say, like, you know, if it should be put into the, the verbiage. We did discuss it, but we didn't -- nothing was, you know, decided that it would go in.

Ms. Menze: Maybe we could write something --

Mr. Hart: That could, that could be a resolution.

Ms. Preza: Could that be? Okay.

Mr. Hart: Let me just look at this for a second.

Ms. Green: Jordan, can I ask you a question while you're looking at that? Because when I was going through this again, it says on (B) all applicants shall send, by certified mail, notice of the application for a short-term rental home permit to owners and lessees of record. Now shouldn't that mean that it goes, they should -- if somebody is leasing a place, they should get?

Mr. Hart: So of record, generally with long term leases, if you look on real property tax, it will show, it will show the land owner and like a long term leaser. But sometimes it only shows the long term leaser. And so generally that's, that's a pretty standard way for County land use

applications to, to do formal notice because you get return receipt and you can verify that you attempted and all these things. It's a real verifiable way of giving notice. But if you have somebody that doesn't have such a long term lease that it's recorded with real property tax, then they don't even show up on records.

Ms. Green: What is a long term lease? A year or more, or more than that?

Mr. Hart: No, it's much, much longer.

Ms. Green: Much longer.

Ms. Preza: So we could add potential wording in here that would --? I'm so sorry Sherry, you said we discussed having like UPS or FedEx potentially fit delivering to physical addresses? Is that what --? Okay, well maybe something like that could be added.

Mr. Hart: So a generic name for a direct delivery parcel service or something like that.

Ms. Preza: So, do we want that to be for the entire 500 foot radius or just --?

Mr. Hart: That I, I think that wouldn't be --. That would be extremely costly for an applicant to try make an application.

Ms. Preza: Right. So just the adjacent?

Mr. Hart: I think that --. That's what --. And my recollection was that those were the people that are most directly affected who might not have any way of knowing otherwise.

Ms. Preza: I see. Okay.

Mr. Hart: But you guys --. I mean --

Ms. Preza: Yeah, adjacent and across the street.

Ms. Green: The only problem I have with all this is isn't there a sign up on the property? I mean, if you live next door, do you not see the sign?

Mr. Hart: I will say that the County has a long running method of noticing public meetings and things like that that's been satisfactory to date. And you know, it's generally expected that the involved people, you know, monitor those things and monitor the newspaper and things like that, and communicate or see a sign next to their house. But anyway, I feel like it's sufficient if you -- you add these provisions because of your unique situation of not having, you know, mailboxes on property generally. But, if you want to go further than that, then you know, make the proposal.

Ms. Preza: I think having home delivery for, like, the adjacent property is definitely --. I know it's so difficult on Lanai, but I feel like, yes, there's a sign up and stuff but sometimes when things get published even about meetings in, like, The Maui News or something, it doesn't really circulate on Lanai. Is there a way to --? I don't know if this is something that we need to write in but, like, is there a way to write in to like the newspaper, like, the local Lanai newspaper about like these houses are up for application or something because I feel like some people read that. I don't know if that's even --

Mr. Hart: Yeah, that's --. Posting in the newspaper is a requirement for other permits.

Ms. Green: There are several stages here. First of all is when they make the application. Then they have to give another notice when there's going to be the hearing. So I would think maybe it's not necessary when they're making the application because there's like 45-days or something like that before there's going to be a hearing. So, the sign's up. But maybe they won't know exactly when they have to come to the meeting to hear about the approval.

Mr. Rabaino: Chair? What's his name again? Jordan, that 45-days, can we change the 45-days of notification or is that standard with you guys?

Ms. Preza: I think it's standard.

Mr. Hart: It's pretty standard. But what did you -- what were you thinking?

Mr. Rabaino: Take away the 45-days and lower it to 25-days or within the month.

Ms. Preza: I don't agree. I think 45 is a reasonable to, like, get all of their ducks in the row for mailing out notices. Sorry, Caron, you were saying that there's two times they have to notify. So what was your suggestion? That they don't have to do the home delivery for the first? I think they should do home delivery for both if it's just going to be the adjacent properties. So, like, maybe max four or five, you know.

Ms. Trevino: So that's what this is saying, right, like, the, the person who is applying for the short-term rental will send out notifications via certified mail. But for those who live directly adjacent to the home owner or the person who is applying for the short-term rental will use a form of delivery that goes directly to the house, correct? Is that what this is saying?

Mr. Hart: Yes.

Ms. Trevino: Because I think that's -- that's what we want to make sure, right? We're not talking --. Because I think I want to make clear for everyone, we're not talking about the 500 radius, everybody getting a home delivery item. We're just strictly talking about next door, left, right, back, front, across the street, right -- if the front is across the street -- that they'll use some form of delivery for those specific houses that is not -- that does home delivery, right?

Ms. Preza: So we're all in agreement that it's fine to --? Yes Jordan.

Mr. Hart: So a point of clarification that that is going to be at the notice of application and at the notice of public hearing.

Ms. Preza: Yes, I believe so.

Mr. Hart: Got it. Okay.

Ms. Green: That's what I'm talking about. It's (D), (D)(4)(a) need to also be amended.

Ms. Preza: Oh, (4)(a) should also -- that's what she's saying.

Mr. Hart: Right. Got it. Got it.

Ms. Preza: Okay. And I think we're in agreement? I don't hear any --. Yeah, everyone thinks that's a good idea. Thank you. Okay, so if we could move on to page eight which is --. And sorry, Caron, thank you for catching that, the other one. So moving on to page eight. This is (A)(g) which is adding in the short-term rental home is proposed on the island of Lanai. I'm sorry, there's a typo there. Maybe fix that. But basically this means that if you go back to --. So it's (A)(2) --. Sorry, it's (A)(2)(g) which says that the applicable planning commission shall approve or deny the permit pursuant to the requirement of this chapter when any of the following occur. So this is just saying that basically if the short-term rental home is proposed on the island of Lanai, it comes, the application comes before the planning commission. I believe that's all that it's saying it guarantees that the planning commission reviews. Is that -- right Jordan?

Mr. Hart: Yeah, that's correct. Can you clarify the typo to fix?

Ms. Preza: It says, proposed doesn't have an E in between S and D.

Mr. Hart: Thank you.

Ms. Preza: You're welcome. So are we all okay with that? Okay. And then there's the lower -- so on (C) on the same page, upon expiration --. Sorry, (C), short-term rental homes operating under existing conditional permits that meet the criteria. Moving on, sorry. Upon expiration, such permits may be extended for periods of up to five years on Maui -- so that's removing Lanai -- and up to one year on the island of Lanai and Molokai, or may continue to operate under, under one. Okay, sorry, why did we remove it, Lanai? I see, one year. Okay. Underline under Lanai that it's changing. Okay. Great, I think everyone is okay with that. Move on to page nine. Yes?

Ms. Green: This is a little bugga-boo of mines. So go back to page seven, on number (C). Alright, it just says no more than ten days prior to the mailing of notice of application, a four-

foot square -- a four-square foot project notice sign shall be posted at the front of the property along the main access road. Somewhere else in here they said something about that. There have been a number of these that are on a corner lot, and I would like to have the sign be put on both streets because otherwise, you know -- well, I just think it needs to be on both streets.

Ms. Preza: So Jordan, would that be possible to add in about the -- I know we talked about that earlier having it on -- fronting --. It is. We just went over it. Sorry. Let's see, oh yeah, on page four it says on the island of Lanai -- so this is saying that it's identifying it but Caron suggesting in the for even just the application, you know, like saying the application is in process, one sign shall be placed on each street frontage. Jordan, would that be possible to add in in that section?

Ms. Green: That is (P) on number -- on page four, (P).

Ms. Preza: But then adding that same kind of wording for, for on page seven, (C), with the four foot -- four square foot sign notice, a notice sign, making sure that it's, like, in each street frontage. Would that be possible Jordan?

Mr. Hart: Yeah.

Ms. Preza: Okay. Thank you. So we can move on to page nine, which is adding in a sentence basically -- so, the Lanai Planning Commission shall review all permit renewal applications on the island of Lanai, and may grant approval for up to five years. So this is just saying that every permit renewal comes before us as well. So it gives another forum increase anyone who lives in the area, you know, wants to testify or and us to review if we think that you're in compliance with their permit, I believe. Anyone have issues with that sentence? Good? Okay, so next --

Ms. Green: I wonder, wonder how, how are we going to handle then -- this is where the grandfathering comes in -- how are we going to handle properties that have already been permitted that are coming up for renewal and they no longer meet our criteria?

Ms. Preza: I think we need to consult our Corporate Counsel on that. And so I can try to call her now or we could try to leave language as it is, and then discuss with her the next time this comes before us.

Ms. Green: Yeah, any extra wordage she can suggest there.

Ms. Preza: So moving on.

Ms. Green: That's assuming that you guys are in favor of letting somebody renew their permit.

Ms. Preza: Right. I feel like -- and Jordan, you can correct me if I'm wrong -- but this is added

just because we requested that we review of applications for renewal so not specifically, you know --. I understand what Caron is saying but that's correct, right?

Mr. Hart: Yeah, you wanted to renew all, all permits, right?

Ms. Preza: Right, review.

Mr. Hart: New and renewals.

Ms. Preza: Right. Okay, thank you. Well, so we will --. But you have a valid point, Caron, so I think we definitely need to consult our Corporate Counsel on how that works.

Ms. Menze: But, you know, what we will have to do, though, when the renewal comes up, we have to stick with the law, and see that they qualify within the law. We can't just decide that we don't like them and take it away.

Ms. Preza: That's why we're going . . . (inaudible) . . .

Ms. Menze: Even though the criteria is the law.

Ms. Preza: Sorry. Also, there's a slight typo in that sentence which is commission is missing an l. So down to the bottom of the page, nonrenewal -. Oh, I'm sorry.

Ms. Green: Don't go quite that far.

Ms. Preza: Okay.

Ms. Green: On (D), again, you have mailing out notice to contact. And this is to owners and lessees abutting the properties. Do you want to have that same language there for renewal that you have for actual permits?

Ms. Preza: For adjacent properties being home delivered, would that be possible Jordan to add in to (D)? Yeah? Okay, thank you. So moving on to (F)(1), the director or on the island of Lanai, the Planning Commission may decline to renew the permit if any of the following are found. So it's just saying that, you know, yes, it will be here and we decide. Everyone okay with that? Okay, so the next one is rather long so I'm not going to read the whole thing. But it's (F)(j), right, so this is on the basis that people would not be able to renew. Basically saying that if the holder does not make it available for rent or even occupied for greater than 51 percent of the total calendar year. I understand, you know, some people have testified on this. I think that with all the other -- personally I feel like with all the other regulations we're putting on regulating how, how often, you know, the home is occupied, maybe we should just remove this. But I don't know how everyone --.

Ms. Menze: I agree. I think we should strike all of that out of there because that is quite a bit

to ask somebody besides jumping through every hoop that we have here and then you have to be renting it 50 percent of a calendar year.

Ms. Preza: I, I think the sentiment though with Jordan putting that in -- and correct me if I'm wrong -- was that because we were concerned that short-term rentals currently are being used for long-term rentals. So maybe that's what you were trying to do.

Mr. Hart: Those were the comments. It was construction workers directly is, is what I believe the comments were coming from that, that prompted that proposed revision.

Ms. Preza: Thank you. But if Commission are okay, we'll just eliminate that? Yeah, okay. Great because it -- there was some typos so I didn't want to go through them. Great. So, anything else on page ten, or can we move on? We're doing great guys.

So on page 11, the change is instead of "may," saying "shall" result in enforcement pursuant --. But that's just --. That's not related --. I mean, it's related to everyone, right Jordan?

Mr. Hart: Yes. Can you clarify which one, which specifically you're talking about?

Ms. Preza: (D). Sorry, it's just the removal of "may" and replacing to "shall," but it's not specific to Lanai. It's just saying that --

Mr. Hart: Yeah, and I don't --. Yeah, I don't know that that's going to be okay to do without doing it more broadly.

Ms. Preza: Okay.

Mr. Hart: Yeah.

Ms. Preza: Thank you. If there's nothing else on 11 or 12, we should go back to what we said we were going to revisit on this one, which was the page two, (E)(6) which is on the island of Lanai, managers shall not manage more than ten short-term rental homes. So if we are proposing that the cap is 25, do you folks now feel with the density cap and everything --I mean, the density cap doesn't really matter -- do you folks -- would you prefer that the manager still only manages up to ten? Which means there would need to be three -- if say, we reached 25, there would need to be three licensed real estate agents here to be able to operate legally or would you prefer to remove this? No one has strong feelings? Remove it? I think we're okay with removing it even if one real estate agent managed --. I mean, 25 is not a huge number and that's if they're occupied all the time. Yeah, I guess that's true. So, yeah, if you wouldn't mind removing that.

The other thing we said we were going to revisit was on page three, (G)(4) which is basically saying that the applicant needs to be a resident. But I feel like given from our conversations, you know, all the rules that we're putting in place, perhaps it sounds like something that we

wouldn't mind eliminating. Is that correct? Yes? Okay. Great, I think --. Sorry, Caron, correct me if I'm wrong, but that was the only two that we said we were going to revisit, correct? Great.

Well, do -- commissioners, do you have any other comments on short-term rental home potential edits? Again, this will come back to us for final review, but we would like to get, you know, any major edits out of the way so we don't have to keep going back and forth so thank you for bearing with us. But, I think we're good. Very proud of us for making it through. Thank you bearing with us. We have not done the B&B. I think we should take a look because it's very similar to STRH, though, at least some of the big decisions hopefully are, you know, we've talked through them.

But, so we're moving on to B&B the code 19, or Title 19. So on the first page, the same potential edit which is "integrity and," you know, adding that in. I don't think anyone has a problem with that. On the first page, purpose and intent. And then similar -- or so on the bottom, the number of bedrooms used for bed and breakfast shall be no greater than six. I don't have --. I mean, six on the --. Oh, six on the island of Lanai. Bedrooms used for short-term in the bed and breakfast shall be no great than six on the island of Lanai. Is that we said for the short-term rental? Three. This one is saying for bed and breakfast it's --. Are we okay with that or would --? Because we moved it to three in the other one, but I know bed and breakfast are different so.

Ms. Menze: Well, if you live in house and --

Mr. Hart: Chair, a point of clarification. I believe that all I did was add the island of Lanai. Like I got it --. I'll just explain. I got into this loop of trying to make them both --. If you look at the, the semantics of the two ordinances they're different, and I started to try and match them up and then I gave up on it. So I was, like, trying to make them both say the island of Lanai, you know, try to make them both have the correct diacritical marks, but I was spending too much time to fine tune that and I just dropped it. So that, that is actually not changing anything. It's just adding on the, the on the --. Wait, sorry, it's adding the island of. So on Lanai was already there.

Ms. Preza: Okay. So is that something anyone feel strongly about? Sorry, on --.

Mr. Hart: So what I wanted to say, and we had talked about this previously, before you see the next version that will be reviewed by Corp Counsel completely, everything that can be changed to make them similar, like, diacritical marks, or the island, and things like that will be the same on both.

Ms. Preza: Okay. Sorry, on diacritical, I know I brought this up a lot, but I feel very strongly about it because I know Corp Counsel advises that, you know, if there's -- we can't put a kahako because in all the other documents there's not a kahako but I feel like, for me, it's like, why are we going to keep doing it wrong. I know legally there's issues, but it really changes

the meaning of the word, and so when I'm writing things I either use all the diacritical or none because I feel like when you only put one it's doing a disservice to what the island is supposed to be. So I would say, if everyone is okay with this, just if we can't put in the kahako to make it consistent, then just drop the okina across all of it, so that it's not worth doing half of the Hawaiian when that doesn't make sense to me. Is that okay?

Mr. Hart: Yeah, that's fine. And like I said I was trying to fix it in the drafts, and I ran out of time to produce it for you before the last one. So I'll relay to Counsel that you would like it to be proper punctuation on both and that would be what I relay that you would like see.

Ms. Preza: Yeah. I would prefer if we could do the proper name, period. But if that's not possible for legal reasons then don't have the okina at all.

Mr. Hart: Got it.

Ms. Preza: Okay. Thank you. So move on.

Ms. Green: Can I just ask a question? I was shocked when I was reading that you can have two adults and two minors in a bedroom. That's what it says here; guests shall be limited up to two adult guests and up to two minor guests per bedroom.

Ms. Preza: Wow.

Mr. Hart: I've got three kids and that's the limit at the hotels as well. They try to tell you need a whole other room if you've got three kids, but any way.

Ms. Preza: Yeah. I think we should --. Is it okay if we move on to other comments? Yeah. Sorry, so on --. Sorry, I'm just trying to get us out of here at a reasonable time. On (O) I believe you just added within --

Mr. Hart: Yeah, just --

Ms. Preza: Add on the island of Lanai.

Mr. Hart: Yes, that's correct.

Ms. Preza: On the island of Lanai. So -- okay, and then, on the island of Lanai a sign shall be placed on each street frontage. So that is --

Ms. Green: But wait, there's something inconsistent here. It says on the island of Lanai and Molokai, the sign shall be attached to an existing structure. And then you have on the island of Lanai, a sign shall be placed on each street frontage. You would have to have a, you know -- why does it have to be on the structure?

Mr. Hart: So that's a part of the existing ordinance. I don't know what the original thought process that talked about the existing structure. But what added was that the sign shall be placed on each street frontage meaning, you know, I'm presuming it could go on a structure. And if there was no structure, then they would have to add a post and put the sign.

Ms. Preza: A post. Okay.

Mr. Hart: Well, I --. Anyway.

Ms. Preza: Anyone feels strongly? I think as long as they're getting notified.

Mr. Hart: My point is that I don't think we can get into editing the existing part of the ordinance. We can add, but we can't edit without going to the other commissions.

Ms. Green: What I was going to do is just take out on the island of Lanai, and just have Molokai, the sign has to be posted. And then you have -- and just leave the text --

Ms. Preza: Sorry Caron. I think -- I think what he's saying is that that was already there. Even though it is underlined all that changed was the wording to make it consistent, right, with on the island of. Is that correct?

Mr. Hart: But I think I can delete Lanai. I can remove, like, I can remove you guys from existing provisions and then add other suggestions. But I can't change anything for other districts or islands.

Ms. Preza: Oh, okay, well --

Mr. Hart: So if you wanted to -- on the --. Sorry, what does it say?

Ms. Preza: The second, on the island of Lanai, take that out for the existing structure.

Mr. Hart: On the island of Lanai and Molokai, the sign shall state the owner-proprietor's telephone number. Okay. Sorry, let me find the section on structures. Okay, question, a practical question, do you have a problem with the sign being put on the existing fence?

Ms. Preza: No.

Mr. Hart: Okay.

Ms. Preza: We just thought it was strange that because it says it has to be on a fence, but then if there's just . . . (inaudible) . . . street frontage, and what if there's no fence. But, I think, I don't -- I'm not super --.

Ms. Green: I just find it confusing because you're saying it has to be on an existing structure and then you go ahead and say it has to be on each frontage road. So I mean, I would do one or the other.

Mr. Hart: Well, I knew you would like to see it on all of the frontage road, so that's why that was added.

Mr. Rabaino: Jordan, the sign should be exposed, not hiding behind the hedges.

Ms. Preza: Yeah, so I think by saying on street frontage that means it has to be clear so I would like to move on if that's okay. Wait, sorry, do you really want to take us out from, on the island of Lanai, about being on the fence?

Mr. Hart: No problem.

Ms. Preza: Okay. Right. Right, such as a fence. Yeah. Okay. Okay. I see. Okay. Thank you. Sorry, thank you for your detailed reading. No, I don't think anyone has a problem. No. Okay, next is (Q)(3), on the island of Lanai on-street parking by bed and breakfast home -- sorry guests needs an E -- operators, service or delivery vehicles shall not be permitted at any time, which I think is what we'd like, right? Okay.

Ms. Trevino: Hello. When we say this, operators or services so that means -- that includes -- . Okay. That includes when somebody is getting picked up by a pickup service? You're not parking. Okay. I just -- just want to make sure because sometimes --. Okay, great.

Ms. Preza: Thank you. So on the next page is where we come to the cap, the limit, and right now it says 30. But given our discussion, does anyone want --? I feel like, given our discussions, we do want a cap of some sort, and currently there are apparently zero B&Bs. But I will say that at least B&Bs --. I know we have --. I think we made our cap higher for STRHs because there currently are 20, but I feel like in our discussions about community investment, and we want people to be here on Lanai, and participating in our community, B&Bs are slightly more suited to that because they are required to be on property. So I just wanted to throw that out there for when we're thinking about this. But, does anyone have feelings about a number or --? I don't think -- actually, I'm not sure. I'm not sure. The number that is put there right now --

Mr. Delacruz: What number did we put for STRH?

Ms. Preza: 25. But the thing is now we have to think there are going to be --. I mean, so if we say 25 B&B, that means 50 potential. But I guess that might be --

Mr. Delacruz: Well, since the --

Ms. Preza: -- with the density cap.

Mr. Delacruz: -- density applies to the same to STRH and B&B, why don't we just do a combined 25 STRH and, or B&B.

Ms. Preza: Can we do that Jordan?

Mr. Hart: We can't do 12 ½ on each.

Ms. Preza: Can't do 12 ½. So 26?

Mr. Hart: Yeah, you could do 13 and 13 if you wanted to do.

Ms. Preza: You know, that's actually not a bad idea.

Mr. Hart: Let me --. The only thing I want to bring up is that you do, you do need to consult with your Counsel on the attrition issue. Like how do -- what happens to the 20 now? Anyway, that is something important for you to discuss, but I mean, you guys can propose whatever you want.

Ms. Preza: I'm wondering perhaps --. And so it sounds like we're kind of in favor of potentially combining a number to 20, or not. It's two separate ordinances, okay.

Mr. Hart: What, what --. To clarify what I meant is you could go back and change the other one to one half of what --. I mean, that's what I was assuming you were doing was the other ordinance was one half of what you envisioned the total to be, right? Because there are similar impacts as being discussed.

Ms. Green: I, I --

Ms. Menze: Didn't we go with 25 on the last one?

Ms. Green: Yeah. We did a compromise, yes.

Ms. Preza: So we did not discuss how we thought B&Bs would fit into that, and I did not think about, like, potentially combining the numbers. But what he's saying is we need to consult our Corp Counsel about the --

Ms. Menze: That's why I said, like, make it two, or five, or something low because we don't have them now, but we want to get potential so we don't want to write zero, but we want to get potential for people. But 30 is just a huge amount.

Mr. Delacruz: Could you put the same wording in, in, in both, both chapters? You know, in both places, just same the thing, 25 provided the total number of STRHs and B&Bs does not exceed 25.

Ms. Green: You have that in (T). When we -- when you're rewriting (T) here, it says, on the island of Lanai, no more than one bed and breakfast home, and then you were going to add and short-term rental home shall be permitted within 300-foot radius. When we did that -- when we talked about the radius --.

Mr. Hart: Oh, right, the radius.

Ms. Green: When we did the radius on the other one, and we said we were going to do the same wording here. So that means that you can't have more -- you can have only bed and breakfast or you can have only one short-term rental within a 300 foot radius, but you can't have one of each. So I think that just takes care of the problem right there.

Mr. Hart: No, I mean --. You can, you can do --. You can write in your suggestion that, that basically the total -- 25 --

Ms. Green: No, no, no. I'm not saying anything about a total.

Mr. Hart: I was responding to Commissioner Delacruz's proposal.

Ms. Green: Pardon me.

Mr. Hart: But anyway, yeah, we can segue on to what you wanted to bring up.

Ms. Trevino: I don't think --. I think we should just do 25, 25 because -- 25, 25, that's what I think because bed and breakfast, the people live in the house. And what's -- like, just to be honest, like, the feasibility of a local family starting a short-term rental versus starting an air - - not air -- but bed and breakfast. I think financially a local family would be able to do a bed and breakfast more easy than they would a short-term rental. And if -- and I don't want to dock the bed and breakfast just because we already have 25 for the other one.

Ms. Preza: I feel similarly. I feel like if we do have any short-term rental homes, I, I would personally like make the B&B cap higher than the STRHs. But I know given the situation that we have more STRHs. That's why we are at where we are at. But I understand where Chelsea's coming -- I kind of agree where Chelsea's coming from that we don't want to make a low number of B&B if that's something that we would actually prefer to have in place of STRHs. I know that's not the wording that we're putting in here, but perhaps the density cap somehow equalize it, maybe. Do you think -- would we all be okay with putting 25, just putting a number -- and I know we don't want to be debating this a lot but I do think we do need some help from our Corp Counsel, so would it be possible to put 25 and then, like, really discuss that number again, like, when we reconvene?

Mr. Hart: Yeah, that's -- definitely. And I want to point out I was, was talking about checking with Corp Counsel on, on how, how permits, permits expire. So like if you're, if you're setting

it – like you have 20 live permits and you're going to but it down to 10, how does, how are you going handle the expiration or the attrition process? I think that if it's -- if just natural attrition that's something that I've seen happen. But you're going to try to propose to handle it a different way like saying that you no longer qualify because now you're in a radius, you might --. That might be more complicated and that's what I would encourage you to get counsel on. But plugging in a 25 for currently zero, you know, I think is totally fine to, to get to the next public hearing where you can make your final decision.

Ms. Preza: Everyone okay with that for now? And then I might need some time to think about it. So, so we're okay with that with, like, potential that it could change? Okay. So, (T), you will add in that similar to what we said about 300 foot radius but including STRHs as well. Thank you.

Down to (A)(5), on the island of Lanai the street addresses of adjacent properties and properties across shall be included. That's about the mail --. Is this about the mail? Sorry, I'm trying to read. So could we put in --?

Mr. Hart: So let me just try and make this as simple as possible. Anytime there's discussing notifying residences, I'll add the provision of direct parcel service to adjacent and abutting.

Ms. Preza: Yes. Is that okay with everyone so we can move on? Okay, great. Thank you. So that's the same for the second. And, okay, this is the project notice sign, at the bottom, (B)(3), on the island of Lanai the sign shall be 16 square feet. Oh, just adding on the island, okay. So move on. Okay, so we're on page -- I don't know what page this is. Sorry, it doesn't have a page number. We turn the page, we're on (A)(2), for bed and breakfast homes on Maui and Molokai -- oh, so this is just saying for (2)(b) that Lanai Planning Commission shall approve or deny. So that's the same thing that we, you know, will come before us. Okay, and then (B) at the bottom is just saying A.2.b and A -- so would it be A --? Oh A.2.b in relation to us because it's coming to the Planning Commission. Next page, (C), this is just saying that we will be doing permit renewals. And then on (E), the same thing with the mailing. Same for (F). Flipping a page.

Mr. Hart: I do want to clarify that you -- for, for (C), you're basically saying that you can grant extensions up to one year.

Ms. Preza: Yeah.

Mr. Hart: Okay.

Ms. Preza: Is that okay with everyone?

Mr. Hart: You want the option to go longer, or do you want to limit yourselves to one year?

Ms. Preza: One year.

Mr. Hart: Okay.

Ms. Preza: Okay, moving on. Nothing on this page. Nothing. Okay, I think might actually be -  
-

Ms. Menze: You know a year comes by really fast.

Ms. Preza: Would you prefer two years or we could --

Ms. Menze: At least two years because one year it's like doing your taxes.

Mr. Hart: I definitely encourage you to think about it. I mean, I think that you guys --

Mr. Delacruz: Three. Because it's up to one year now, we should make up to three because it can be anywhere from one year to 18 months or three years. Because with STRH we've got five years.

Ms. Preza: Okay.

Ms. Menze: Okay, yeah.

Ms. Preza: Is that possible Jordan to put?

Mr. Delacruz: Yeah.

Ms. Preza: Do you want to put five years too?

Mr. Delacruz: This is five year because the discussion here tonight has been to encourage B&Bs versus STRHs.

Ms. Preza: I see. Would it be possible to up it to five?

Mr. Hart: Yes.

Ms. Preza: Thank you.

Ms. Menze: Because this year is so fast.

Ms. Preza: Yes, that's totally true.

Ms. Menze: . . . (inaudible) . . .

Ms. Preza: Thank you. So you would just say maybe granted by the Lanai --. Oh, right. So

you would just say --. Oh, no, no, not take it out, but just say -- because they're trying to say the Lanai Planning Commission can grant it up to the five years.

Mr. Hart: So you have the discretion to go up to five years if you would like.

Ms. Preza: Yeah. Okay. That's great. And that kind of makes sense too because our terms are, you know, around that time. So I think that is it for B&Bs unless there are other comments. Any other comments? None? Thank you. So I just want to --. Thank you so much for your patience Jordan and the Commissioners. I think what's really good is that we actually got through the majority of the proposed revisions. And this will come back to us. Jordan will do another draft. And thank you so much for working on this because we really care about it because we care about our community, so thank you. I know, it's only taking so long because we care. But this will come back to us. There will be a public hearing it sounds like, and we will decide at a later date. But hopefully we won't have to do too much back and forth.

## **E. DIRECTOR'S REPORT**

### **1. Open Lanai Applications Report as distributed by the Planning Department with the February 19, 2020 agenda.**

Ms. Preza: I believe that is it on that so let me get my agenda. So E.1. is Director's Report, and the only thing on there is the open Lanai applications which was provided to us. So if that's it, then our -- it says agenda items for March 18<sup>th</sup> meeting. I'm not sure if you know what's on it yet or nothing so far?

### **2. Agenda Items for the March 18, 2020 meeting**

Mr. Hart: I do not, yeah.

## **F. NEXT REGULAR MEETING DATE: March 18, 2020**

## **G. ADJOURNMENT**

Ms. Preza: Okay, so, well that will come around soon hopefully. And our next regular meeting date is next month, March 18<sup>th</sup>, 2020. We are adjourning at 7:55 p.m. Thank you all so much.

There being no further discussion brought forward to the Commission, the meeting was adjourned at 7:55 p.m.

Respectfully submitted by,

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

**RECORD OF ATTENDANCE**

**PRESENT:**

Roxanne Catiel  
John Delacruz  
Caron Green  
Sherry Menze  
Shelly Preza, Chair  
Gerald Rabaino  
Chelsea Trevino, Vice-Chair

**EXCUSED:**

Mililani Martin  
Shirley Samonte

**OTHERS:**

Jordan Hart, Deputy Director  
Richelle Thomson, Deputy Corporation Counsel (On-call)