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**MAUI PLANNING COMMISSION
PORTION OF REGULAR MINUTES
ITEM B.1
JUNE 9, 2020**

Ms. McLean: Okay, thank you Chair. There are two public hearing items today. The first one is from myself transmitting County Council Resolution 20-27 referring to this Commission and the Lanai Planning Commission a proposed bill to amend the Comprehensive Zoning Ordinance relating Short-Term Rental Home Permits on Maui and Lanai.

Before we get into that Chair, I just want to make a few comments. There's some apparent misinformation and misunderstanding about this item. First this is a Council initiated proposal. Under the Charter it has to be reviewed by the Planning Commissions. That's the Department's role here. Second, to reduce the caps of STRHs to the current number of permits and applications in process. It does not repeal the STRH Ordinance or phase out STRHs. Third, it has no effect whatsoever on vacation rental condos, including Puamana that are Minatoya properties. This misinformation does a great disservice to everyone from owners and operators who are panicked about changes, to our Staff who field the questions, the Commission who has to review the testimony and to those who join today who probably are not affected by the bill after all. These are important issues and being open, and honest, and truthful is the only way to have meaningful dialogue especially in these uncertain times.

And it, yes earlier this year the Department conducted outreach on the idea of phasing out STRHs and I stand behind that effort because for such an important policy issue input from stakeholders has to be obtained and that's what we did. The Department has taken no action since then except to process these bills that the Council initiated. And as I've said repeatedly if we resume any discussion on that issue it will include continue outreach to stakeholders and will be public and transparent. Thank you Chair for letting me make those comments. Unless there are any questions from the Commission on that, I will turn it over to Jacky Takakura, our Administrative Planning Officer to ...(inaudible)... the bill that was sent to you from the Council.

Mr. Carnicelli: Okay, we may have questions obviously along the way, but Jacky.

B. PUBLIC HEARINGS (Action to be taken after each public hearing.)

1. **MS. MICHELE CHOUTEAU MCLEAN, AICP, Planning Director, transmitting County Council Resolution 20-27 referring to the Maui Planning Commissions a Proposed Bill to Amend the Comprehensive Zoning Ordinance Relating to Short-Term Rental Home Permits on Maui and Lanai. (J. Takakura)**

The entire text of the proposed bill for ordinance is available at <https://www.mauicounty.gov/1127/Legislation---Proposed> and is summarized as follows:

Section 19.65.030.R. is proposed to be amended to reduce the number of short-term rental home permits per community plan area, with the exception of the Kihei-Makena community plan area for which no change is proposed.

1 Ms. Jacky Takakura: Good morning, Chair Carnicelli and Commission Members. So I'm going
2 to share my screen. I just have a few slides to show you so that you don't have to...(inaudible)...it
3 covers a lot of the information in the memo that was distributed earlier. So bear with me while I
4 share screen. You can give me a thumbs up if you can see it okay, and I'll just continue once I
5 see that it's okay with you. So I'm gonna share screen. Okay, so can you see the blue screen
6 that has the resolution?

7
8 Mr. Carnicelli: Yes.

9
10 Ms. Takakura: Thank you. So today we're discussion Resolution 20-27 from the County Council
11 regarding short-term rental home permits which is included in Chapter 19.65 of the Maui County
12 Code. This resolution includes a Bill for Ordinance to revise the maximum number of short-term
13 rental home permits in the community plan regions. And just as a refresher, short-term rental
14 homes are single-family dwellings, usually in residential neighborhoods that are rented out for
15 less than 180 days. Unlike bed and breakfast homes the owner doesn't have to be there. As
16 Michele stated, this resolution is not about condominiums in the Apartment District that have
17 building permits or approvals prior to 1989. It's not about hotels. It's not about vacation rentals
18 that were approved by ordinance or have a Conditional Permit, grandfathered or a part of a
19 Planned Development. This is only regarding short-term rental homes, Short-Term Rental Home
20 Permits. That's what we're talking about today.

21
22 So the bill proposes to reduce the STRH caps to approximately the existing number of permits
23 with the exception of Kihei-Makena, the Kihei-Makena Community Plan Region which
24 Councilmember Kelly King had requested to leave the number where it is for that region which is
25 at 100 permits.

26
27 What you're seeing here in this chart is the current limits in the Code. The current number of
28 permits, existing permits as of May 26th or so and the Council's proposal.

29
30 Just a little background information about short-term rental home permits. At the end of last year
31 we had 229 permits issued and of those, 118 property owners have Hawaii addresses and that's
32 a 105 in Maui County and 13 on the neighbor islands, and a 111 property owners have mainland
33 or international addresses. Short-term rental home use was not prohibited until 1991 so some
34 residential properties are grandfathered and can be used as vacation rental without a permit, but
35 they must comply with the non-conforming uses part of the Code, Chapter 19.500.110C. The
36 current Chapter regarding STRH permits, Chapter 19.65 was adopted in 2012.

37
38 So transient vacation rentals are permitted in the following zoning districts, Hotel, B-2 Community
39 Business, B-3 Central Business, Resort Commercial, some Planned Development like Puamana,
40 older properties in the Apartment Districts, these are the condos, 5, 575 units at last count, and
41 then ...(inaudible)...bed and breakfast homes, there's 157 of those permits out there.

42
43 Just a little bit of data from the County's Real Property Tax page, on average the value of these
44 properties is 1.7 million, the median one million and the range is quite vast as you can see the
45 lowest value being 243,000 and the highest value 12 million. The tax revenue is estimated from

1 these short-term rental homes at about \$3.9 million. This is about 1.9 million in real property tax
2 revenue more than if they were taxed at the residential rates.

3
4 Let's take a turn and look at the long-term planning documents for the County of Maui starting
5 with the 2012 Maui Island Plan. The Maui Island Plan notes in Chapter 4, Economic Development
6 that the Hawaii Tourism Authority's report, Maui County Tourism states that among the four
7 counties Maui is the most reliant on tourism. Of Maui County's gross county product, 39 percent
8 is attributed to tourism versus a range of 19 to 29 percent for the other counties. This report also
9 notes that a large proportion in Maui County are low wage jobs and many of them are tourism
10 related.

11
12 Diversifying Maui's economy has been a long-standing County goal. A move toward a more
13 diversified economy will create more resilience, reduce Maui's reliance on tourism, and reduce
14 our vulnerability to other external economic conditions. Diversification may also reduce the
15 island's dependence on construction for the visitor and off-island housing market thereby reducing
16 demand on the island's natural resources. Economic diversification will provide a broader
17 spectrum of job opportunities including high skill and higher paying jobs, thereby increasing jobs
18 that pay a living wage.

19
20 The Maui Island Plan also includes policy 4.2.3A which states, promote a desirable island
21 population by striving not to exceed an island wide visitor population of roughly 33 percent the
22 resident population.

23
24 Here's some data about tourism as of last year. According to the Hawaii Tourism Authority as
25 reported by the Maui News in February visitor numbers reached an average of 66,414 per day on
26 Maui in 2019, so this far exceeds the 33 percent of our resident population which the 2018 Data
27 Book cites as 154,834, look at the map. 2019 we had 66,414 per day, the resident population is
28 154,834. That Maui Island Plan policy is the goal is 33 percent of the resident population. So 33
29 percent of the resident population is 51,095. However, the visitors that are coming, the 66,414
30 visitors per day is 43 percent of the resident population so that's...you know the goal is 33 percent
31 but we're at 43 percent so that's 10 percent over what the goal is and that's 15,319 visitors more
32 per day from what the goal is. So that kinda ties the long range planning goals and policies with
33 the numbers as of last year. And in this time of profound change we're seeing the effect of our
34 County's economy being so completely reliant on tourism and now is an ideal time to assess
35 where we are as an island economy and what we want this County to look like for our residents
36 and our visitors in the future. We're seeing that dependence on tourism is neither sustainable
37 nor resilient. Sustainable and resilient those are two words that are used quite a bit, what do they
38 mean? Going to take a look at them a little bit more closely. When you talk about sustainability.
39 It means sustainable development that is...that it meets the needs of the present without
40 compromising the ability of future generations to meet their own needs. There's the three
41 components of sustainability which are economy, environment and social equity. Resilience, the
42 ability of a system to cope with shocks and keep functioning in much of the same kind of way. So
43 sustainability and resilience these are two important concepts as we plan forward.

44
45 As Michele had mentioned earlier this year the Department conducted several outreach activities
46 to obtain public input on phasing out STRHs altogether because of the negative feedback from

1 residents who oppose the impact that these operations have on their neighborhoods and
2 community and to encourage long-term occupancy of dwellings.

3
4 Meetings were held with various interest groups such as the Maui Vacation Rental Association,
5 the Realtors Association of Maui, the Alliance of Maui Community Associations, and the Maui
6 Hotel and Lodging Association among others and there was both opposition and support for this
7 proposal from these groups. On March 6th, the Department held a public meeting to gather
8 feedback from the broader community and the audience consisting largely of STRH owners and
9 operators were strongly opposed to the idea of any form.

10
11 Some of the options discussed were a phase out which could mean that existing operations are
12 allowed to continue until their permits expire at which time they could not renew. An alternative
13 could be a attrition approach or where permits are capped at current numbers like the proposed
14 bill and permits remain valid and can be renewed but when a permit is closed or revoked or
15 expires it cannot be replaced and the cap in that region is reduced by one.

16
17 Any phase out should be accompanied by a loosening and broadening of regulations regarding
18 bed and breakfast homes make these available to Maui County residents. There's much greater
19 acceptance of B&Bs because they have a long term owner operator on site who is known by the
20 neighbors. However, the Department does not intend to pursue a phase out of STRH permits as
21 a standalone initiative even though many of these of dwellings could be used for long-term. The
22 Department of Planning recommends revising the numbers to accommodate current existing
23 permits and submitted permit applications for all districts excluding Molokai and this is what the
24 Department believes is the Council's intent.

25
26 So this is what the Department would be proposing and as you can see it has the current cap, the
27 number of existing permits and pending applications and so we would be taking those two
28 numbers and adding them together and that would be what the Department's proposal is, and in
29 this context we...the Department supports the County Council's proposal to limit the number of
30 STR permits, STRH permits to the existing number, but like I mentioned with minor revisions to
31 accommodate permits currently being processed and to be consistent with revising the numbers
32 for all the community plan districts so you can see there is a number proposed here. But I'd like
33 to add however that since the memo was prepared and this presentation was prepared two
34 additional permits for West Maui are in the works so we would want to propose that the number
35 for West Maui to be 69 instead of 67 to accommodate these two additional permits that are in the
36 works.

37
38 So Commission, we would like to hear from you about the Council's resolution, the Department's
39 proposal and any additional measures that could be taken as we move toward a
40 ...(inaudible)...and then you can decide what you'd like to recommend to the County Council.
41 Thank you, and that's the presentation. I'm gonna stop sharing the screen and we can go back.
42 If you have any questions or need to, want to look at a slide I can always go back to any of them.

43
44 Mr. Carnicelli: Thank you, Jacky. And again, for everybody that's listening the way it works we'll
45 go to public testimony then we'll come back and the Commission will have Q & A and discussion
46 and then make a recommendation, but before we do that, before we go to...I need some

1 clarification before we move to public testimony because the Director did a good job of being clear
2 about what it is that we're discussing today and not which is caps. We're not talking about phase
3 out, we're not talking about...and then in your presentation you talk about all that stuff, so it's a
4 little bit confusing I think for people and the fact that the whereas, there's a whereas in the bill, in
5 the resolution that addresses that, you know the second whereas addresses, you know these
6 other things so it's a little bit, it's a little bit kooky what we're doing here. We're saying hey listen
7 we're only talking about caps, but then we're not talking about caps in the presentation. I'm just
8 having a hard time with this cause the other part is we...is everything that you presented was pre-
9 Covid. You know, Councilmember Tamara Paltin came to me back in January, February
10 something like that and said, hey listen she wanted to try to expedite this bill during budget so
11 after budget we could do that, I was like you know what let's do it. Whether you agree with the
12 concept or not, you know we were cranking at 90 percent occupancy and the ...(inaudible)...was
13 good, but you talked about assessing the situation, we're now...we have the highest
14 unemployment in the country, in the country, what assessment have we done prior to this now?
15 What assessment do we have is my question before we take testimony, before we open this up
16 for a public hearing?

17
18 Ms. Takakura: In answer to your question about what's being proposed it is the caps that we
19 have in the memo on Page, I believe it's Page 3, and I had it in the second to last slide with the
20 one revision for West Maui to be 69 instead of the proposed 67. However, I think it's good for the
21 Commission to discuss the various options of what you might want to do regarding short-term
22 rental home permits if you would want to consider an attrition approach or some other approach...

23
24 Mr. Carnicelli: No, no, no, that's not in this resolution.

25
26 Ms. Takakura: ...you know that's a good thing to discuss, but—

27
28 Mr. Carnicelli: No, that's not in this resolution Jacky, I think—

29
30 Ms. Takakura: Okay, yeah so what I'm proposing right now is—

31
32 Mr. Carnicelli: The resolution is some substantiating changes and then the only substantive
33 changes are the caps, that's it, even the Director said we're not talking about that because I want
34 to get this clear before we start taking testimony cause I don't want to say hey, listen we're just
35 talking about the caps and I don't want to hear testimony about attrition and then we start talking
36 about attrition that's not fair to the public. The resolution is clear. This is moving the caps, and
37 your presentation wasn't that, so we're...you know one hand tell them this and the other hand
38 would tell this, you know what are we telling the public right now? We got hundred and some odd
39 people, we got more people on this call than we've ever had at a planning commission meeting
40 and they need to be really, really clear with what it is that they're here discussing.

41
42 Ms. McLean: Chair, I'll jump in here. If the presentation had talked only about the caps, then I
43 would imagine that at least one commissioner would say, how can you talk just about the caps
44 and not talk about the bigger issue and the outreach that you did earlier this year that was resulted
45 in a meeting where the meeting room was packed full of people, you know, you shouldn't look at
46 this issue in a vacuum, and so the reason that I gave those introductory comments is because I

1 knew the content of Jacky's presentation. I wanted to be clear about what the Commission has
2 in front of it today, but we also have to be mindful that there are much bigger issues and much
3 bigger questions out there. So I appreciate your remarks Chair and you're spot on because the
4 public does need to know what's on the table but it's not an issue as simple of that because of
5 the crisis that we're in, the economy, the impacts on tourism, you know we wouldn't be doing our
6 jobs if we didn't say hey, let's look at the big picture even though what's before you is this, you
7 have to be mindful of the big picture. So there's—

8
9 Mr. Carnicelli: No, I agree with you, I agree with you, Director.

10
11 Ms. McLean: Okay.

12
13 Mr. Carnicelli: I mean, that's, that's my point, I mean you're...I think we're saying the same thing
14 from different directions, I just wish that, you know, I mean you can't rewind history. Jacky did a
15 great job of...oh, shoot my phone is not charging for some reason, if I die, that's gonna be bad,
16 so it kind of was blended together is all that I'm saying is I agree that there is this bigger picture
17 that needs to be discussed and quite honestly bigger than what was even presented because
18 everything you did prior is out the window. That was pre-Covid. You know we've got 40 percent
19 unemployment of private sector people, 15 percent of our people are public servants so we've
20 got like two-thirds of our population is unemployed right now and we're marching forward as
21 though this is a pre—pre-Covid is the same as post-Covid. So you're there is this bigger picture,
22 but that's also why I think that it's important that if we start talking about this, cause I mean, what
23 we received dozens, and dozens, and dozens of people talking about the phase out and if we're
24 gonna, you know if we're gonna discuss that and if that's gonna be part of this bigger picture
25 discussion then I want to be able to take testimony on phase out. But as we've done in the past
26 the reso's the reso, and you when you look at what's underlined is what's proposed being changed
27 and not...and so anyways I'm just a little confused as to what it is we're doing because if we're
28 not gonna talk...if we are going to talk about phase outs then we need to include that and we
29 need to talk about it, we need to talk about Minatoya and Puamana and all that other stuff, we
30 need to talk about that if we're gonna talk about this bigger picture, and if not, then we need a
31 new reso that specifically says, okay we're gonna talk about phase out so then we can talk about
32 phase out. I just think that that's fair to everybody.

33
34 Ms. McLean: I agree Chair, like you said we're saying the same thing but from different directions,
35 but yes, what is in front of you today, what you discussion needs to focus on and hopefully what
36 testimony is focused on the Council proposal to reduce the caps to the current number of permits
37 and those that are in process.

38
39 Mr. Carnicelli: Okay, so that being said, so then we'll just get some clarity for everybody that's
40 lined up to testify. If you read the resolution that is before you there's some nonsubstantive
41 changes, you know, shalls, the musts, things of that nature and then specifically is moving the
42 caps based on Jacky's presentation and then what's here in the resolution from the County
43 Council. That is what we're gonna be discussing today. Again, we've got hundred plus people
44 lined up, I don't know if everybody is here to testify on that, but if you're going to testify I'm going
45 to ask that you testify specifically on this, what is before us which is moving the caps to basically
46 current rates plus whatever's in the pipeline. So that's what we're gonna go ahead and discuss

1 today, that's what then before us, so everybody's clear. So then what we're gonna do is if you
2 haven't done already, if you would like to testify please chat with Director Michele McLean and
3 she will call people's names, we will unmute your video and your audio, you can testify, you may
4 have questions from us or not, if not, then you know we will go onto the next person. We'll try to
5 get through this as best we can, as quick as we can. And by the way everybody, you get up to
6 three minutes, you don't have to take your three minutes but you get up to three minutes to testify.
7 So with that being said, Director we'll go ahead and take testimony on this particular item.

8
9 Ms. McLean: Thank you, Chair. First, before we get into public testimony, I just want to
10 acknowledge that the Commission received three different sets of emails from Commission
11 Secretary Carolyn Takayama-Corden with written testimony. I have a long list written up that I
12 can screen share at the end of the end of the verbal testimony just it lists all of the individuals who
13 submitted written testimony, so looks like there probably about a hundred written testimonies that
14 have been provided to you so I wanted to make sure we establish that on the record.

15
16 Mr. Carnicelli: Commissioner Freitas.

17
18 Mr. Freitas: Before public testimony, can I ask a question to Jacky about the presentation?

19
20 Mr. Carnicelli: Yeah, we're gonna have Q & A at the end, is it appropriate to do it before or do
21 you want to wait till after.

22
23 Mr. Freitas: I think it's important before, and it's a quick question.

24
25 Mr. Carnicelli: Okay, go ahead.

26
27 Mr. Freitas: Do you know the reason why South Kihei number did not change yet every other
28 region it got adjusted down?

29
30 Ms. Takakura: This is Jacky. Commission Member Freitas, I read the March minutes from that
31 meeting and it appeared that Councilmember King wanted to get more feedback from her
32 community before changing the numbers, so she had asked if that cap of 100 not be changed at
33 that time. That was all I could get out of the minutes from that March meeting.

34
35 Mr. Freitas: Thank you, Jacky.

36
37 Mr. Carnicelli: Commissioner Freitas. So I guess, Director at this time, we'll go ahead and start
38 public testimony.

39
40 Ms. McLean: Okay, Chair. Thank you. The first person to testify is Rebecca Filopovic. I
41 apologize if I mispronounced your name, and she'll be followed by Greg Mebel.

42
43 Mr. Carnicelli: Hi Rebecca.

44
45 Ms. Rebecca Filopovic: Hello Chair. Can you all hear me?
46

1 Mr. Carnicelli: We can hear you. Do you promise to...oh, I don't have to swear you in. You have
2 up to three minutes.

3
4 Ms. Filopovic: Great. Thank you, Director for the introduction. My name is Rebecca Filopovic,
5 I'm an attorney with McKeon, Sheldon, Mayling. Our firm represents Mr. Allan Zachariah, he's
6 the applicant of Short-Term Rental Permit STWM T2019/0009. I submitted written testimony on
7 Mr. Zachariah's behalf in advance of today's meeting but I wanted to supplement the record with
8 oral testimony today. In short, I wanted to confirm that we did receive a formal letter from the
9 Department of Planning, it's dated June 4th which confirms that Mr. Zachariah's application was
10 improperly closed but has since been reopened. So, we understand the Department's
11 recommendation for the reduced number of short-term rental permits being based on the number
12 of existing permits plus applications already pending and from Ms. Takakura's presentation I hear
13 that two applications in the West Maui area were added to the Department's recommendation so
14 I wanted to ensure that the record reflects at minimum that the number of permits considered for
15 the West Maui area include Mr. Zachariah's application.

16
17 I also wanted to take this moment to say a few additional words in Mr. Zachariah's behalf against
18 reducing the number of Short Term Rental Home Permits in the West Maui area and particularly
19 as they relates to homes with tax assess values that exceed say \$5 million. I have read the
20 minutes from the Council meetings during the enactment of Chapter 19.65 of the Maui County
21 Code and it does appear that the Council recognizes the benefit that these higher value properties
22 have in terms of the types of visitors that they attract and the contributions to Maui's economy
23 that these types of visitors provide.

24
25 These properties, Mr. Zachariah's included all well beyond the means of almost all full-time Maui
26 residents looking for long-term residential housing. So allowing these properties to be rented on
27 a short-term basis doesn't in our view take away from the number of long-term residential housing
28 options available to Maui residents. So for that reason Mr. Zachariah opposes a reduction in the
29 number of short-term rental permits particularly in the West Maui area. That's all that I have today,
30 so thank you for the opportunity to provide this supplemental testimony.

31
32 Mr. Carnicelli: Thank you Ms. Filopovic. Any questions for the testifier? Happy Birthday to Baby
33 Caris.

34
35 Ms. Filopovic: Thank you.

36
37 Mr. Carnicelli: Director, next testifier.

38
39 Ms. McLean: Thank you, Chair. The next testifier is Greg Mebel and he'll be followed by Patrick
40 Borge. Greg, go ahead and unmute yourself.

41
42 Mr. Greg Mebel: Okay, I think I'm unmuted. Can you hear me Michele? Okay, good. I'm Greg
43 Mebel and I'm a short-term rental permitholder actually. I think I had the third one in Paia, but
44 ...(inaudible)...down here to say that the caps, that we should lower caps or have more caps
45 'cause ...(inaudible)...better for my business, but I'm not. I think that this program is actually the
46 best that we have in the state and a lot of other counties actually look to this program. So the

1 genesis of this, our program was that there was no program and we had a little bit of a wild west
2 and there was no regulation, there was vacation rental running wild. So what are we talking about
3 with the short-term rental program? There's only 256, 256 short-term rental homes so I think
4 there...according to the Census there's 54,000 households on Maui so short-term rental homes,
5 I think the object of the proposal was to address complaints about changing neighborhoods and
6 to talk about possibly more long-term rentals being available. So I just, I have a graphic here I
7 don't know if you can...you'll be able to see it, but this you can see up in that corner that little
8 orange guy that's one of the vacation rental homes looks like in the neighborhood, okay, that's
9 one in 200. There's actually one in 256. So what we're saying is that legal vacation rentals are
10 affecting these big changes, but I'm saying that's really impossible. Okay, the legal vacation
11 rentals are not affecting affordable housing, you can see mathematically that would be impossible
12 or not necessarily even changing, I think there may be some confusion over what legal vacation
13 rental houses are. They're not that number of houses cannot change the feeling of a
14 neighborhood. I haven't seen any data that talks about how legal vacation rental home is
15 changing neighborhoods. I do know a lot of neighbors who have sold their homes to second
16 homeowners. In fact, there's about 11,000 second homeowners on Maui. So that would be one
17 in five. Here's that difference. The guy with his hand up, that's a second homeowner. That could
18 change a neighborhood a good bit if all of a sudden there are more second homeowners in every
19 fifth house. So I just want to narrow our conversation a little bit to say okay, we've heard about
20 these big things that everybody needs to deal with(inaudible)...major issues, but it's over
21 tourism or changing neighborhoods.

22
23 Ms. Takayama-Corden: Three minutes.

24
25 Mr. Mebel: I'm done?

26
27 Ms. Takayama-Corden: Three minutes.

28
29 Mr. Carnicelli: That's your three minutes, Mr. Mebel.

30
31 Mr. Mebel: ...(inaudible)...things, but I just don't think the short-term rental, the legal short-term
32 rentals, all 200 of them are doing that, and so I think we should allow the program to work as it
33 does. Thank you.

34
35 Mr. Carnicelli: Thank you for your testimony and your high-tech graphics, that was great. Any
36 questions for the testifier? Seeing none, thank you very much. Appreciate it.

37
38 Mr. Mebel: Did P. D. have a question?

39
40 Mr. Carnicelli: Oh, P. D. did you have a question or not?

41
42 Ms. McLean: Ms. La Costa, did you have a question/

43
44 Mr. Carnicelli: I can't hear you. You're gonna have to unmute your mic, not just in BlueJeans.
45 Probably on your computer, the mic on your computer. Try again.

46

1 Ms. La Costa: Can you hear me?

2
3 Mr. Carnicelli: Yes.

4
5 Ms. La Costa: I just wanted to thank Greg. I just wanted to thank Greg for his graphics and I did
6 double-check the statistics and they're correct, so thank you.

7
8 Mr. Mebel: Thank you.

9
10 Mr. Carnicelli: Thank you, Mr. Mebel. Director.

11
12 Ms. McLean: Thank you, Chair. The next testifier is Patrick Borge and will be followed by
13 Sue Johnson.

14
15 Mr. Patrick Borge: You guys can hear me?

16
17 Ms. McLean: Yes.

18
19 Mr. Carnicelli: Yes.

20
21 Mr. Borge: Yeah, my name's Pat Borge. Yeah, first of all I wanna thank Jacky for her great
22 presentation there at the beginning of the meeting here. I do support the Resolution 20-27. As a
23 local resident here, born and raised, as far as I'm concerned short-term rentals and B&Bs destroy
24 this island. It's all about a zoning issue. The only people are making money out of this most
25 people are not even from here and they just ruin my neighborhood. I have one up in my
26 neighborhood for 20 years. When I grew up on Maui worked construction. The whole idea of
27 Wailea and Kaanapali that's where the tourists was supposed to go. We gave us the best
28 beaches on this island for the tourists and that's where they supposed go. They do not belong in
29 our neighborhoods. I'm sorry, the people are making money on this is the
30 realtors...(inaudible)...you know I don't have graphics but you know I have here my heart, that's
31 my graphic and my grandkids and my friends who can't afford a house, that my nieces and my
32 nephews are still living with their parents because they cannot afford a house and you know why,
33 the short-term rentals and the B&Bs that's why, and I stated from day one when this B&B and
34 short-term rentals came to up with the County, I was there on day one to protest this B&Bs and
35 short-term rentals and I told the Council years ago that someday this thing is gonna bite 'em in
36 the butt and sure enough here were are today, you look, look around Maui, yeah how many
37 homeless we have, how many locals don't have a place to stay. Right in my neighborhood, for
38 20 years I get one up, that lady making a killing now from a short-term rental, she's gonna it into
39 a B&B, now she turns around and sells it to another person as a B&B where she goes and get a
40 permit. How's that, it's bullshit, you know. You guys better wake up and I'm for the cap, if that's
41 a process that we're gonna go through to slow down this thing, God bless the Planning
42 Department and the Maui County Council and I hope you guys on the Planning Commission look
43 at the people that born and raised here and how we are living today, and like I said, it starts from
44 the heart not a piece of paper or not dollars. You know, me I get frustrated when I see tourists
45 coming down my road. The pandemic, two people, two tourists come out of the B&B and they
46 board the Maui Bus. They supposed to be 14-day quarantine, how's that? They didn't need to

1 rent a car, they went on the Maui Bus. To me, you guys gotta wake up man, this B&Bs and short-
2 term rentals are not good for this island, period. And God bless Molokai for putting a limit on
3 everything, you know, well anyway, thank you for listening to me. I had to vent you guys a little
4 bit this morning, but God bless all you guys and you guys have a good day. Thank you.

5
6 Mr. Carnicelli: Thank you, Mr. Borge. Any questions for testifier? Seeing none, thank you very
7 much. Commissioner Freitas, hang on Mr. Borge.

8
9 Mr. Borge: You're welcome.

10
11 Mr. Carnicelli: Mr. Borge, we have a question for you.

12
13 Mr. Freitas: Good morning, Mr. Borge. Thank you for your testimony this morning and I also want
14 to thank you for sending in a letter in opposition of this Resolution. Where you're located and in
15 your situation I mean first of all, I'm kinda leaning towards the cap just wanna let you know, but in
16 sometimes there are local families that wanna come and visit Maui and cannot afford the very
17 expensive hotels and they look for these short-term rentals in areas like yours and I think that is
18 a great thing to have, but it's sounding to me like they're more visitors staying at the one that live
19 near you is that what you're saying, more visitors?

20
21 Mr. Borge: Yeah, there's more visitors that come into my neighborhood. You know as far as
22 locals coming from the different islands, you know that's why we approved the Maui Coast Hotel,
23 not the Maui Coast but the one near the airport, Maui Palms want to rebuild and that was all
24 supposed to be for the local families, but in even in the condos in Kihei that was all supposed to
25 be for the locals and I used to work construction during the development and everybody was all
26 stoked that it was going to be, you know for the locals and all of a sudden became all these B&B,
27 Airbnbs and all we have is all these tourists. I mean, you just look around you can see the different
28 in the people, the local people how we feel about this you know. It's...like I said, you know I speak
29 from the heart, you know.

30
31 Mr. Freitas: Okay, thank you so much.

32
33 Mr. Borge: And thank you for supporting the cap. I appreciate it.

34
35 Mr. Freitas: Thank you. Have a good day.

36
37 Mr. Borge: You too. Thank you.

38
39 Mr. Carnicelli: Commissioner...hang on, Mr. Borge, Commissioner La Costa has a question for
40 you as well.

41
42 Mr. Borge: Yeah. I cannot hear her.

43
44 Mr. Carnicelli: We can't hear you P. D.

- 1 Ms. La Costa: Sorry, I'm having trouble with my ...(inaudible)...When you saw the people getting
2 on the bus, and you saw them breaking quarantine did you contact—
3
- 4 Mr. Borge: I cannot understand you.
5
- 6 Mr. Carnicelli: Cannot understand you, there's way too much feedback.
7
- 8 Ms. La Costa: Okay, give me a second, can I grab another set of headphones.
9
- 10 Mr. Carnicelli: Okay.
11
- 12 Ms. La Costa: Is that better?
13
- 14 Mr. Carnicelli: It's still an echo but go ahead. Did you report the people getting on the Maui Bus
15 as breaking quarantine?
16
- 17 Mr. Borge: I sure did. I report it to the Mayor's Office. They said they'll investigate it. Never
18 heard anything about it and you know, in fact there were two guys and for couple days I seen 'em
19 up there and they would walk down the road and right there is Maui Bus, Maui Bus right there
20 they would get on the Maui Bus. You know I deal with tourist I'm in the tourist business and I
21 know a tourist when I see one, I mean, I don't have to, you know, they came out of that B&B,
22 yeah, but I did call the Mayor's Office.
23
- 24 Ms. La Costa: Okay. I've been accused of being a tourist a lot and I've been here 30 years, so...
25
- 26 Mr. Borge: Even me I Portagee, we all look like tourist, eh.
27
- 28 Ms. La Costa: Thanks so much for writing your letter as Kawika said and take good care. I'm
29 going to run get another headset.
30
- 31 Mr. Borge: Yeah, thank you.
32
- 33 Mr. Carnicelli: Keep your sound on so you can hear us. Commissioner Castro do you have a
34 question? Did you raise a finger there?
35
- 36 Mr. Castro: Just a comment to Mr. Borge. Thank you for wearing your cap and thank you for
37 your service.
38
- 39 Mr. Borge: Thank you. Thumbs up.
40
- 41 Mr. Carnicelli: Thank you Mr. Borge. Director, approximately how many people do we have
42 signed up to testify on this item?
43
- 44 Ms. McLean: About 16 or 17.
45
- 46 Mr. Carnicelli: Okay, thank you.

1
2 Ms. McLean: The next testifier is Sue Johnson and she'll be followed by Michael Feit Dugan.
3 Sue you can unmute your audio and video. Sue Johnson, we can come back to Sue.

4
5 Mr. Carnicelli: Okay.

6
7 Ms. McLean: So next would be Michael Feit Dugan. Michael you can unmute your audio and
8 your video.

9
10 Mr. Michael Feit Dugan: Aloha Council Members can you hear me?

11
12 Mr. Carnicelli: We can hear you and see you. Good morning Michael.

13
14 Mr. Dugan: Outstanding.

15
16 Mr. Carnicelli: You have up to three minutes.

17
18 Mr. Dugan: Thank you, I'll try to be quick and brief. To begin with I object to holding this hearing
19 where you are dependent upon technology in order to testify or hear testimony. It disenfranchises
20 the poor, it disenfranchises people with no internet access, it disenfranchises people without
21 computer access. This makes up half of my staff. Half of my staff cannot be here to hear this
22 testimony because it is limited to the internet. Strenuously object and I hope that we can return
23 this hearing, I'm sorry I'm hearing feedback, I'm hoping we can return to public hearings as soon
24 as possible.

25
26 Now in respect to Resolution 20-27, I agree that there are many larger issues at stake and again,
27 I apologize I'm hearing my voice delayed. So to begin with, boy this is vexing, again, I really
28 strenuously object to have to do this by internet, I can barely testify. Yes, there's a much larger
29 issue at stake here. The idea of limiting caps and limiting short-term rentals is very much like
30 telling somebody who has a heart condition who needs to change their diet to stop eating until
31 they can find a better diet. In other words, we are not taking into account all the people who are
32 going to be losing jobs, and losing houses, and losing businesses because of an end to short-
33 term rentals or even a cap. First, there should be opportunity for other jobs, for better paying jobs,
34 so that short-term rentals can be abandoned without there being an economic toll. Before COVID
35 I had two full-time workers and three part-time. After COVID, zero. I took everything myself.
36 Before COVID my workers made \$3,500 a month which is triple minimum wage, after COVID,
37 nothing. The idea of tackling this issue without talking about jobs and opportunities is ludicrous.
38 I'm gonna keep going. The idea of putting the burden of changing the economy and what was
39 the other word, it was based on, and social equity without also addressing hotels and all other
40 short-term or tourism related housing is also ludicrous. It puts the burden on only one sector. Do
41 you eliminate that sector?

42
43 Ms. Takayama-Corden: Three minutes.

44
45 Mr. Dugan: Then you go after another small sector.

46

1 Ms. Takayama-Corden: Three minutes.

2
3 Mr. Carnicelli: Michael—

4
5 Mr. Dugan: I'm so sorry, I can barely hear myself speak.

6
7 Mr. Carnicelli: That was your three minutes, Michael.

8
9 Mr. Dugan: Thank you very much.

10
11 Mr. Carnicelli: Thank you. Is there any questions for the testifier? Seeing none, thank you very
12 much...oh, Commissioner Freitas.

13
14 Mr. Freitas: Hello, good morning Michael. Thank you for your testimony.

15
16 Mr. Dugan: Thank you for recognizing me.

17
18 Mr. Freitas: I just wanna say that your comment about this technology thing is a bad thing. I just
19 want to say I think we're doing the best that we can with this BlueJeans system and also that I
20 think it is also given more people an opportunity to speak versus coming down to the Planning
21 Office. So I kinda wish you can understand that and accept what we are doing as best as we can
22 under the situation that we have. Thank you.

23
24 Mr. Dugan: I very much respect your comment, however, I could barely testify because of the
25 feedback that's going over and over in my head. I'm hearing myself three times over. That's an
26 example of the technology preventing testimony instead of expanding it. I can't speak properly
27 that's not right. My workers can't show up that's not right. We've had people who have said that
28 they were unable to log on by telephone, that's not right. All of this is restricting testimony which
29 does not add to the Sunshine policy of being able to have public hearings, and again, thank you.

30
31 Mr. Carnicelli: Thank you, Michael. We appreciate, we appreciate your comments and you know,
32 what it is that you have to say about that I think that there's some validity. Again, like
33 Commissioner Freitas says, we are trying to do the best we can and I think in the future I'd like to
34 see integrating this into our regular public hearings that are face to face. I think that that would
35 be great. I mean the fact that we have nearly a 150 people on this call is outstanding, but yes,
36 and we acknowledge and appreciate your comments about the difficulties that come with trying
37 to do this way so there's pluses and minuses, but again, thank you Michael.

38
39 Mr. Dugan: Thank you very much.

40
41 Mr. Carnicelli: Next testifier.

42
43 Ms. McLean: Thank you, Chair. The next testifier is Tamara Paltin and she will be followed by
44 Deborah. I did not get Deborah's last name.

45
46 Mr. Carnicelli: Hang on a second Council Member, hang on a second please. Mr. Hopper?

1
2 Mr. Hopper: Yes?

3
4 Mr. Carnicelli: So, Ms. Paltin is a decisionmaker on this, and she wants to testify to the body with
5 which is making a recommendation. Seems a little bit out of sorts that the decisionmaker would
6 try to influence the recommendation, I don't...is this allowed?

7
8 Mr. Hopper: Yeah, I don't know of any—

9
10 Mr. Carnicelli: I'm a little bit—

11
12 Mr. Hopper: I don't know of any ethics issues or anything that would prevent that. I mean it's
13 generally for the member to review that and everything before testifying but in general I mean,
14 public testimony is open. The concern would be if there's more than a few Council Members, any
15 sort of need to post an agenda or anything like that, but I mean, testimony has happened before,
16 but I don't know if there's...I don't see anything that would prohibit that in this situation.

17
18 Mr. Carnicelli: Okay. It's not—

19
20 Mr. Hopper: And you're just making a recommendation as well, so...

21
22 Mr. Carnicelli: No, I understand that, it just seems, it seems a little bit cart and horse to have the
23 person that's making the decision wanting to influence what the recommendation is, so anyways,
24 it's not personal to you Council Member, it just seemed, I'm just a little bit thrown off, but it would
25 be done this way, so anyways you have up to three minutes.

26
27 Ms. Tamara Paltin: Thank you for the opportunity to testify. My name is Tamara Paltin, I'm
28 testifying as a resident of Napili. I did send a updated written testimony given the presentation. I
29 feel the need to provide context and clarify what this legislation does and does not do because
30 I've gotten some misled testimony as well. I'll just briefly go through things so that I don't repeat
31 any of the presentation but during my time in office we've had many discussions about tourism,
32 management and short-term rentals. The current Code allows for 369 permits. You know, I
33 believe this is an important conversation that we, as a County need to have. The discussion is
34 deeper than whether or not you support or oppose short-term rentals. I think we need to fully
35 understand the total number and the mechanisms there are. The presentation went over it, the
36 Planning Department does not actually track individual TVR uses allowed by zoning or
37 grandfathering. Nevertheless, the 2018 Maui County Data Book estimates there are total of
38 21,592 TVR use throughout the County.

39
40 Resolution 20-27 is a result of my gaining a greater understanding of the sheer volume of lawful
41 vacation rentals in Maui County and public sentiment that housing for locals in the priority.
42 Resolution 20-27 reduces the number of available short-term rental home permits by 71 from 349
43 permits to 278 permits. While 17 fewer short-term rental homes may not seem like much when
44 we are discussing tens of thousands, last year the County created only 30 affordable homes for
45 comparison. Initially I was looking at reducing the number of short-term rental home permits only
46 in West Maui based in Council action in February of this year and September of last year in

1 Molokai and Paia-Haiku so I considered pursuing similar legislation for West Maui. While I was
2 drafting legislation, Councilmember Sinenci requested that Hana be included in the legislation
3 and that it bring the number of permits in East Maui down to the current number of permits in use.
4 Also, Councilmember Hokama was already in the process of writing legislation that would
5 establish a cap of 20 permits for Lanai. Since Hana and Lanai represent representatives
6 expressed similar concerns and Paia and Molokai had already been addressed, I amended my
7 resolution to include all remaining districts. Councilmember Molina, Sugimura, Lee, and Kama
8 did not express any objection to reducing the number of permits to those currently in use for their
9 expected community plan areas. However, Councilmember King did not wish to include South
10 Maui in this legislation. If you feel that it is important you may wish to include South Maui in the
11 discussion.

12

13 Ms. Takayama-Corden: Three minutes.

14

15 Ms. Paltin: You can read the rest of my testimony.

16

17 Mr. Carnicelli: Thank you.

18

19 Ms. Paltin: It's submitted.

20

21 Mr. Carnicelli: Any questions for the testifier? Commissioner La Costa.

22

23 Ms. La Costa: Thank you, Chair. Can you hear me okay now?

24

25 Ms. Paltin: I can totally.

26

27 Mr. Carnicelli: Yeah.

28

29 Ms. La Costa: Thank you, okay. Thanks very much Councilmember. You mentioned 369, but
30 our report said 349 unless I misheard you in the beginning of your testimony.

31

32 Ms. Paltin: Yeah, our research was 369 permits are available. If I'm incorrect, I apologize. Yeah,
33 349, sorry my bad.

34

35 Ms. La Costa: No worries, I just wanted to know where the discrepancy was. And being that
36 Councilmember King's district was not included, as a Councilmember and I hope I'm not
37 overstepping the bounds that we're talking about here, how is that equitable for the other districts?
38 Like don't touch mine, touch yours, but don't touch mine.

39

40 Ms. Paltin: Yeah, I don't have an answer for that as we're all elected at large, so I mean, you
41 know the entire county elects each council member. The only thing I can offer is we're coming to
42 you for your recommendation and then we'll hear it again, the process is that once you give us
43 what your recommendation is it will then be referred to my committee where we'll discuss it
44 thoroughly and then if it should move out of committee it will have a first and second reading. I'm
45 sure whatever your recommendation is, once we take it up in my committee, we'll get a huge
46 amount of testimony again, hopefully everybody understand what it is the action that we're taking.

1 There's no talk about attrition, phasing out, simply short-term rental home permit caps hopefully
2 that's made clear but I'm sure that we'll hear more input and we'll take all of that into consideration
3 your recommendation and the testimony we receive as well throughout each stage of the process.
4

5 Mr. Carnicelli: Go ahead Commissioner La Costa. I think she had another question for you,
6 Councilmember.
7

8 Ms. La Costa: Thank you, Chair. So we're talking about a difference of 71 units Councilwoman.
9

10 Ms. Paltin: Yes.
11

12 Ms. La Costa: If you talk about families being able to rent they range in price, assessed value
13 from 243 to 12 million, and if you take four persons per 71 household that about 248 people, 284
14 people. So I'm just thinking about the numbers and about the revenue involved and what
15 difference a 71 household short-term rental versus putting it into the general population.
16 Lawrence you look like I'm not making sense.
17

18 Mr. Carnicelli: I'm not following your numbers but it doesn't matter the question is not for me.
19

20 Ms. La Costa: Okay, so okay, so maybe sometimes I think ahead, so if we're looking at a
21 difference from what is currently approved at 349 and what the 20-27 proposes there are 71
22 homes different, okay.
23

24 Ms. Paltin: So—
25

26 Ms. La Costa: The revenue, what is, what is the revenue difference between short-term rental
27 and if it were second home or long-term rental to the County.
28

29 Ms. Paltin: So that would change year to year, it would depend on, one, what the assessed value
30 of the short-term rental home permit is, what the rate that is set for either owner-occupied,
31 nonowner-occupied or short-term rental. So it's a moving target on the rate...the income, it
32 depends on about three different factors.
33

34 Ms. La Costa: But the short-term rental...I'm sorry, the short-term rental is taxed at much higher
35 rate than second home so I'm looking at the discrepancy there and it's pretty common knowledge
36 that it's very expensive to rent here so those houses that are in the below million might be
37 accessible to locals to rent, but above a million, you know unless you have two or three families I
38 don't understand why the 71 homes makes a big difference 'cause you know, it's just me, so I just
39 needed some clarification as far as revenue and what difference it would make.
40

41 Ms. Paltin: I do explain that in my second to last paragraph in written testimony.
42

43 Ms. La Costa: I haven't seen that. Yeah, sorry I haven't seen that I've been on here, okay, thanks.
44

45 Mr. Carnicelli: Is, is, Councilmember then is I'd like to hear it 'cause...I mean, there's some
46 questions that I had. I'm actually glad that you're here 'cause I had some questions for the

1 Department that I think are more appropriate for you to answer, so if you want to address...is I'm
2 gonna ask you a question, kinda similar to what Commissioner La Costa is trying to get but I'm
3 gonna ask it in a different way is what's the median home price of an STRH home, a permitted
4 STRH home. What's the median home price?

5
6 Ms. Paltin: Oh, I don't have that figure readily available. I have seen—

7
8 Mr. Carnicelli: I mean, have we, have we done that research, have we done that research where
9 we know, oh okay, 'cause I mean, if the median price of an STRH home is 700,000 as
10 Commissioner La Costa said, we really are talking about homes for families. If the median
11 income...or the median assessed value of an STRH home is 3 million then the chances of these,
12 you know the cap changing, we're not adding to long-term inventory, we're just adding to second
13 home inventory, so that's where I'm just...is if you've done that analysis, I mean, that I think would
14 be extremely helpful to know, in trying to assess the caps.

15
16 Ms. Paltin: Yeah, obviously that number varies widely by district. For me, in light of the tens of
17 thousands of lawful vacation rentals available throughout the County, I felt compelled to reduce
18 the number of permits available at this time. Housing for local people is a priority now and we
19 have limited amount of land space here on Maui County. There are many options for people who
20 want to invest in short-term rental properties outside of permitting a home. Personally, I do not
21 want to encourage the building of more luxury home investment properties that would need to be
22 subsidized through short-term rental home permits.

23
24 Mr. Carnicelli: Okay, but you know we have a five-year moratorium, right?

25
26 Ms. Paltin: I am aware of that.

27
28 Mr. Carnicelli: It's like...if a home's—

29
30 Ms. Paltin: You don't need to invest in a short-term rental home. You can buy a Minatoya property
31 or a planned development property and you know have your short-term rental home right away.
32 So there's all sorts of different—

33
34 Mr. Carnicelli: But those are condos.

35
36 Ms. Paltin: --pieces, yeah, or multi-family, townhomes, ordinance the—

37
38 Mr. Carnicelli: Yeah, STRHs, but the bill before us is for STRHs which is—

39
40 Ms. Paltin: Correct.

41
42 Mr. Carnicelli: --totally single-family residence, yeah.

43
44 Ms. Paltin: Correct.

45

1 Mr. Carnicelli: You know, before, before I go to somebody else to question, the one thing that I
2 did want to say to you is I appreciate the fact that you're one of the few Councilmembers that
3 actually reads our recommendation so thank you for that. I appreciate that.

4
5 Ms. Paltin: Well, thank you for listening to all the testimony and making the recommendation. It's
6 many hours and a thankless job.

7
8 Mr. Carnicelli: Some people go like, ah you know what I've never even heard this or seen this
9 before and Planning Commission sent you something. Is there any other questions for the
10 testifier? Then seeing none, I have a couple other one, again this is gonna be going to the
11 Department but this is your Reso, so I think it's actually...you know as I kinda said in the beginning
12 and you know, you and I talked about this bill months and it was pre-COVID and one of the
13 problems that I have just in, in the County in general is we don't have a CFO, we don't have a
14 Chief Financial Officer. Right, we don't have anybody at the County whose task is to say, here's
15 what future projections are, here's what the economy is doing, if we pull this string then this thing
16 over there is gonna happen. If we pull that string this is the thing that's gonna happen. You know
17 so as far as like economic outlook and you know I know it's really sensitive when start talking
18 about vacation rentals to start talking about money, because local people are say on one hand,
19 going like, hey listen we want to save our neighborhoods, right? We don't want to be overrun,
20 and yet when we have almost two-thirds of our population unemployed right now in the private
21 sector, it just seems as though we need some kind of analysis. You know pre-COVID this bill
22 make a lot of sense to me, post-Covid I'm kinda going what we are...I'm not saying it's bad or
23 good, I just want to know like what's the analysis been and where are we headed if we start
24 tinkering with the ...(inaudible)...in the middle of the highest unemployment rate in the country,
25 so I mean, what's the analysis that you guys have done, and I'll be honest I haven't paid attention
26 to your budget meetings, and so I don't know where you guys have gone with this, but I mean,
27 how is this gonna affect our economy, we got so many unemployed people.

28
29 Ms. Paltin: Economically speaking what my perspective is we have existing short-term rental
30 home permits and we have those in the pipes, and we have a diminishing...right now a diminishing
31 amount of tourists coming, so to assist the existing short-term rental home permits by putting on
32 more and more short-term rentals, it's adding onto the number of short-term rentals available and
33 spreading the amount of incoming tourists that we currently thinner and thinner. We have hotels
34 that are at like two percent occupancy. I received testimony from short-term rental owners like
35 nonstop about them not having people, that currently being shut down. I received testimony from
36 folks that aren't getting refunded from their short-term rental purchases, not getting vouchers for
37 future stays, all kinds of things. I think at this time, this is good legislation because it would help
38 shore up the existing permit numbers and I'm not saying that in some time in the future when we
39 get a handle on this economic outlook that you're speaking of that it wouldn't be...we can always
40 bring it up again if we feel that we wanna change the numbers, expand it in certain areas,
41 decrease it in other areas, but at this time, this is sound legislation because we're spreading the
42 small amount of tourists we have right now, the small amount of tourists we're projecting six years
43 into the future to a wider base and making it harder for any one permitholder to make a go at it.

44
45 Mr. Carnicelli: Okay, one other thing that I guess is, I'll get you Commissioner Thompson, I'm
46 gonna just do a couple of follow ups is then diversification, right I mean, we all know that we need

1 to diversify away from tourism, right. We can't be so dependent. You know, why did we get hit
2 harder than Kauai, why did we get hit harder than the Big Island? You know, Oahu is a different
3 animal. But I remember one time Riki Hokama, Councilmember Riki Hokama told me, you know
4 before we...you're know we're in a boat traveling and we've got you know tourism and say ag,
5 and we throttle back ag before we throttle back tourism, we gotta have a new engine. So what is
6 that? Everybody says we're gonna diversify, but I haven't heard any, say like okay well this is
7 what it is, this is what's gonna replace tourism, and, and I mean, you and can have this
8 conversation for hours and I don't want to take up a lot of time with the Commission here, but at
9 least if you could give us some highlights or what it is that's gonna take the place of tourism then?
10 If we're saying, hey listen we don't...we're gonna stop STRHs, we're gonna put them in the hotels,
11 then what?

12
13 Ms. Paltin: Thank you for the question. Just to clarify, I have no intention or desire to stop STRHs.
14 We're talking about the caps.

15
16 Mr. Carnicelli: Right, right, right. I'm sorry—

17
18 Ms. Paltin: --talking about attrition.

19
20 Mr. Carnicelli: --that's my fault. I shouldn't have said that.

21
22 Ms. Paltin: Yeah. So just clarifying we're talking about 71 permits.

23
24 Mr. Carnicelli: All done.

25
26 Ms. Paltin: And I think that tourism is still gonna be a big industry, we just need to shift how we
27 manage it, you know. So besides tourism like you said, you didn't follow the budget season, we
28 invested 2.5 million in small grants to farmers to expand food production. This isn't necessarily
29 like flowers or things like that, this is, you know I'm sure we've all seen the Young Brothers are
30 trying to reduce shipping to the islands and how dependent we are, we invested a lot of money in
31 giving small grants farmers with small farmers, what they need to expand food production. Recent
32 talk in Member Hokama's Healthy Families and Communities Committee was about how
33 dependent we used to be on traveling nurses and even at the beginning of this COVID we had to
34 bring in medical staff from the continent and so you know we really do need to diversify and there's
35 areas that we need workers currently. Healthcare is one, education is one, farming is one,
36 engineers, the County has a significant need for engineers, and tourism we still need people but
37 we just need to manage it better, and like you said, I could go on for a long time about that, but
38 I—

39
40 Mr. Carnicelli: No, no, and I apologize to everybody on the call right now because I have
41 completely taken us off the rails away from caps, so I apologize, but I do enjoy having these
42 conversations with you, Councilmember. So to get us back on track, I'm going to go ahead and
43 defer to Commissioner Thompson.

44
45 Mr. Thompson: Thank you, Chair. Quick question, Tamara two things, one is can we get Kelly
46 King on board? I mean, Kihei is not its own island, and so it should definitely be part of the rest

1 of it. It would be silly for it not to. And second is, are you open to any kind of compromise, in
2 other words if we added 30 and so we took off 70 instead of a hundred. Would that be something
3 you would entertain?
4

5 Ms. Paltin: Sure thing. I'm totally open to compromise, and you know Member King is one of
6 nine and I think as Ms. Takakura's interpretation of the minutes was she wanted more feedback
7 from her community. I hope that she is getting that feedback from her community. I've been
8 contacted by some members of her community that were upset that Kihei was left out of it,
9 and...so you know, we're...the way I see it, we're still very early in the process and I'm sure that
10 you know when it comes back to committee there will be more testimony. You may hear more
11 testimony or things like that. I don't think there's any problem with any of you reaching out to
12 Councilmember King yourself and ask her to reach out to her community and get that feedback
13 that she desired. There is a lot going on, so sometimes things fall by the wayside. So you know,
14 a little nudge just to make sure that she's following up with her community on how they feel about
15 this.
16

17 Mr. Carnicelli: If could just interject real quick? I believe part of the reason why and I don't want
18 to put words into her mouth, but part of the reason why she objected and she voted no was
19 because the resolution didn't...normally as the Councilmember talked about there's a step where
20 which something goes, and typically it goes from Council to Committee to us, they skipped a step
21 to go to committee and I think that that was what if I remember Councilmember King wanted to
22 go to committee so they could discuss it and vet it a little bit before it came to us, so...and I don't
23 wanna put words into her mouth but I think that that was part of what it is. So the vote no wasn't
24 necessarily she's against this, it's I think that she just was wanting to promote more conversation
25 which is what she always likes. She always wants more community engagement. So anything
26 else for the Councilmember? Thank you very much. We appreciate your input. Thank you for
27 being here.
28

29 Ms. Paltin: Thank you.
30

31 Mr. Carnicelli: Director, next testifier.
32

33 Ms. McLean: Thank you, Chair. The next testifier is Deborah. I don't know Deborah's last name
34 so Deborah if you could unmute yourself and provide us your last name, and you'll be followed
35 by Sue Johnson. We're gonna give Sue Johnson another try.
36

37 Mr. Carnicelli: Okay, good morning, Deborah. You have three minutes.
38

39 Ms. Deborah Ross: Good morning, my name is Deborah Ross and I just wanted to thank you
40 folks for having this meeting this morning so we could share our support of the short-term rental
41 properties in Maui County. We just wanted to share with you our personal thoughts on the positive
42 points of having the vacation rentals for ourselves being in the process, we wanted to let you
43 know what we would be doing. Maui is our home and we are intending to invite people to come
44 to our home to enjoy Maui when we're not at home. We need the flexibility to be able to come
45 back to Maui after we've gone and taken care of our elderly parents and visit our children and our

1 grandchildren and we don't want to leave vacant just due to the property crime that folks do incur
2 when their properties are left vacant.

3
4 Another good point is everybody who has the permit that have been issued by the Planning Board,
5 we have all been vetted. Our houses have up to date permits and they're all up to Code. We
6 also intend and do this on the consistent basis making sure that the folks that come to ours they
7 are vetted and since COVID has happened, the big wording that we keep hearing is having
8 qualified visitors. These folks want to come, they enjoy the home. We have several in our
9 surrounding area and we can testify to you that we have had no problems from our neighbors
10 who do the vacation rentals. We watch grandma and grandpa sit at the house and enjoy the
11 surroundings and then we see, most of them walking in the Kihei area, taking their beach chairs
12 going down to the beach. We just want to be able to say that our guests are always vetted. We
13 all take a lot of pride in our homes and we just want to show our support.

14
15 Another thing that I was listening to the previous testimony and being so much unemployment
16 right now, with what they're saying in the stance that we could possibly lose up to 30 percent of
17 residents. These folks will be leaving our island to seek jobs elsewhere and at that point in time
18 then we are going to have more affordable housing over and above what the short-term rentals
19 do not provide in there, that short amount of number of the homes that are vacation rental will see
20 more—

21 Ms. Takayama-Corden: Three minutes.

22 Ms. Ross: --long-term rentals come up.

23 Ms. Takayama-Corden: Three minutes.

24 Mr. Carnicelli: Thank you very much. Are there any questions for the testifier? Seeing none,
25 thank you very much Deborah, we appreciate your input.

26 Ms. Ross: Thank you.

27 Mr. Carnicelli: Director.

28 Ms. McLean: Chair, the next person to testify is Sue Johnson and Carolyn...okay, I think we've
29 got here and she will be followed by Mark McDonald.

30
31 Ms. Sue Johnson: Okay, good morning Council, good morning Chair. I'm enjoying hearing all
32 the testimony today. I'm testifying, I do appreciate the understanding of the cap and that you
33 don't expect to phase out short-term, but I am testifying because of similar legislation I know in
34 Molokai resulted in ending of the STRs and I'm also concerned because this year my husband
35 and I our permit is up, and I'm concerned about renewing it. So I want to say that we are part-
36 time residents of Maui, you have us listed I'm sure as a mainland address, but we spend many
37 months here. We active members at Keawalai Church, we're donors to ...(inaudible)..., we give
38 money to Maui Foodbank, ...(inaudible)...and that's the reason we're able to...my parents bought
39 the land that we live in and operate in the 50's. They built in 69. They were pioneers in Makena.

1 I want to say that we...I want to raise your awareness of how much money a property like ours
2 brings in, even now when we can't rent, our property taxes are \$72,000 annually, they're projected
3 to go to 80,000 after your vote at the budget meeting. Last year we paid 25,000 in GCE...GET
4 and TAT. We employ about ten part-time people and we...spent about \$45,000 to them last year.
5

6 After my folks death, we rented our home long-term for 14 years, and we were barely able to rent,
7 barely able to break even, even then the property taxes were very high in Makena, even though
8 we have a small, 50-year-old home, and we started short-term so we could pay our taxes and
9 now we're in the kind of loop where our taxes go up and up and up and we have to continue to
10 rent, and it does also allow us to come.
11

12 Referring to COVID, I want to say that I think that it is a diversity in the way STRs compared to
13 hotels and it can be a very valuable one. I think since a family home like ours is affordable to
14 many guests, and we live by, by Wailea Hotel and one night at those hotels, one room, one night,
15 cost more than our three-bedroom, three-bathroom home cost. And the families that come here
16 can't afford three bedrooms at the hotel, you know, so they have more natural self-isolation here
17 than they have t the hotel. They don't have to pass through crowded lobbies and eat all the time
18 at crowded restaurants. We have never had any complaints regarding our home and I just think
19 that...(inaudible)...homes like our is important now. So the...also, I think the impact of what I
20 have understood it, 229 short-term rentals on Maui is minimal compared to the impacts of the
21 8,000 homes that are occupied part-time by the mainlanders on the absentee basis. Those are
22 the people, those are people that are down—
23

24 Ms. Takayama-Corden: Three minutes.

25
26 Ms. Johnson: --closing up the beaches. Thank you very much for your time.
27

28 Mr. Carnicelli: Thank you, Ms. Johnson. Is there any questions for the testifier? Seeing none,
29 thank you very much for your testimony. We really appreciate it. Director.
30

31 Ms. McLean: Thank you, Chair. The next testifier is Mark McDonald who's already up on the
32 screen and he will be followed by Rann Watamull.
33

34 Mr. Carnicelli: Good morning, Mr. McDonald. You have three minutes.
35

36 Ms. Mark McDonald: Good morning, Commissioners. Thank you for allowing me to testify. My
37 name is Mark McDonald. We own a home in Lahaina that we built 16 years ago and it's a licensed
38 short-term rental home. We bought our first home on Maui about 30 years ago. We used the
39 home ourselves and then rented when we weren't using it. After that we became full-time
40 residents for many years, our kids graduated from Lahainaluna High School. We're now part-
41 time residents again, and had a permit since they started issuing permits. Like most short-term
42 rentals our house makes a very positive impact on Maui's economy. It contributes to the livelihood
43 of many Maui residents. It would never be a long-term rental and it's not affordable housing if we
44 sold it. As people said earlier the COVID situation shut down everything and that's gonna take a
45 while to come back and taking away people's choices and reducing people's choices of how and
46 where they want to stay I don't think it's a good thing. In 2018 we paid over \$24,000 in property

1 taxes, over \$48,000 in GET and TAT, over \$88,000 in operating expenses above and beyond the
2 taxes, a total of 161,000 over that. 2017 survey that was done says the average visitor to Hawaii
3 spends \$106, per person, per day. So from our rentals that brought in \$134,000 into Maui's
4 economy from restaurants, activities, that sort of thing. We and our children and our grandchildren
5 all use our house so renting it long-term isn't an option. If we sold it, someone bought it would
6 probably be a second home because it doesn't make any economic sense to rent long term. And
7 the new owner wouldn't be able to use the house themselves either. So to try and put it into
8 perspective, there's I think 212 licensed properties right now and in the big picture I'm told, I think
9 there's 45,000 housing units on Maui, someone else said 54,000, I don't know which is correct,
10 but it's less than one-half of one percent of housing on Maui. Reports that I saw from 2004 said
11 there were over 18,000 hotel units on Maui so the short-term rentals are just over one percent of
12 those rooms. The families who stayed in our house all cherish being together in a nice, well-
13 maintained house and being able to stay together, renting two or three hotel rooms. Couple of
14 quotes from...we have 55 five-star listings on our, on our website, people who have stayed at the
15 house. One of the comments are things like, this vacation included our grand family so the home
16 we were looking for need to have at least four bedrooms, this home was perfect location, the
17 accommodations, access to the beach and a quick walk into town, having a washer/dryer units
18 on both floors made it so easy, when have you gone on vacation and come home with clean
19 clothes.

20

21 Ms. Takayama-Corden: Three minutes.

22

23 Mr. McDonald: Okay, thank you. I thank you for my input and just hope that you'll keep the
24 vacation rentals going and it's mutually beneficial for all the stakeholders I believe. Thank you
25 very much.

26

27 Mr. Carnicelli: Thank you, Mr. McDonald. Any questions for the testifier? Seeing none, Director
28 how many more do we have?

29

30 Ms. McLean: There are 12 more signed up to testify at this time.

31

32 Mr. Carnicelli: So just so everybody knows the way that the recording goes, it's a little bit difficult
33 to take a break in the middle because it starts a whole new video. So I think what we're gonna
34 do is we're gonna just power through these next 12 or however many other people get to...and
35 we're just gonna keep moving.

36

37 Mr. Takayama-Corden: Mr. Chair, it's okay to take a break. It's fine, fine. No problem.

38

39 Mr. Carnicelli: Okay. I tell you, let's do it at the top of the hour then. We'll take a couple more
40 testifiers and then we'll take a break at the top of the hour and everybody give their booties a rest,
41 so Director.

42

43 Ms. McLean: Thank you, Chair. Rann Watamull is the next testifier and he will be followed by
44 Heather Loughridge-Buono. I apologize if I mispronounced your name.

45

1 Mr. Rann Watamull: Good morning, Commissioners and Director McLean, my name is Rann
2 Watamull and I'm the Trustee to the Oaks Family Trust. Nine months ago, I submitted an STRH
3 Permit application for West Maui in behalf of this family trust. My application is one of 14 pending,
4 chart says, six but I understand it is 14 so we would be negatively affected by the reduction to the
5 number of permits available. But first, let me share that this property has been Oaks family home
6 for 35 years. It's been the center for the family birthdays, holidays, anniversaries and gatherings
7 which include their children, grandchildren, great grandchildren. After the deaths of Al Oaks in
8 2013, and Ann Oaks in 2016, their adult children have continued to enjoy the home, but in order
9 to afford the upkeep and property taxes which has risen from 9,000 annually to 28,000 they desire
10 to obtain an STRH Permit to offset these expenses. More importantly, they need the permit to be
11 able to keep the home in the family for use by themselves, their children, and grandchildren. The
12 Oaks children are the only beneficiaries of this family trust. They are not real estate speculators
13 or developers and do not own any other property on Maui. One son is a teamster driver, the
14 daughter is a homemaker and widow, the other son is a retired teacher. They are ordinary people
15 who just want to be able to keep their family home and their fond memories of it intact. I made
16 application nine months ago, if the caps are reduced, then space should be left to allow my permit
17 to be granted. In order to qualify for a permit, the family has already spent a considerable amount
18 of effort and money to install handrails, upgrade safety systems, safely landscape the yard, it
19 would be unfair if the caps be reduced when they had already spent this money to qualify for the
20 permit. So if a permit is no longer available for the Oaks family, they will be forced to sell the
21 family home rather than rent it out long-term to an island family. Due to the cost of the home
22 would most likely be sold to mainland investors as a second home, seeking another oceanfront
23 home, it would not help West Maui's rental housing market. The Oaks family desires to legally
24 obtain this permit rather than illegally renting out like so many others, and over the past 35 years
25 they have been good tax paying members of the community who have supported many local
26 charities including churches, Maui whale research, rescue missions, and volunteer beach
27 cleanups. If allowed to keep their family home, the Oaks' intent to continue supporting their family.
28 And you know, as trustees, Gina and I are also supporters of local community. Most recently, we
29 donated the use of our film, You May Not Kiss the Bride to be shown three times last week, free
30 of charge, on KGMB, K5, and KHNL as a benefit for the family of Willie K. The Oaks family helped
31 to finance this film and was so excited to use it to help Debbie Kahaialii and her family. Gina's
32 family has lived for four generations in Hana, she comes from the Cerizo and Chang family. Her
33 great grandfather started one of the first Chinese restaurants in Hana when it was a whaling town.
34 Her grandfather was the police chief of Hana, her father was born and raised there, and we still
35 have family in Hana, so we are local members of the community and committed to helping this
36 community. So thank you so much for allowing me to support, to testify in support of keeping the
37 STRH cap in the same and this will allow the Oaks to keep the family home. Thanks so much.

38
39 Mr. Carnicelli: Thank you much, Rann. Any questions for the testifier? Seeing none, thank you
40 very much. Director.

41
42 Ms. McLean: Chair, the next testifier is Heather Loughridge-Buono, she will be followed by Amy
43 Bond. Heather, you can unmute your video and audio.

44
45 Ms. Heather Loughridge-Buono: I don't have any audio, can you hear me yet?
46

1 Mr. Carnicelli: We can hear you, but we can't see you, so you don't have the video, so yes, you
2 have up to three minutes, go ahead.

3
4 Ms. Loughridge-Buono: That's fine. Okay, first of all, I did want to address a little bit about the
5 March 6th meeting and the format for this meeting, I know we are doing all, all of us are doing the
6 best that we can to deal with what we have in front of us, but I do have to say at the March 6th
7 meeting it's been said here that that meeting was for feedback, we were allowed to ask questions,
8 but no one was allowed to testify at that meeting, the facility was too small, it didn't fit everyone.
9 So if that opportunity becomes available that would be nice. Also, I don't know if you guys have
10 noticed, but people are being kicked off and having to find a way back to BlueJean on a consistent
11 basis I've been kicked off three times since we started. Otherwise, back to the testimony, about
12 this piece of, of this resolution. I do want to say that everyone on Maui is affected by this in some
13 way or fashion, and we're all a part of the community.

14
15 STRHs and short-term rentals on Maui have a created a micro economic cell of their own and
16 COVID has done one thing for this community that is actually really needed it has illustrated in a
17 very profound way that we need to diversify our economy. I contend that in order to be able to
18 do that concentrating on this very small microcosm of the economy might not be the best way to
19 do it, but to concentrate on how to make businesses a little more or Maui County in particular
20 more business friendly would be a much better way to do that.

21
22 I also wanted to talk about within that microcosm, there are...I have been involved with...I have
23 many clients and have been involved with the hospitality industry here for over ten years and I
24 have to say that the people that I use, the businesses that I use, most of those people are born
25 and raised on Maui, all of them are paid a living wage, all of them. I make sure they are. I paid
26 the cleaners \$40.00 plus an hour, our maintenance people make really good money, landscaping
27 same thing, my assistants, they get paid very well. They get paid better than if they had worked
28 for a resort. STRHs lands somewhere between renting a traditional short-term rental or B&B and
29 going to one of the larger resorts.

30
31 Ms. Takayama-Corden: Three minutes. Three minutes.

32
33 Ms. Loughridge-Buono: Thank you so much for time. We'll call it. Thank you.

34
35 Mr. Carnicelli: Thank you, Heather. I appreciate it. Any questions for the testifier? Seeing none,
36 thank you very much.

37
38 Ms. Loughridge-Buono: Thank you.

39
40 Mr. Carnicelli: Director.

41
42 Ms. McLean: Chair, the next testifier is Amy Bond, and she will be followed by Tom Croly.

43
44 Mr. Carnicelli: I tell you what we're gonna do is we're gonna go ahead and pause at Amy Bond,
45 and then we'll take Mr. Croly after the break. So, Ms. Bond you have up to two minutes...three
46 minutes, sorry. Didn't mean to cut you short.

1
2 Ms. Amy Bond: That's okay. Thank you, can you hear me?

3
4 Mr. Carnicelli: Yes.

5
6 Ms. Bond: Okay, great. Thank you, Commissioners, and everyone listening, I think this is a
7 passionate issue for me considering I am one of the 118 on-island resident permitholders that
8 worked very hard to permit my home myself and it supports my family of five and many cleaners,
9 my landscaper, all the people associated with my property. I am totally against lowering the caps
10 at this time. I do believe what Greg said, what Greg Mebel said, that we, with this law have...we're
11 really the best in the state in actually creating a business basis for these kind of businesses. I
12 feel like we stood out in a crowd and that is really kind of precedent for other communities, even
13 on the mainland for trying to do permitting for their property, you know, for their states and such
14 and so forth. People work so hard to create this legislation for to have people to have these kind
15 of businesses and they're all small businesses, they all support other people and small
16 businesses on this island which is really important. I feel like small businesses are the heartbeat
17 of Maui, and any place for that matter but small businesses is where you get the most meaningful
18 people working hard to create something that's enjoyable for everybody. I feel the hotels and the
19 resorts of course have their place but I also feel that this is a really big issue with our tourism and
20 to just deal with this as a microcosm and lowering the amount of small businesses that can be
21 available to other people in the future on this island is not the answer. I mean, I looked at the
22 Andaz for example, with them they're building a new four-story, you know, building with three-
23 bedroom units, four on each floor, and they're gonna be probably be bringing in, you know, \$12
24 million or more just from, just from that new addition to their hotel and they already have 301
25 rooms and their tax is only \$350,000 for the whole property. So I feel like if we're gonna look at
26 tourism and we're going to look at deconstructing and taking apart lives that we really need to
27 look at things across the board and most importantly stop building new hotels and new timeshares
28 or giving permits to new additions for those properties.

29
30 Ms. Takayama-Corden: Three minutes. Three minutes.

31
32 Ms. Bond: That's it. Appreciate your time for listening, here, here, stand for small businesses.

33
34 Mr. Carnicelli: Thank you, Ms. Bond. Any questions for the testifier? Seeing none, thank you
35 very much.

36
37 Ms. Bond: Thank you.

38
39 Mr. Carnicelli: So I think what we'll do here, it's the top of the hour, we'll go ahead and take
40 a...let's take a 15-minute recess and just so everybody on the call is aware what we're gonna do
41 here is we'll come back, we will finish testimony. We're gonna have discussion even though we're
42 gonna recess this item due to the telephone issues and things like that, I think that it's fair for the
43 150 people that are here of which I think a large majority are probably here to hear this is I think
44 we should have at least some discussion today, and then when we take it up again, we'll have
45 additional discussion at that time, but since you guys took the time to be with us today I think that
46 it's fair that we'll have at least some conversation even though we won't come out with our

1 recommendation today that we'll have to, you know, push this item back, but just so you guys
2 know that that's sort of the...how, how I think that we should have the ball bounce. So as of 11
3 o'clock right now, Maui Planning Commission is in recess until 11:15. Thank you everyone.

4
5 A recess was called at 11:00 a.m., and the meeting was reconvened at 11:15 a.m.

6
7 Mr. Carnicelli: So, it is 11:15, and we are calling the Maui Planning Commission of June 9, 2020
8 back into session. Director.

9
10 Ms. McLean: Thank you, Chair. Tom Croly is the next testifier and he will be followed by
11 Mike McNeill.

12
13 Mr. Carnicelli: Mr. Croly are you gonna be doing screen share at all or no?

14
15 Mr. Tom Croly: No, no, I don't have any screen share.

16
17 Mr. Carnicelli: Okay, you have three minutes.

18
19 Mr. Croly: Aloha, Commission, thank you for your extended patience here in this long testimony
20 and so forth. I'm Tom Croly, I'm testifying solely on my own behalf. I've been involved in this
21 issue for going on 15 years now and I may be the only person who's still involved in this issue
22 who was around when the caps were first formed and so forth and I can give you some history on
23 that if you'd like. I would like to know if the Commissioners did receive the written testimony that
24 I sent in last week and have had a chance to review it, just a head nod would help if you did, okay,
25 cause that helps me in, in terms of what I'm about to testify. I don't want to read it to you, it would
26 take too long to do that.

27
28 It's most importantly, I think that we have to answer a whole bunch of questions before we can
29 say whether or not it's appropriate to change the caps that we have. A lot of thought and effort
30 and consideration went into setting the caps at where they are today. The caps have already
31 been modified in three different districts on Maui and I don't know if it's appropriate for us to
32 recommend modifying them again unless we can answer some of these very important questions
33 like how many single family homes are in each of the community plan districts because these
34 permits only apply to single family homes, they don't apply in any way, shape or form to the
35 condos that are often referenced as the short-term rentals. And how many of these homes are
36 used as full-time residence of their owners and how many are second homes, and how many of
37 those second homes are long-term rentals and how many just sit as second homes? These are
38 really important questions to understand before we can say what the appropriate cap number
39 would be because one of the things that I want everyone to grasp is just how manini the number
40 of short-term rentals is compared to the much bigger number that we have of second homes that
41 are not permitted short-term rentals that are simply used as second homes and the use of these
42 properties as second homes is part of our visitor count. Okay, so keep in that mind when people
43 start citing that our visitor count has gone up. Many of those visitors, a lot of those visitors are
44 simply part-time residents using their second homes. Most of these short-term rentals that you
45 see go, go before you, and that people are seeking permits for are second homes initially because
46 they have to own them for five years before they can even make an application to you, and if a

1 permit is turned down in most cases they remain second homes, and they remain visitors coming
2 to the island but not paying TAT, not paying GET, not, you know, the services that are involved
3 in that. So please keep that in mind.
4

5 The total number of permits that we currently have in the caps represent less than one percent of
6 the housing that we have on island and I don't think that in any way, shape or form anyone could
7 say that they are impacting in any way, shape or form, the availability of housing from a broader
8 sense on the island. Now, 20,000 homes are second homes, 20,000 properties on Maui are
9 people's second homes.

10
11 Ms. Takayama-Corden: Three minutes.
12

13 Mr. Croly: And that's where I want you to look more closely. I'll wrap up. I have lot more in my
14 testimony but I'll wrap up just by saying I would like to see the Planning Commission recommend
15 that the Planning Department or that someone do a thorough analysis of the existing short-term
16 rental homes that are out there, the number of illegally operating second homes that are out there
17 and take a look at are we meeting the actual demand of the visiting public. Thank you, Chair I'll
18 leave it at that.
19

20 Mr. Carnicelli: Thank you, Mr. Croly. Questions for the testifier? I...or go ahead
21 Commissioner Freitas.
22

23 Mr. Freitas: Good morning, Mr. Croly.
24

25 Mr. Croly: Good morning.
26

27 Mr. Freitas: Thank you for first of all your letter that you sent which I read, I had to read it on my
28 computer, I don't see it as a hard copy, but I did read it and I was gonna mention your letter had
29 you not called in today. You know, I testified at a recent affordable housing committee meeting
30 with the County Council and in that...when I testified I shared that according Frank DeRego from
31 the Maui Economic Board he stated that in the next years we need 14,000 homes to meet the
32 need of housing on Maui, and I'm not sure if that was Maui County or Maui but that is a lot. Any
33 help that we can, I feel, we should be doing our best. So I thank you for your information and
34 your request for those valuable information, but I still think that a cap is a good thing, but thanks
35 for your testimony today.
36

37 Mr. Croly: Thank you, Commissioner. And again, I'm not advocating against the cap in any way,
38 shape or form, I'm just saying the cap numbers that have, have taken into account a lot of different
39 factors including what their effect would be on the availability of housing on the islands. Now
40 whether we should review those or not is another question and here we are, and we're reviewing
41 those, but I don't think we should just blindly say, well kapu, no more, because I think there could
42 be negative effects to that, to doing that.
43

44 Mr. Carnicelli: So, Mr. Croly, I have a couple of questions. Since you're the class, you're always
45 the class historian especially on items like this, you said that the caps were made for a reason or
46 like the numbers were picked for a reason, A) I guess what's the reason, and B) you know,

1 has...the line has to have shifted. Whatever that measure was back in, what is it, '08 the line has
2 had to have moved so I just, you know, like you said, we should address it, so what are we
3 addressing in your mind based on how we picked the caps back when this whole thing started.
4

5 Mr. Croly: You know I think it's interesting, we need to know whether the line has changed or not
6 and we haven't done a study to determine that but what the caps were based on was a study that
7 was done back in 2005, now agreed, that's 15 years ago, but when that study was done, what
8 they tried to accomplish the Kauaian Institute, a third party did this study, and what they tried to
9 accomplish was identifying all of the operating short-term rentals at that time and they identified
10 in 2005, 800 of these properties and that they were offering a total of 1,069 individual units. Now,
11 they identified where they were around the island so we could proportionally how many are in
12 each specific community plan district, then when the Bed and Breakfast Ordinance was first
13 enacted, the then Planning Director did make an arbitrary call at that point where he said, let's
14 make half of those bed and breakfast even though we kinda knew that half weren't owner-
15 occupied bed and breakfasts but that's what we did, and they were distributed as such. Later
16 when the Short-Term Rental Ordinance came around they said, we're gonna take care of that
17 other half and that's where the 400 came from. Since that 400 came about, we have since
18 reduced the cap from 48 to 30 in Hana and we reduced the cap from 88 to 55 in Paia-Haiku. Now
19 both of those were done, again, without taking another look at how many operations are out there,
20 but I think the Planning Director might be able to give you some indication of that based on how
21 many people have been cited for operating without a permit. So if we artificially set the cap too
22 low, we know that we will continue to have these operations that will try to fill the demand of the
23 traveling public illegally. I don't support that in any way, shape or form, I want everyone to be on
24 a fair playing field and be properly permitted if they do that, but I recognize that in 2005 when we
25 studied it, nobody could get a permit and all these were operating, and today, people can get
26 permits and at least half of the people that are operating, are operating with the proper permits.
27 But there is this other population that is filling up the caps as well, the number of permits right
28 now, that's a big of a problem.
29

30 We also had a little bit of discussion about Kelly King's reason for leaving the cap alone and Chair,
31 you correctly stated that she wanted this type of analysis done. She was not necessarily
32 advocating that the caps should stay a hundred in Kihei-Makena, but she said, I don't know, I
33 have no data in front of me to say what the right number should be, and I don't know that in this
34 meeting we're gonna have that correct number either, but the study that was done in 2005, was
35 a least some basis for, for why the caps were set the way, the way that they did. Thank you,
36 Chair.
37

38 Mr. Carnicelli: One other just quick follow up 'cause I know you're a numbers guy. I asked
39 Councilmember Paltin about the number, the median number of these homes to try to see like
40 okay, if...are we really getting more housing by lowing these caps?
41

42 Mr. Croly: The median value of each of the properties, and oh, oh, Chair just dropped out, I don't
43 know if his battery died. Oh, he's back.
44

1 Mr. Carnicelli: No, I got a phone call, and it's like ah...So anyways, my question is, do you have
2 the median number 'cause I just know you're a numbers guy and you like to, you know, call data,
3 so do you know what the median?
4

5 Mr. Croly: Right. About three years ago, I did an analysis of the permits that had been given out
6 at that time and I believe I came up with a median value that was about 1.5 million, half of the
7 properties worth more than 1.5 million, half the properties worth less than 1.5 million. I saw in the
8 presentation that was given today, they said the median was one million. I do want to point out
9 because I do sit as the Chair of the Real Property Tax Appeal Board, using the assessed value
10 is not always the market value of some of these homes. I'm aware that some of these homes
11 have an assessed value of a million dollars and would easily sell today for \$2 million, so
12 that's...what I can say though is most of the short-term rental permits that are out there are high
13 value properties that would not otherwise be in the affordable rental range for sure.
14

15 Mr. Carnicelli: Thank you very much. Any other questions for the testifier? Awesome. Thank
16 you, Mr. Croly as always, very informative.
17

18 Mr. Croly: Thank you.
19

20 Mr. Carnicelli: Director.
21

22 Ms. McLean: Chair, the next testifier is Mike McNeill, and he will be followed by Fritz Schneider
23 who I think may have left the meeting which means the testifier after that will be Steven Gatchell.
24 So, we have Mike McNeill, Fritz Schneider, and Steven Gatchell.
25

26 Mr. Mike McNeill: Hi there, my name is Mike McNeill and thank you council for the work that you
27 do, I appreciate it. My reason for being on this call was really as a reaction to what happened on
28 Molokai and I think that's where there's a fear involved and there's an uncertainty and it's hard to
29 plan, and it's hard to figure out what my future is and things like that and so it's very important to
30 protect what we have if we can do that and that's the reason I'm here. If possible, I'd like to share
31 my screen so that I can...I have a presentation that will make things go quicker if that's all right.
32 Of course, it's not gonna do...let me do that automatically, okay, so I'm gonna skip that, anyhow,
33 the thing I wanted to mention was that recently you know we're talking about, I think short-term
34 rental homes actually improve the Maui experience. Recently the Mayor of Maui was on a
35 YouTube video and in that interview he mentioned that when the tourism comes back he'd like to
36 see Maui tourism return to what it once was which was a more experience driven, higher quality,
37 more exclusive experience, and I also believe that short-term rental homes offer that. Short-term
38 rental homes offer the best of Maui. Our guests are often multi-generational families looking for
39 that Maui experience. They aren't busloads of tourist overwhelming popular snorkeling or hiking
40 or other special sites and are high density hotels really the best representation of the Maui
41 experience, I would argue that the short-term rental homes actually offer a better experience to
42 the Maui visitors, and again, short-term rentals as another benefit they do support small business
43 owners, we have higher paying independent jobs of landscapers, cleaning companies, pool
44 services, maintenance, plumbers, HVAC, general contractors of which most of those I continue
45 to pay even though I am completely shut down and not able to do anything with my property.

1 Local property management companies also offer good paying jobs and are supporting our
2 business.

3
4 You know, one of the things I wanted to share was that I had done a lot of research with the
5 assessors values of the homes and the some of the information for instance, the average home
6 on the west side I came up with \$2.6 million as the value of a short-term rental home. Those over
7 60 homes there are only...there were five...I'm sorry, there are only two under 500k. The average
8 home price in Kihei was 2.88 million, after home price in Paia was 1.247 million, the average
9 home price in Wailuku and Kahului is 2.41 million, the average price in Lanai was 448, so 448,000
10 and then the average home price in Hana was 748,000 so, again for the most part, I think in the
11 west side there were 13 homes under a million. All of the remaining homes which are probably
12 47 to 50 homes were above a million dollars in value just to give you some, some data.

13
14 And then lastly, you know the short-term rental homes are so heavily regulated.

15
16 Ms. Takayama-Corden: Three minutes.

17
18 Mr. McNeill: ...(inaudible)...long term rentals, might have. There's no parking on the street, no
19 parties or large gatherings, and you've got someone to call 24/7 to remedy any possible issues,
20 so...

21
22 Mr. Carnicelli: Thank you, Mr. McNeill, I appreciate that.

23
24 Mr. McNeill: Thank you.

25
26 Mr. Carnicelli: Yeah, any questions for the testifier? Seeing none, thank you very much for your
27 patience and hanging in there, and oh, Commissioner Freitas has a question for you.

28
29 Mr. Freitas: Mr. McNeill, thank you for those figures that you gave it gives a lot of perspective, I
30 know some of it was shared earlier but the way you broke it down was great. I appreciate it.

31
32 Mr. McNeill: You're welcome. Thank you. Thank you for your support.

33
34 Mr. Carnicelli: Thank you, Mr. McNeill. Director.

35
36 Ms. McLean: Thank you, Chair. The next testifier is Fritz Schneider, who I believe left the
37 meeting, but just in case. Then we have Steven Gatchell. Steven Gatchell, can you unmute
38 yourself and provide your testimony.

39
40 Mr. Carnicelli: Is he still there in the...if you look at him, is he in the list?

41
42 Ms. Takayama-Corden: He is there.

43
44 Ms. McLean: Yes, he's still there. Maybe Carolyn can assist with unmuting him.

45
46 Ms. Takayama-Corden: I can't. I've trying and it won't unmute.

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Mr. Steven Gatchell: I'm here, I'm here, I'm here. Thank you.

Ms. McLean: Oh, okay. There he is.

Mr. Gatchell: Thank you, Council members, the Planning Commissioners, thank you for my testimony today. I heard at the beginning of this meeting that it's the Planning Commission, Department objective is to cap the number of visitors to 33 percent of the population of Maui. Maui's population is currently I think about a 167,000 this means that the ideal number of visitors coming to Maui on a daily basis would be 55,110 and I believe you said we had 67 some odd thousand. In other words, to meet the objective of the Planning Commission we have lose 11,300 visitors per day. We have some 200 vacation rentals on Maui. If you average five persons per household at a hundred percent occupancy per day it comes to about a thousand visitors, but the reality is we're at about 80 percent and so that probably means 800 visitors a day. So how do we lose 10,500 more visitors per day? Do we lose 200 vacation rentals, do we lose all the Minatoya List, do we close hotels down? I grew up on Oahu and moved to Maui in 1984. At that time, there were approximately 75,000 residents on Maui. It has grown to nearly three times that since I moved here. Why? Because hotels have been built, and built, and built. And whether or you like it or not, whether we all like it or not, that is our bread and butter, that is how we make a money, that's how most of us are employed here. The Planning Commission's objective to reduce the amount of visitors necessitates the loss of condo rooms, vacation rooms or hotel rooms plain and simply unless there's some plan to create some new industry that would bring thousands of new residents to Maui. Thousands of new residents to Maui to meet that criteria and is that what we're really looking for? Are we looking to increase Maui by another 100,000? Diversification is obviously very necessary and it's a huge undertaking that will take many years, it's not automatic. We all saw how the Tech Park turned out. Much thought and much time must go into it. It seems odd that we are discussing and taking so much time about limiting a couple hundred vacation rentals when the problem is so huge, and diversification is needed.

The Planning Commission continues to grant permits for more and more hotels, Kaanapali right now is slated for hundreds of new hotel rooms and that's where I really see the problem. Maui continues to grow with hotel rooms.

Mr. Carnicelli pointed out something very important at the beginning of this meeting, he discussed—

Ms. Takayama-Corden: Three minutes.

Mr. Gatchell: We do have a problem, the University of Hawaii, Department of Economics has said that as many as 30,000 residents will be moving away from...in the hospitality will be moving away from Hawaii in the next—

Ms. Takayama-Corden: Three minutes.

Mr. Gatchell: Thank you.

1 Mr. Carnicelli: Thank you, Mr. Gatchell. I'm sorry you got cut off when you were telling me I said
2 something smart. Any questions for the testifier? Commissioner Thompson.
3
4 Mr. Thompson: Steve, how do you feel about the cap being changed for the short-term rentals?
5
6 Mr. Gatchell: I think one gentleman, I think one gentleman said it best, it's the, it's the I got mine
7 mentality. I got mine, so if you limit it I do better. You know, it's the same thing that people
8 discuss about the housing growing. No more houses, well no more houses now that we have
9 170,000 residents and I live here so no more now because I got mine. I'm not a got mine guy, if
10 that answers your question.
11
12 Mr. Thompson: Thank you and ...(inaudible)...
13
14 Mr. Carnicelli: Any other questions? Thank you, Mr. Gatchell. Appreciate it.
15
16 Mr. Gatchell: Thank you.
17
18 Mr. Carnicelli: Director.
19
20 Ms. McLean: Chair, the next testifier is Russell Evans and he will be followed by Clint Hansen.
21 Russell you can unmute yourself and give your testimony.
22
23 Mr. Carnicelli: Russell?
24
25 Ms. McLean: Russell Evans.
26
27 Mr. Carnicelli: Russell Evans.
28
29 Ms. McLean: Russell Evans is still on the call. Carolyn, maybe you can assist.
30
31 Ms. Takayama-Corden: I can't, I can't do it, it's on his side.
32
33 Ms. McLean: Okay.
34
35 Mr. Thompson: I miss our old meetings.
36
37 Ms. McLean: We can come back to Russell. Clint Hansen. Clint, are you able to unmute yourself
38 and provide your testimony?
39
40 Mr. Clint Hansen: Oh, there we go. Can you hear me?
41
42 Mr. Carnicelli: We can.
43
44 Mr. Hansen: Sorry, about that I tried to unmute and instead I turned off. So this is Clint Hansen
45 I wanted to testify. I understand the idea in a cap is to compromise between both sides of the
46 community and you guys have a very hard job. I appreciate all the time that you're putting forward

1 today to help us come to a resolution and that you have done your best to hear you know, both
2 sides of the argument. I, you know, glad that you've clarified that this is not about attrition or
3 phasing out of the rentals because we do need a tool in order to prevent you know illegal vacation
4 rentals. If you're just not going to allow it people are gonna do what they want, but if there's a
5 means and an ability to get things done through a legal means, they'll take that opportunity.
6 Obviously there will always be people who are doing illegal vacation rentals and I want to focus,
7 you know, the County's attention on going after those in the communities that are affected and
8 you know people continue to online complain about neighbors and things of that nature and
9 they're unaware of what's available and who to talk to and where to report. So, having more
10 outreach to the people of Maui is probably the better avenue to take. I think that further to creating
11 a more high-end realtor...I more high-end visitor on the island that comes here, you're gonna
12 want to focus on the single-family homes that are you know, high-end. As Mike was saying earlier
13 most of the properties are not in the affordable range, they are one and averaging two and a half
14 million dollars. So, I think that if you wanted to actually increase the volume of affordable housing
15 and approve through fast track processes please do, we do need more housing but limiting
16 people's ability to rent their homes after all the hard work that they've put in is not a good idea.
17 Thank you.

18
19 Mr. Carnicelli: Any questions for the testifier? Clint, I have a question for you 'cause I know that
20 you're a real estate broker and you do a lot of volume, so I'm actually just curious how many...I
21 know there's gotta be people that show up that say I want to buy a property and a B&B...I'm sorry,
22 Airbnb, right, like the VRBO or whatever euphemism they use, right so there's that buyer that
23 comes here and you go, okay, nope can't do that, you gotta wait five years, so that's just not an
24 option here on Maui. How many of those folks are still saying hey, listen I want a second home.
25 Okay, I can't do the vacation rental but I'm still gonna buy a second home? I mean, I'm just
26 curious. I don't know what...and you're just one guy, but I'm just sort of fascinated to hear how
27 much of that is impacting--

28
29 Mr. Hansen: It's about mixed,

30
31 Mr. Carnicelli: Five-year ban.

32
33 Mr. Hansen: Most people that are coming here that want to do vacation rentals they are steering
34 more towards the condominiums and Minatoya properties or looking for one where there are
35 allowances. Yes, they do say, hey, well we can do a vacation rentable license, and I'm like, well,
36 no, not unless you're gonna live in the property and you know, be a part of the community, that's
37 just not gonna happen. You got own the property for five years, of course, this is the way it was
38 before you apply for the license and then that usually just completely deters them. I mean, most
39 people that purchase a property specifically for the purpose of making and becoming a vacation
40 rental they get discouraged the fact that it takes that long, so they're gonna go more towards a
41 high-end condo to start with, they're not really buying those investment properties to hold onto to
42 that period of time. So, yeah, no, it's...it used to be something that we would see quite commonly
43 but I rarely get that and most of the time I see is from the ignorance of the other agent you know,
44 showing a listing of mine saying hey, you know this is a great property you could do a rental and
45 then I have to explain the process to them that they would have to go through and they don't want
46 to hear about it.

1
2 Mr. Carnicelli: Thank you, Mr. Hansen. Any other questions? Seeing none, thank you, appreciate
3 it. Director.

4
5 Mr. Hansen: You bet. Aloha.

6
7 Ms. McLean: Chair, the next testifier is Michael Russell and he will be followed by Michael Baskin.

8
9 Mr. Carnicelli: Aloha, Mr. Russell.

10
11 Mr. Michael Russell: Hi there, thank you. I want to start by saying that I am a short-term rental
12 owner-operator here in the west side of Maui and I guess part of my reason for paying so close
13 attention to this is, you know, there is some, some concern that this is just the start. There's a
14 slippery slope. I know that Director McLean addressed this in the beginning but I have to imagine
15 that there's a lot of other attendees that you know have these underlying fears that this is just the
16 beginning of us losing the right to continue to operate our short-term rentals. So, you know part
17 of my concern is in context that that is, that is, that is the direction where we're headed. You
18 know, if that were not the direction you know I could say, easily say, yeah, well great I have mine
19 so you know that's great for me, but I do think that there's a broader issue than just besides my
20 own self-interest. I think that short-term rental homes need to be recognized for the value that
21 they bring to the community at large. You know, I want to empathize with the residents that are
22 concerned about the affordability of housing and if Mr. Borge is any indication of how others feel,
23 I mean, I can understand why the Planning Commission wants to take a step to make some
24 improvements to the affordability of housing. I just believe that it is completely misguided to try
25 to do so by limiting the number of short-term rentals by I believe I heard that it was around 70
26 additional short-term rentals island wide could be added. I want it to be noted that you know,
27 these are small business owners, in fact the majority of short-term rental homeowners reside on
28 Maui so the idea that these are just off-island investors that are coming here and jacking up the
29 prices I think we need to recognize that myself and others, we live here, we're small business
30 owners and we provide jobs. I mean, I can, I can go through the list of people that I employ but I
31 send out about 15 1099s last year to you know, my local bookkeeper, landscaper, carpet cleaner,
32 housecleaner, gutter cleaner, maintenance people, HVAC, handyman, window cleaners, these
33 are all people that are not just relying on me, but they are employed by many other short-term
34 rental home owners. And so, I think we have to look at identify the problem is affordability of
35 housing and we need to address that, but I also think that it's two-sided that affordability of housing
36 is not just based on availability it's also based on jobs and income and in a post-COVID world all
37 of the data that was presented previously in the slide deck I think may have been important but
38 at this point I believe it's irrelevant because right now more than anything we need jobs, and two-
39 thirds of our population is currently or private employment forces ...(inaudible due to
40 feedback)...currently unemployed. We need to do everything we can to provide jobs.

41
42 Ms. Takayama-Corden: Three minutes.

43
44 Mr. Russell: I just...I'll end there. I think that, just the last little thing I'll say it's like an analogy of
45 we are on a ship and I can see the Planning Commission sees a storm ahead which is shortage
46 of housing so they pull the wheel and turn the other direction as fast as they can but not realizing

1 that we're headed directly into a unexposed reef and we're going to sink the ship and there's a
2 gonna be a huge hole. If we can provide more jobs, the better everyone will be. We have to look
3 at this in context of post COVID and I think that the 70 or so extra homes that would turn into
4 short-term rental homes—

5
6 Mr. Carnicelli: Thank you, Mr. Russell.

7
8 Mr. Russell: ...(inaudible)...I just feel like we're doing ourselves injustice.

9
10 Mr. Carnicelli: Thank you. Appreciate it. Any questions for the testifier. Thank you, Mr. Russell,
11 appreciate it, and thank you for your testimony. Director.

12
13 Ms. McLean: Chair, the next testifier is Michael Baskin and he will be followed by Russell Evans.
14 We'll give Russell Evans another shot at joining. So Michael Baskin you can unmute yourself and
15 provide your testimony.

16
17 Mr. Michael Baskin: Good afternoon, Michael Baskin, how are you all today. Thank you so much
18 for your work. I'm a 40-year resident.

19
20 Unidentified Speaker: Good morning Mr. Baskin.

21
22 Mr. Baskin: Good morning. I'm also a ...(inaudible)...and I think it's important that we all kind of
23 wake up here and look at the reality of the COVID right now. So there's gonna be massive layoffs,
24 the island is very reliant upon tourism. There's no question about that. We're trying to figure out
25 ways to diversify but the reality is tourism is our business right now, so why we would consider
26 curtailing, phasing out or limiting vacation rentals at this time to me seems obviously the wrong
27 timing to consider that. There's gonna be massive layoffs, why would we do that? So, to me, I
28 think we need to really focus on a whole different thing which is to make sure that that we are
29 welcoming tourism, to send a message to the tourist we are here to welcome you, come to Maui,
30 we have a variety of vacation rentals, hotels and different accommodations, we're a diversified
31 economy. There's a lot of local jobs that are relying upon this like the previous testifier. Even Mr.
32 Borge who testified that he doesn't want to have vacation rentals he also stated that he works in
33 tourism so I think a lot of us need to understand that the tourism dollars are what are keeping
34 Maui afloat. It's what keeping our economy afloat. In Paia, for example, we are very reliant upon
35 it. It's a very good possibility 30 percent of the stores don't reopen in Paia, restaurants don't
36 reopen and a lot of jobs are lost to think about phasing this out, to think about curtailing or limiting
37 at this time.

38
39 The other thing I would like to do is respect the Council people back in 2012 who voted on this.
40 They vetted it as Tom Croly mentioned, this is going back many, many years. People like Don
41 Couch, people Gladys Baisa, people like Councilman Victorino who's now our Mayor who we
42 voted in, they were all in support of these caps, okay because it was vetted. Each community
43 had an opportunity to come out, I was there, and I saw. Why would we now go back in time and
44 not support the Councilman who voted on this, I think that's wrong of us to do. So I think that we
45 should focus on promoting tourism, do everything we can as a community to do that, and these
46 few make no sense to limit at this time. Keep the caps as they are, Maui Vacation Rental

1 Association is in support of not lowering the caps, we want to keep the caps where they are, we
2 want to support and be fair to everyone who wants to come out and be legal to have that
3 opportunity to do so. Thank you.

4
5 Mr. Carnicelli: Thank you, Mr. Baskin. Any questions for the testifier? Seeing none, thank you,
6 Mr. Baskin.

7
8 Mr. Baskin: Aloha.

9
10 Mr. Carnicelli: Director.

11
12 Ms. McLean: Chair, we'll give Russell Evans another chance to offer testimony. He will be
13 followed by Colleen Medeiros. Russell Evans can you unmute yourself?

14
15 Mr. Russell Evans: I can hear you.

16
17 Mr. Carnicelli: There he is, Russell.

18
19 Mr. Evans: Thank you, I had two other calls since this one's started, so I've been off for a while
20 and not really what's been said, but thank you for opportunity to participate, thank you to the
21 Council...to the Commission, the Planning Commission. My history with Maui goes back to about
22 1984. My wife and I visit the island every year for 25 years, and our goal was to retire on the
23 island and spend most of our year on the Island of Maui. And one day we walked into a real
24 estate store and the...we saw...we started talking about houses and then we couldn't really afford
25 that, and the guy said, well you know, you could get a permit and do a short-term rental, and we
26 thought, well that sounds pretty good. So we went into this sort of with a good faith approach that
27 this would be a way for us to lock in our retirement residence and you know defer some of the
28 costs. Originally I thought there were 400 permits authorized and I noticed on the presentation
29 earlier that it said around 350. I was wondering about the discrepancy, maybe somebody can
30 correct me later, and I also was unclear about there's like two numbers on the chart. It said the
31 Department and the Council had two different numbers like one was advocating 230 and one was
32 advocating 278, and I was unclear about what those...what the difference was in the number like
33 is this Commission advocating a lower number than the County Council, that was kinda the
34 impression I got. But that, I think that was referred to as the recommendation so those are a
35 couple questions I had.

36
37 And the other thing was, I noticed that like in that presentation that the tourism goal was around
38 thirty sum percent of the residents so there are you know a 150,000 residents looking to get
39 50,000 daily average tourist and that we actually got 40 percent, was that a good thing or a bad
40 thing because it sounds like business was good, we exceeded the goals, so when the original
41 plan was put in place was the idea to cap the number of people that visited or to have a robust
42 visitor industry. I was just curious about that. And I understand we're only talking about putting
43 a cap not rescinding licenses, not eliminating permits, but it seems like since 2012, so the
44 ordinance came into pass in 2012, I call it an ordinance, I'm never sure if I have the right
45 terminology, but there's been...and we got our permit in 2014, we bought our house in '13, applied
46 for the permit, got it in '14, and it just feels like there's been a gradual chipping away at this...at

1 the business of owning a short-term rental home. The five-year rule came into place, like it's
2 discouraging people from having this business despite all the benefits that the business brings to
3 the island. I know there are some negatives. The lack of sending out renewal notifications, I
4 know two people that lost their—
5
6 Ms. Takayama-Corden: Three minutes.
7
8 Mr. Evans: --permits because they never got a renewal notification. Is there any other permit or
9 license that's issued on the State...in the Island of Maui where they don't send –
10
11 Ms. Takayama-Corden: Three minutes.
12
13 Mr. Evans: --you a renewal notice. Thank you. Appreciate it.
14
15 Mr. Carnicelli: Thank you, Mr. Evans. Any questions for the testifier? Seeing none, thank you
16 for your testimony, we really appreciate it. Director.
17
18 Ms. McLean: Chair, the next testifier—
19
20 Mr. Carnicelli: Oh, wait, wait, wait, I'm sorry, Ms. La Costa, I didn't see you raise your hand there.
21 Ms. La Costa has a question for you Mr. Evans.
22
23 Mr. Evans: Thank you. She's on mute, I can't hear her.
24
25 Mr. Carnicelli: Yeah, we can't hear you P. D.
26
27 Ms. La Costa: Still nothing?
28
29 Mr. Evans: There we go. I hear you.
30
31 Mr. Carnicelli: Gotcha.
32
33 Ms. La Costa: Okay, thank you. This is more for the Director in reference to your question sir
34 about the renewal forms. Are the permit holders notified mail, email, whatever, prior to the
35 expiration or is it up to them to keep it on their calendar, thanks.
36
37 Ms. McLean: We do not give holders of any kind of permit a heads up before their permit expires.
38 When they get their permit approval letter it states clearly when the expiration date is and when
39 the permits have to be renewed.
40
41 Ms. La Costa: Thank you.
42
43 Mr. Carnicelli: Commissioner Freitas.
44
45 Mr. Freitas: Mr. Russell Evans, thank you for your testimony. My question is actually for the
46 Director. In these testimony usually people state their opinion but Mr. Evans had a lot of

1 questions, are we supposed to or is someone supposed to be answering those questions or do
2 we just move a long? He asked I think three questions, and does someone answer him?
3 Mr. Evans, was your question to the Director or to the Commission.

4
5 Mr. Evans: Yeah, I'm sorry I took too much time asking my question and I didn't get to my opinion.
6 That's my fault for not timing things.

7
8 Mr. Freitas: Real quick, what's your opinion then?

9
10 Mr. Carnicelli: Give us a thumbs up or thumbs down.

11
12 Mr. Evans: Oh, do not reduce the caps, instead...actually I have more than just do not reduce
13 the cap, do not reduce the cap, instead be more selective about who you give the permits to, by
14 do more investigating about the neighborhood and try to find out like where my house in
15 Kaanapali, in Kaanapali Vista, there's you know half a dozen short-term rentals, it doesn't affect
16 the neighbors in a negative way at all, so maybe I rarely hear about anybody applying for a permit
17 getting turned down.

18
19 Mr. Carnicelli: You haven't been in any meetings here then.

20
21 Ms. La Costa: That's a fact.

22
23 Mr. Carnicelli: I appreciate your...actually Ms. La Costa if you could mute yourself again, 'cause
24 I think we're getting feedback from you. But Mr. Evans I'll address the asking of questions is
25 unfortunately there are oftentimes people that have a lot of questions when they show up, but this
26 a time where we provide testimony and not ask questions. And so, you know, otherwise people
27 would come up and start grilling us and wanting to ask us a bunch of questions about things, and
28 so that's oftentimes where we have presentation at the beginning and then we'll discussion
29 afterwards.

30
31 Mr. Evans: Okay, my apologies.

32
33 Mr. Carnicelli: I think you bring up some good points. No, you know, you don't know, I mean, it's
34 fine, it's okay, I just...I think this is for everybody's education as well, and hopefully what happens
35 is, is you pose questions, but then at the end of this and we have our discussion and we have our
36 back and forth with the Director whoever else it might be or an applicant we can ask those same
37 concerns that you bring up. So, you know, it's good that you bring up your concerns. It's not like
38 say, okay, we're gonna now answer them for you, but I think that it's good to know what people's
39 concerns are, and so, you know--

40
41 Mr. Evans: Right. I was –

42
43 Mr. Carnicelli: --and so we appreciate you bringing those concerns up and hopefully over the
44 course this meeting and then the next one that we have, we can, we can some of those addressed
45 and some people have brought up this is not our decision.

46

1 Mr. Evans: Right.

2
3 Mr. Carnicelli: All we're gonna do is make a recommendation and we hand it off to County Council
4 and then it goes to Ms. Paltin's, Councilmember Paltin's committee, they'll vet it there, and then
5 from the committee it goes back to the Council and there'll be a first reading and a second reading
6 there so there's a lot more bites of the apple here that everybody gets to take.

7
8 Mr. Evans: I appreciate all your hard work. I'm sure we all do. Being on calls like this for hours
9 and hours is grueling and very much appreciated. So, thank you, I will remute myself.

10
11 Mr. Carnicelli: Thank you, Mr. Evans, I appreciate it. Okay, Director.

12
13 Ms. McLean: Thank you, Chair, and you answered Commissioner Freitas' question which is if
14 the Commission wants to ask those questions of the Department after testimony is completed
15 that's certainly your prerogative. The next testifier is Colleen Medeiros and she'll be followed by
16 Matt Dennis.

17
18 Ms. Colleen Medeiros: Hi everybody.

19
20 Mr. Carnicelli: Good morning, Colleen.

21
22 Ms. Medeiros: Hi. So, I am a owner of a short-term rental home out on the west side. You know
23 I'm one of these 119 resident owners, and you know, I have a I guess generationally owned
24 property out there which is why I don't wanna sell it. Anyhow, regarding the caps, you know, like
25 many other testifiers have said, for us this is a, this is a small business, a small business that has
26 made a huge impact in my life, in my, you know, this business provides extra income for me, this
27 business provides a way for me to keep our family home that requires a great deal of
28 maintenance, really more so than long-term rental income that could bring in. It's just, it's really
29 changed my life actually. I got my permit in 2013, and have spent a great deal of money and a
30 great deal of time building this business to make it a nice place for families to stay that is more
31 affordable than the hotels and is just a whole different lodging venue. So you know, as far as
32 small business on Maui goes, I really do believe that small business should be encouraged and I
33 think this is a perfect model for sustainable tourist lodging. I think that the short-term rental home
34 permitting process is very good, and getting better, and I really would like...I'd love it if people
35 would start...you know, if we want to switch our economy and change things with the way tourism
36 is and manage it more tightly, I believe that smaller localized lodging is more sustainable. It's got
37 a lower environmental footprint, we use less resources, water, electricity, we don't demand the
38 volume of visitors that large hotels demand. The money stays local, you know, number one,
39 sustainable tourism founding principle is keep, keep the money local and support the host
40 community and that's what this sect of the tourism industry does for us. It's a direct, direct financial
41 support to the host community, you know—

42
43 Ms. Takayama-Corden: Three minutes.

44

1 Ms. Medeiros: --you know, if there's no other takeaway from what I have just said, I just wanna
2 reiterate that I believe this is the best model for sustainable tourism lodging that we currently have.
3 Thank you.

4
5 Mr. Carnicelli: Thank you, Colleen. Any questions for the testifier? Ms. La Costa.

6
7 Ms. Medeiros: I can't hear her.

8
9 Mr. Carnicelli: Still can't hear you.

10
11 Ms. La Costa: Okay, now you can, okay. I gotta...I'll switch laptops at the next break. First of
12 all, Ms. Medeiros, thank you so much for your excellent letter, you got the best letter award of all
13 of the dozens and dozens and dozens, and dozens, and dozens, and dozens of testimony that
14 we received. Your information was succinct. You backed up your suppositions that became not
15 suppositions but actual facts and I wanna appreciate the time you took and what you're doing for
16 the community. Thank you.

17
18 Ms. Medeiros: Thank you.

19
20 Mr. Carnicelli: Thank you, Ms. La Costa. Thank you, Ms. Medeiros, appreciate your time.

21
22 Ms. Medeiros: Okay, thank you all very much.

23
24 Mr. Carnicelli: Thank you. Director.

25
26 Ms. McLean: Chair, the next testifier is Matt Dennis, and he will be followed by
27 Velva Ribble-Padgett. So, Matt Dennis can you unmute yourself and provide your testimony?

28
29 Mr. Matt Dennis: Can everybody hear me? (audio feedback)

30
31 Mr. Carnicelli: P. D. are you on mute?

32
33 Mr. Dennis: Hopefully that's not how the whole thing goes. ...(audio feedback)...Is it still doing
34 it? ...(audio feedback)...

35
36 Mr. Carnicelli: Do you have two devices on?

37
38 Mr. Dennis: I do not. I'm gonna try...can you skip me, and I can call in?

39
40 Mr. Carnicelli: Okay.

41
42 Mr. Dennis: Thank you.

43
44 Mr. Carnicelli: Thank you, appreciate it. Sorry, about that. Director. We're gonna come back to
45 him. He's gonna try, he's gonna try calling back.

46

1 Ms. McLean: Okay, the next testifier is Vela Ribble-Padgett and she will be followed by
2 Jen Russo.

3
4 Mr. Carnicelli: I see her video, but not...I don't hear her.

5
6 Mr. Dennis: Did that fix my problem guys?

7
8 Ms. McLean: Yes.

9
10 Mr. Carnicelli: Yeah. But hang on, what we're gonna do, is since we called up
11 Ms. Ribble-Padgett, we'll go ahead and take her first and then come back to you, so don't go
12 anywhere.

13
14 Mr. Dennis: Thank you.

15
16 Mr. Carnicelli: But we just called her up. So, Velva, we cannot hear you, I mean, I can see your
17 screen, but I can't hear you, so may actually have to just go to Mr. Dennis. All right, let's do that.
18 Let's do that. So, Velva we're gonna put you on hold and we're go to Justin Dennis.

19
20 Mr. Dennis: Am I okay, now?

21
22 Mr. Carnicelli: Yeah, we got a little echo, but let's try it.

23
24 Mr. Dennis: What I'm gonna do is I'm gonna mute it so I'm not gonna be able to hear you guys
25 talk through this and then I'll unmute it if that's okay?

26
27 Mr. Carnicelli: That's fine.

28
29 Mr. Dennis: Thank you. Okay, I'd like to start, everybody can hear can you just please nod.

30
31 Mr. Carnicelli: Yeah, yeah, that's good.

32
33 Mr. Dennis: Okay, thank you. I'm sorry guys, I'm having some technical difficulties. I'd like to
34 start by saying thank you Russell Evans and Colleen, making the great points about investigating
35 the applicants. I think that's extremely important to this process. So I'd like to thank them both.

36
37 My name is Matt Dennis from Lahaina Animal Farm in Launiupoko. My family has purchased a
38 property in late 2017, and has a pending application in West Maui which we submitted in July of
39 2018. We're almost positive that we will never receive a permit based on the process so far, but
40 just wanted to share the story. So to us the cap is almost irrelevant, we just wanted some points
41 to be made.

42
43 We purchased the property and immediately canceled over a hundred thousand dollars in short-
44 term reservations that were on the property from the previous owner in order to follow all the laws
45 and rules, and start off on the right foot in Maui. We then submitted an application for a permit.
46 Soon after that, we reopened a business called Lead Lahaina Animal Farm Tours and Petting

1 Zoo. It's not only for tourists but more importantly for the kids and families of Maui. We started
2 these tours to become a part of the community and make a difference. For sustainability it's
3 important for the kids of Maui to know that food comes from the ocean and comes from farms, it
4 does not come from Whole Foods, Safeway or Costco. I'm telling this because our tour business
5 loses money every single month yet we still donate tours to the local schools and the community
6 out of our own pocket to be a part of that community. We are part of the negative stigma of being
7 mainlanders and investing money onto Maui. We fell in love with that island 15 years ago when
8 we took our first vacations there. Never in a million years thinking we would ever be able to buy
9 a home there, but we figured out a way after ten years of spending no money on anything else to
10 make an investment there.

11
12 We will continue to do the petting zoo tours no matter what. We wanna do more. Telling you this
13 because, you know, even in your own families and under your own roofs there's people that give
14 more and there's people that take more. Not all applicants and permit holders are just out to take
15 from Maui. Some people wanna be involved, some people wanna give back to the community,
16 some people wanna make it different. So back to Russell Evans and Colleen's point about
17 investing the applicants, super important.

18
19 I think the last thing I'll leave you with is that some people are born with aloha, some people are
20 taught it, Maui's taught us about it, and we're trying to give as much as we can back. We'll
21 continue to do what we can, but we wanna give more even if we get a permit, we don't get a
22 permit. Thank you for your time. I just...we wanted to make our point.

23
24 Mr. Carnicelli: I appreciate that personally. Thank you. I wish more of us had what you've got.
25 Any questions for the testifier? I appreciate your manao, thank you.

26
27 Mr. Dennis: Thank you, sir.

28
29 Mr. Carnicelli: Director.

30
31 Ms. McLean: Chair, we can try Velva Ribble-Padgett again, and Velva would be followed by Jen
32 Russo.

33
34 Mr. Carnicelli: So Velva if you can hear us, you are not muted in the system. So whatever device
35 you are on is most likely the thing that is muted. Let's go to Jen Russo, see if we can get Velva
36 figured out in the meantime. Jen, unmute yourself.

37
38 Ms. McLean: Chair, while we're waiting for Jen Russo, just to let you and those waiting know that
39 after Jen Russo will be Toby Fisher and Toby Fisher is the last person signed up to testify. Jen
40 Russo, Toby Fisher and then Velva Ribble-Padgett.

41
42 Mr. Carnicelli: Okay, and then we'll have discussion and then we'll go to lunch and then we'll take
43 up the next item after lunch. So, do we have Ms. Russo? Aunty Mopsy mute yourself please.
44 Thank you. Oh, we got a screen share from someone. Okay, I tell you what let's do this, since
45 we're having technical difficulties with Ms. Ribble-Padgett and Ms. Russo, let's go to Toby Fisher

1 and see if we can circle back. So Toby can you unmute yourself please and see if we can hear
2 you?

3
4 Ms. Toby Fisher: Hello, can you hear me.

5
6 Mr. Carnicelli: Hello, we can. We can see you and hear you.

7
8 Ms. Fisher: Hi, I'm Toby Fisher, I'm an STRH owner in Hana. I hope I'm one of the two that is
9 showing up as pending. I'm also Colleen Medeiros' sister-in-law and we both are residents of
10 Maui and this is our small business that helps support our families. I have older children and this
11 helps both my husband and I put our older children through college without going into student
12 debt. So, the niche that STRH fulfills in resident owners I feel is very important. I think as far as
13 the cap goes what Russell said and Colleen said, I do believe that vetting, vetting the people that
14 are applying and making sure that the areas that they're in I know we have to send out a, you
15 know a letter to all of our neighbors but just vetting the area that they're in I've never had any
16 complaints and everyone around me is also in the similar industry but both Colleen and I have
17 had conversations with County Council members about the sustainability of tourism on Maui and
18 to...it's getting hard, you know, it's hard on everyone right now with the...with everything that's
19 going on with COVID and being shut down, but then to also have this fear of our permits not
20 getting renewed or of them, you know possibly going away or being capped out just adds to
21 everything that, that we're all going through financially, emotionally and all of that. So I just feel
22 as far as the cap goes that we need to just pick a number and stick with it. These permits and
23 the availability of these permits have been around for years and people are not conforming to
24 them, so they have the platform to conform and go through all of the things that we've gone
25 through and the hard work to make them legal, to pay our taxes, to pay our insurances and in
26 some areas they haven't. So, I don't...I think that the cap should be set where it is, once those
27 are filled, it's always easier to give more than it is to take back, right? So, if we put the cap now,
28 stabilize everything and then in the future moving forward we can revisit the numbers again, cause
29 I think ...(inaudible)...making a decision, sticking to the cap, letting the people know that are in
30 the process right now that they are gonna be taken care of. We have our property taxes due in
31 July, we have our County of Maui insurance bills that are due, and we're shut down.

32
33 Ms. Takayama-Corden: Three minutes.

34
35 Ms. Fisher: Thank you.

36
37 Mr. Carnicelli: Thank you, Ms. Fisher. Any questions for the testifier? Seeing none, thank you,
38 Ms. Fisher, we appreciate your time and your sharing your thoughts.

39
40 Ms. Fisher: Thank you.

41
42 Mr. Carnicelli: Director.

43
44 Ms. McLean: Chair, try Velva Ribble-Padgett again, or Jen Russo. Jen Russo showed as still
45 being on the call, I direct chatted her but did not get a response.

46

1 Ms. Jen Russo: Hi there, can you hear me?

2
3 Mr. Carnicelli: Yes, yes, we can.

4
5 Ms. Russo: Great. So, the app isn't working but my phone is getting through. So thank you for
6 listening to all of this testimony today, and thanks for opportunity using the BlueJeans system, I
7 know there's some technical difficulties but I think that I hope moving forward we could combine
8 this technology with our meetings and have them both. So I think you can see there's this unusual
9 situation here where we have a lot of business owners engaged and advocating for competition
10 in their field and I think it's important to note that more than half of these permit owners, call Maui
11 home, the Maui permit owners call Maui home and this is one of the ways our County allows local
12 families to participate in the hospitality industry and that is innovation and diversity in our tourism
13 economy. I'm trying to get at the heart of this resolution to reduce caps and if it's to create more
14 housing for residents I don't know if we have the conclusive data that says that will happen. And
15 if this is about neighborhood changing, if so, then I think we have to advocate for more study and
16 analysis of the second home market and what those numbers are and how this is affecting Maui
17 because it's perfectly legal to let friends and family stay in your second home and to any neighbor
18 that's gonna look like a vacation rental use, but it's technically not. And another thing to consider
19 is that the Planning Department does not take handing permits out lightly. In the last planning
20 commission meeting you heard two permits where the applications had started from 2018, so that
21 was over a year in the application process. So I don't see that we have a rush to reduce the caps
22 when the permit application process is well vetted in the Planning Department. And I think we
23 need a little bit more info and better data. We're in support of a cap but I don't think a reduction
24 is prudent at this time. That's all.

25
26 Mr. Carnicelli: Thank you, Ms. Russo. Any questions for the testifier?

27
28 Ms. Russo: Thank you so much.

29
30 Mr. Carnicelli: Seeing none, appreciate it. Director.

31
32 Ms. McLean: Chair, the only other person who indicated they wanted to testify was Velva Ribble-
33 Padgett.

34
35 Mr. Carnicelli: Velva.

36
37 Ms. Takayama-Corden: I don't see her name anymore.

38
39 Mr. Carnicelli: I believe—

40
41 Ms. Takayama-Corden: She's trying to connect again.

42
43 Mr. Carnicelli: Right. One of those people, it's like left the call, joined the call, left the call, joined
44 the call. I believe Aunty Mopsy wanted to get in too, although I don't—I don't know if she PM'd
45 you, Director or not.

46

1 Ms. Velva Ribble-Padgett: Can you hear me?

2

3 Ms. McLean: No, Chair. I haven't heard from anybody else.

4

5 Mr. Carnicelli: She came in late.

6

7 Ms. McLean: If there's anyone else who is joined by BlueJeans who wants to testify you can use
8 the chat function and send a direct message to me, I'm Michele McLean to let me know that you
9 want to testify. Chair, there are also several people who have joined by phone and—

10

11 Mr. Carnicelli: Right.

12

13 Ms. McLean: And we can just go through those numbers. I'll go through the numbers in order
14 that they're listed and if you wish to testify please unmute yourself and start speaking. The first
15 number we have is area code, 510-681-1078. If you wish to testify state your name.

16

17 Mr. Michael Dugan: I thank you, I have already testified. This is Michael Dugan.

18

19 Mr. Carnicelli: Thank you.

20

21 Mr. Hopper: Michele, this Michael Hopper, just as a suggestion maybe read just the last four
22 digits so you're not reading out loud the full phone numbers for people, that happened at MRA, I
23 don't know if it's possible to leave...to just read the last four, just as a suggestion.

24

25 Ms. McLean: Okay, thanks Mike. So, the next one, the last four digits, are 8820. If you wish to
26 testify you can unmute yourself and please provide your name. It appears you have unmuted but
27 we haven't heard anything. Next, we have the last four digits are 8820 do you want to try one
28 more time? Okay, next we have the last four digits are 0956, if you wish to testify you can unmute
29 yourself and state your name. Okay, seeing none, next we have the last four digits are 9385. If
30 you wish testify, you can unmute yourself and provide your name. Okay, next we have 8205,
31 next we have the last four digits are 8984, next is 3757, if you wish to testify. Okay, next we have
32 1716, if you wish to testify unmute yourself and provide your name please. Next the last four
33 digits are 3456, and last is 5296. Okay, Chair, there does not appear to be anybody else who
34 wishes to testify, but for those who may have wanted to and are not able to, as you may have
35 heard earlier in the meeting this will be recessed and so there will be an opportunity to testify in
36 two weeks and hopefully we can work some of the bugs out then.

37

38 Mr. Carnicelli: Well, and just to piggyback on that and be a little bit more clear, if you have not
39 testified, you'll get testify. For those of you that have already testified, we've already been there,
40 done that. So, and, and...It will be a BlueJeans meeting again, most likely unless the Mayor
41 decrees something else, all indications are right now that it will be another BlueJeans meeting but
42 you'll have to look for the agenda being posted, I believe it's seven or eight days ahead of time.
43 So at this point, Commission I think that what we should do is just have some basic conversation
44 right now, questions. I think the biggest thing that would be good right now is to come up with
45 questions and/or research that we need in order to come up with a determination of a
46 recommendation, you know we're kinda given a sort of a blessing in a way that, you know, we

1 can say, hey listen we want more information based on all the testimony and things of that nature.
2 Like what is it that we wanna see, what is it that we wanna get in order to go ahead and move
3 forward with a recommendation. So at this point in time, I'll go ahead and just open up the floor.
4 We'll start with P. Denise La Costa because that's where we always start. So, Ms. La Costa, I
5 don't know if you've got feedback or muted yourself or whatever it is, but you have the floor.

6
7 Ms. La Costa: I'm rarely muted my friend, thank you. My information that I need we asked
8 Councilwoman Paltin for earlier and thank you for eloquently putting it the way that I could not, I'd
9 just like to know about the numbers because as everybody or most everybody knows I'm a real
10 estate broker here too, and I don't see a lot of the information here about loss of value and median
11 prices and things, so I need more information to be able to ascertain if it makes sense to lower
12 the cap or leave it like it is. Thank you.

13
14 Mr. Carnicelli: Just, if I could though, is I think 'cause you'll probably get asked this question, is
15 there anything specifically that you want or need? I mean, I think the median home prices like we
16 talked about, some of the testifiers provided, you know, some pretty good data, but is there
17 specifically some I guess specific real estate data or income data or facts and figures that you're
18 looking at?

19
20 Ms. La Costa: Well it's, I'm looking at revenue because that seems to be the driving force, you
21 know all of the people who have jobs because of the short-term rentals and how much revenue
22 would the County stand to lose if they capped it where it is now and a median number obviously
23 would have to work because we don't know who might have applied if the caps were not in place,
24 if they were not changed. So, I just, maybe it's a by guess and by golly, you know, what, what
25 are we looking at? Are we looking at million, two, you know are we looking at three million? How
26 much can we determine if we can, how much revenue it's gonna cause a loss in the...at the
27 County for changing the tax rate and taxing them at a lower tax rate? Did I make sense?

28
29 Mr. Carnicelli: Yeah.

30
31 Ms. McLean: Chair, if I could? So, if we're looking at...Jacky provided figures on the Real
32 Property Tax revenue of all existing operations, in terms of number of permits that could be issued
33 now under the existing caps where collecting revenue on those in whatever category they're in
34 now, but we don't know what those are 'cause we don't know who those applicants may be in the
35 future.

36
37 Mr. Carnicelli: Right.

38
39 Ms. McLean: We could do an estimate of what the forgone revenue might be, but we don't know
40 what those properties are being taxed now 'cause we don't know who those applicants might be
41 in the future. So, we can give a ballpark, but it won't be a loss versus where we are today, it will
42 just be a gain that we would not realize.

43
44 Mr. Carnicelli: Right, right.

45
46 Ms. McLean: Is that what you're looking for? We can ballpark that as best we can.

1
2 Ms. La Costa: Yeah, that's what I was looking for because no one knows who's gonna apply.

3
4 Ms. McLean: Right. Okay. We can do that.

5
6 Ms. La Costa: So, yeah. I just am trying—I'm trying to offset the argument of oh, we're...you
7 know, we're making a huge difference or we're not making a huge difference, so just clarification.
8 Thank you.

9
10 Ms. McLean: Thank you.

11
12 Mr. Carnicelli: Well, I think you're driving at kinda what I tried to talk about at the beginning and
13 that is we have zero empirical data to make this decision, right. It's just, oh, we like vacation
14 rentals, we don't like vacation rentals, you know, we're a benefit to the community, oh, we don't
15 want tourists in our neighbors, you know, so it's, you know, if we could have some kind of empirical
16 data that would be great. One of the biggest things for me is I can't remember which testifier it
17 was, but employment. I'm still going to...guys, we're in a recession right now. We have the
18 biggest unemployment rate in the country and we're possibly going into a depression and I want
19 local families to be able to pay their rent, to be able to buy food, when PPP runs out, and
20 unemployment potentially runs out, and if the people in D.C. don't extend stuff, it could get bad
21 here and it scares me, and I almost...you know, there's a part of me that doesn't want to put a
22 restriction on anything until we can fair it out all this data and see where we're doing. I mean, I
23 almost kinda feel it's a little bit irresponsible to make this decision right now without knowing what
24 we're going to do in September and October. Are people gonna get in metal tubes and fly five or
25 six hours across the ocean? We don't know. Do we wanna get any tourist we can or do we
26 wanna get, you say, hey listen now's the time to blow the whole thing up and say, no, you know,
27 we're not and we're just gonna, you know, take the hit and as a community we're saying, yeah,
28 we're willing to take the hit because, you know, we want to restrict the visitor industry in that
29 particular way. I personally think that, you know, this is a greater policy decision. I think that what
30 we're talking about right now is the symptom and the problem. Do we want to say, hey listen,
31 what we're gonna do is go back to what Mr. Gatchell was talking about in the '80s when we're
32 going listen we want tourist in Kapalua, Kaanapali, Wailea and Makena and that's it. And if we
33 make that decision as a community and we say, sure that's what we want to do, and we only want
34 them there, and that's what we're doing as a community then I'm okay with that, but what it seems
35 like what we're doing is we're kinda nibbling around this and we're talking about oh, well we want
36 this, and you know, 72 here and 35 here and whatever it might be, when really as a community I
37 think we need to make a bigger policy decision. How do we want our island to be, you know, I
38 mean, everybody wants diversification, everybody would rather have less tourist to spend more
39 money, all of us. How do you do that? But even then, less tourist, spend more money, is that
40 less jobs? We don't know. Anyways, I'll get off my little soapbox. Who would like to go next?
41 Commissioner Freitas, I'll go to you.

42
43 Mr. Freitas: Mr. Watamull asked about the number of pending applications for West Maui, and
44 our record showed six, but he came up with a figure of 14. Is this correct or are we...is that people
45 since...decided that this was six, there was eight more applications coming in.

46

1 Ms. McLean: Commissioner, offhand I don't know exactly. I mean, what...(inaudible)...while this,
2 since this meeting began this morning. Relating to that issue, if the recommendation of the
3 commission and I know you're not doing that today, would be to account for all that have been
4 submitted essentially up until the day the bill passes, so since this report was submitted and the
5 report...the memo report needed to be to you folks in time for the posting deadline so it could be
6 made available and certainly applications have been submitted since that time. So that number
7 changes every day as we receive applications and what we are recommending is that all
8 applications that have been submitted get accounted for if the cap is going to change. So at the
9 next meeting we can give you information up to that day and it very likely has increased from what
10 was originally submitted.

11
12 Mr. Freitas: Well, I think there should have been a cutoff date so that we can look at numbers
13 that's not keep changing. So from now until our next meeting there could be 20 more applications
14 come in and then our numbers gets all changed around again. I just wish there's a number or a
15 date that it says, from this date on we'll include you, the rest, no because not all of those that are
16 applying are gonna get in, you know. So in other words, let's say we gave a date two months
17 ago, and there were six people on the list, but you had eight more that come in, of that six that
18 met the deadline, you know what we've included them as the cap, but not all six are gonna get it
19 automatically they still have to go through the process. So then those other eight that did put in,
20 well, they be able to get a spot. My second question is that, because this is just a cap, when it is
21 time to renew with those that already have application have priority or will they have to go back
22 in and everybody's fighting for whatever that cap is?

23
24 Ms. McLean: The renewals would be considered one permit that continues on so renewals
25 wouldn't be threatened by this. They would just continue as long as the renewal request was
26 submitted in time, and the renewal goes through then that would just stay as one permit.

27
28 Mr. Freitas: Okay. And this one isn't a question, but I would just like to a make a comment. A
29 lot of the testifiers that were against this resolution were worried about the people that they employ
30 now, but as I'm thinking about it they are...if you have one already and you're permitted that will
31 not change is that correct? So I couldn't really and I didn't want to ask every testifier well where
32 are you getting at? You should be good unless you are trying to speak for more to get more jobs
33 for the people that work for you or to give more jobs to maybe a housekeeper for a buddy that
34 wants a short-term rental, so that's just a comment that I thought a lot of it was repetitive that if
35 you had a place permitted your employees can still work, now it's your job to make sure it sells or
36 gets rented or whatever you call it. That's, that's what I have for now. Thank you.

37
38 Mr. Carnicelli: Thank you, Commissioner Freitas. If I could ask...I'll go to you Commissioner
39 Thompson after this, is on what Commissioner Freitas is getting at I find really interesting is the
40 last the thing we want to do is create a run, right, like a run on permits, suddenly, okay if this were
41 going to be adopted by the Council are we going to see 75 people, you know, put in their permit
42 to get it in the pipeline or something like that. So my question is, is this number going to say,
43 move based on the number in the pipeline because we can say, oh okay, well there's another five
44 in the pipeline that's my first question. My second question is, how long does it take an application
45 to get put together 'cause I'm assuming it's not something you could do in a couple of days, right,

1 so like by the end of the week I'm gonna get my application in. About how long does it take do
2 you think to put together an application and get it submitted and get it in the pipeline, Director?

3
4 Ms. McLean: If the applicant has all the required information available, it shouldn't take very long,
5 but I think it can take a while to put all that information together, needing a site plan, a GET license,
6 a TAT license, you know, there's a lot of information in the County Code that's required to submit
7 as part of the application. You know, there might be some applicants that have that readily
8 available, but I would be surprised if all did, it's not...that's not really a common thing for people
9 to have so...and then you have to put together the list of surrounding property owners, so if
10 someone hires a consultant it's probably faster but there are people who do it on their own and I
11 would think it would take them a couple of months to put everything together.

12
13 Mr. Carnicelli: Okay, thank you. Commissioner Thompson.

14
15 Mr. Thompson: Thanks, Chair. So you know, Councilmember Paltin wrote this bill because she
16 has constituents that believe one or two things, I think that it takes away from affordable housing,
17 they're watching the housing going away, and two, there's some NIMBYs, we just don't want more
18 people. So they gotta go back with something, that they want something. What I would propose
19 out of it is, we approve it although we let them have whatever it takes 20 off, she said they would
20 compromise, that lets everything in that's in process now plus that are people thinking about it to
21 get it through, but I would say the big win out of it would be if we added a thing in there that says,
22 there's a grace period for people that have it when they expire, they can, you know, if they pay a
23 penalty because that's a big one, and ...(inaudible)...people they forget, it's a once whatever,
24 every couple years, two years, and you forget about it, the day goes by and now you're screwed,
25 you're out of the game altogether. So I think for the people that already have them if that was in
26 there they'd go homerun, and realistically, we're not gonna hit these numbers in a while, we're
27 gonna be minus tourism. When Desert Storm came here, what it was like three days of war Iraq,
28 Kuwait, whatever, for a year here real estate was just in the dumps from a one-week war, so
29 imagine when we have three month off, this is going to be six years before tourism's back to...if
30 we're fighting over that 60 percent or 70 or whatever that number is, so it's gonna be a long time.
31 So I don't know to placate everybody in there, maybe it's okay, you get to pass a bill, it's resolution,
32 the number goes down but there's a bonus for the people that already have it, you're not gonna
33 get kicked out of it. I would take that deal if it was me, oh yeah, oops, I forgot, they've come in
34 front of us before and they go, sorry and now it's a year worth of thousands or tens of thousands
35 of dollars of people writing up, you know, we're chopping down trees like crazy just to keep up
36 with it. Anyway, that's my two cents.

37
38 Mr. Carnicelli: Yeah, I appreciate that Commissioner Thompson and I know that, you know the
39 notice of expiration, I've been part of...in the Commission here and then at the Council level I've
40 been part of conversations like that, you don't get a notice for your driver's license, you don't get
41 a notice for this, this, and this and if I was running a business, I'd know when that expired. If my
42 business was dependent on my renewal, there would be a big old "x" on my calendar and I don't
43 need a note from anybody else—

44
45 Mr. Thompson: Fair enough.

1 Mr. Carnicelli: --to say my business is dependent upon that. So, although I do get
2 it,...(inaudible)...well, I should...anyways, that's just part of it.

3
4 Mr. Thompson: But you get your license back, you pay a penalty, you know, an extra ten percent
5 or something.

6
7 Mr. Carnicelli: Right. But that's another conversation for another day 'cause you know we're
8 talking about caps today, but I do appreciate that because you know, somebody brought it up and
9 so, I appreciate you wanting to address the concerns. Commissioner Castro, anything to add,
10 questions?

11
12 Mr. Castro: Just, just a couple of comments on some of the testifiers they brought up the point
13 about screening the applicants more better and to, yeah, and to look at the STRs that are legal
14 or illegal and I guess to the point is how do we find out these illegal ones, you know, because
15 no...nothing is generated you know for the County as far as taxes like that because they're not
16 registered but still running illegally, so how do we address that?

17
18 Mr. Carnicelli: Yeah, it's a legitimate question.

19
20 Mr. Castro: You know, so it kind of bothers me there's so many out there and I think at one time
21 I believe there was a shortage of people to actually go out and investigate, you know, these
22 concerns and where are we with that as far as the investigations?

23
24 Ms. McLean: Chair, do you want me to respond to that now or do you want us to provide
25 information at the next meeting or some of both?

26
27 Mr. Carnicelli: How about, how about we do a little bit of both?

28
29 Ms. McLean: Okay. Yeah, Commissioner Castro we did hire a contractor to assist with
30 enforcement efforts. The challenge with illegal operations is facing municipalities around the world
31 and so a new industry has cropped up to assist local governments with enforcement, and like with
32 our contractor they have the ability to go through many more online ads than we have the ability
33 to with our staff because illegal operators will post ads that block Hawaii IP addresses or they will
34 only run their ads on the weekends or evenings when they know our staff isn't working. They'll
35 run photos of a property that's not even their property and so when we, you know we either can't
36 find their ad or when we look at it, it looks like it's a property that is permitted or sometimes we've
37 cited an owner that is not doing vacation rental just this ad used their property instead. So these
38 consultants can help get through that and we've had a lot of success with them. Also, the Charter
39 Amendment that was passed at the end of 2018, resulted in a County Code amendment and
40 Administrative Rules amendments that now allow the initial fine for an illegal operation to be
41 \$20,000 and then daily fines of \$10,000, so that has had a pretty good deterrent effect. We have
42 issued a number of those and when I last checked all of those have been appealed to our BVA,
43 so we need to go through that appeal process before we are able to collect any of those fines.
44 And I can, at the next meeting I can give you current data of the number of notices warning, and
45 notices of violations that we've issued since we had the contractor, the number of illegals that we

1 found and so forth. I don't have that information right in front of me but we can provide that next
2 time.

3
4 Mr. Carnicelli: You're still muted Stephen.

5
6 Mr. Castro: Oh, I was. Well, thank you for that explanation. Thank you.

7
8 Mr. Carnicelli: Commissioner Tackett, questions, comments?

9
10 Mr. Tackett: Just a lot of good points were made. I still think that it's just a hard time for stuff like
11 this. As far as the new permits coming in and the economic, the economic boost that they get
12 should our, should our communities especially our residential end up with illnesses I think, I think
13 the repercussions would be pretty extreme. But that's, that's probably what I see is the scariest
14 thing about this...these times because we're still pushing to, to fulfill these things and globally it
15 looks like this thing is coming back again, you know what I mean, so it just kinda seemed like a
16 scary time to be putting tourists in people's neighborhoods, you know around people's kids and
17 stuff like that, so...anyways, that's just the type of thoughts that I have about approving just doing
18 this particular time in history. So that's all I got.

19
20 Mr. Carnicelli: Commissioner Tackett, you bring up a great point, a great point, I'll get you
21 Commissioner Freitas. But actually based on his comments, Mr. Hopper, if this is going to move
22 forward, is there a way with which we just say, okay, we're not reducing the cap, but what we're
23 saying is we're hitting a pause and we're not going to approve any new ones until we're, say clear
24 of literally, historic pandemic, something that you know is going to be written about in the annals
25 of history is we're in the middle of that time right now. Is there a way we could say, hey listen no
26 new approvals until "x", I mean in this pandemic and I don't know what "x" is, is to say, okay you
27 know, we want to be able to address all concerns, but you know, being where we are right now,
28 is that something that's even legal?

29
30 Mr. Hopper: I mean, you can recommend whatever you like to the Council, anything like that the
31 Council would have to approve, you couldn't just as a commission just blanketly say we're not
32 gonna consider anything that the, that the law says you have to consider. Now of course, if you've
33 got proclamations from the Governor or from the Mayor that prohibit this, you know this type of
34 visitor use or prohibit travel or deal with quarantine that will apply regardless of the zoning use
35 that's allowed. So you know, those restrictions would be separate from what the zoning use
36 allows, like you know, so I don't know if you would be looking more to sort of that blanket
37 prohibition because of course, that deals with whether you're an STRH permitted or a hotel or any
38 type of use, that's normally handled by emergency proclamations separately. But if you had for
39 whatever reason wanted to either reduce the caps or deal with the total number, you can make
40 that recommendation to Council. I don't know what the form of a temporary pause like you were
41 saying would take as part of the zoning ordinance. Normally something like that would be done
42 by executive order of the Mayor or the Governor if it's for a temporary period of time. If you want
43 to do something like a moratorium normally that's, that's reserved to come up with a revised code
44 for a particular reason to deal with an issue over time. So you know, you can again, make
45 whatever comments you like to the County Council, but normally those types of suspensions and
46 things are dealt with through those...the executive orders that the Mayor and the Governor would

1 set forth and obviously should apply to not just short-term rental homes but to hotels and
2 everything like that as well. So I think I'd probably recommend, again, you can recommend
3 whatever you like to the Council to look at but I think you, you would probably look for the policy
4 basis to say you know what are...are these cap numbers something we're satisfied with, should
5 they be lower as proposed or do you have a different recommendation on that.

6
7 Mr. Carnicelli: Great. Thank you, thank you, Michael, I appreciate it. Commissioner Freitas.

8
9 Mr. Freitas: Thank you. I know she can't respond and she might still be on, but for
10 Councilmember Paltin, maybe the Director could request that the council members that are on
11 the committee for this resolution try not to reinvent the wheel. I know Maui is very unique but
12 what have other places similar to ours what have they done regarding short-term rentals. I'm sure
13 we're not the only ones in the world that has this. Remember we're an island so don't compare
14 with anything in Florida because they have a lot of land and resources we don't, but maybe if we
15 could ask them to provide a couple of examples out there.

16
17 And finally, I'm gonna take a lot of darts for what I'm gonna share, but I'm going to share my
18 manao on short-term rentals. To me, short-term rentals are turning into very expensive homes
19 on our island and therefore, developers are starting to build expensive homes to turn around and
20 sell one or two in their subdivision that ends up being short-term rentals, and so what I'm thinking
21 is by putting this cap would discourage creating developments.

22
23 Mr. Carnicelli: Please mute yourself, please mute yourself.

24
25 Mr. Freitas: You know, I am still for the cap, after listening to a lot of...I counted about 15 that
26 were against, and about four or five that were for. You know, I'm a little bit on the fence, but the
27 bigger picture is if we don't put this cap again, home prices will continue to rise and even our
28 Mayor, even our...some of our Council members when they ran, they were worried that our
29 residents, our children just getting out of high school and young families who have to move away
30 because they cannot afford, well, stop allowing million-dollar subdivisions like we're having out
31 there and let's start providing affordable homes for our residents. There's a few that have
32 commented that there are hotels that are adding rooms and I mean, we have seen some, some
33 came through the Maui Planning Commission, some didn't, I totally agree we should not be adding
34 more rooms. I think our visitors coming we are busting at the seams, put a stop to the...to any
35 increase on visitors coming and I think short-term rentals help with more visitors coming, some
36 not even detected. I'm sorry, that's my, that's my manao, and I agree with this cap. Thank you
37 for your time.

38
39 Mr. Carnicelli: Would anybody else like to offer comments, questions at this point? Commissioner
40 La Costa.

41
42 Ms. La Costa: Thank you, Chair. I just did some down and dirty math about the percentage of
43 change when you talked about empirical numbers, a percentage of change of what is established
44 now and what it would be if these caps were to take place. Hana would be a decrease of 23
45 percent, Kihei-Makena it's no change because we don't know what number that really is,
46 Makawao the difference is a three percent change, Wailuku the difference 84 percent. West Maui

1 two percent, Lanai has never had a cap so it doesn't make a difference. So it's about 19 percent
2 decrease overall from the 349 to the 278, is that 19 percent a big deal, I don't know, so it's a tough
3 thing because I see both sides of the coin and it's tough. We wanna keep people employed but
4 we don't want to have our neighborhoods put at risk. People building big houses, developers,
5 you have to hold them for five years so at that point these laws may even change more and they
6 are, they're fluid just like everything else. So those are the percentages that I ...(inaudible)...and
7 to me, it didn't jump and down and raise a big, red flag, but I'm still open to hearing more and
8 making a decision based on more information. Thank you, Chair.

9
10 Mr. Carnicelli: Thank you. Anybody else want to add something? Director, I've got a couple of
11 things that I want to throw in there, and one is, you know we've broken the caps down into
12 community plan districts, however, you know one of the triggers to come to us is clustering. You
13 know, Keaka and I have gone back and forth for four or five years now about clustering, is
14 clustering good, bad, not? I think that, that when we start looking at these caps, I think we need
15 to look at subareas because Lahaina Town is different than Honokowai which is different than
16 Napili which is different than Kapalua. Kihei, north of Lipoa, Lipoa to Keonekai, Keonekai South,
17 kinda different communities. Paia and Kuau versus Haiku versus Huelo, versus Makawao. So I
18 almost think that it would do us a service to have a breakdown of that. You know we keep talking
19 about is it appropriate to have more of them on Halama Street or less of them on Halama Street,
20 more of them on north end of Front Street or less of them north end of Front Street, so I think that
21 that if we're going to have this conversation about, you know, reducing the caps, it's sort of just
22 this, okay, 50,000 feet vacation rental's bad but the reality is, is you know, when Prince was alive
23 he used to come here once or twice a year, Prince isn't gonna stay at the Grand Wailea. Prince
24 isn't gonna stay at the Four Seasons. Barrack Obama goes and stays in an illegal vacation rental
25 on Oahu. Barrack Obama is not gonna go stay you know in Waikiki and he actually rents three
26 homes because he's got Secret Service on either side of him. So you know, like there is an
27 element of that visitor that if we're saying hey, listen we just don't want them, I'm okay with that
28 as long as we're just making that with eyes wide open so I think that the other side of just okay,
29 the dynamic of areas is, and I've been wrestling with this a long time is the...also the demographic
30 of the wealthy and here's my problem is I think that okay, the Princes of the world and the Barrack
31 Obamas of the world you know the STRH that sits on Keawakapu Beach makes sense for them.
32 However, I also don't want to have to say like, okay, the rich guy on Keawakapu Beach gets to
33 have an STRH permit but the local family that owns you know, in Central Kihei can't, you know,
34 they don't have that same opportunity so I wrestle with that because on the one hand I wanna
35 say like okay, that high end guys you know, I want that person to come here and spend their
36 money, but then again, I also want to give everyone the opportunity and I don't want to say that
37 rich people get to do this or not. So I think that if we could get some kind of an analysis, some
38 kind of a breakdown regarding that you know, Commissioner Castro brought up the illegals. I
39 think that part of the also, the analysis of trying to break this down is the illegals that are out there
40 are taking demand, so if we're really trying to say is there a demand for this particular type of
41 accommodation for visitors that's being usurped by illegals then what is that? And are these, you
42 know, the reduction in caps is it necessary or not, is it saying like hey listen no, we actually need
43 those. So I think that that's just again part of the conversation that we need to have.

44
45 The other thing that I think is interesting and this is more maybe a socio-political comment is in
46 this time of COVID there's been this vitriol towards tourists. So the people that come visit are

1 tourists. They're bad, we're good. Us versus them. And visitors in my opinion need to be looked
2 at as a resource no different than the reef, the beaches, the mountains, our roads, our parks, all
3 of those things that are being used up, and we need to be prudent with our resources, all of them
4 including tourists and/or...actually tourist visitors. So you know, they're not the enemy, you know
5 when we have a housing shortage we want to look for why and it's real easy to say, oh it's them.
6 Not that easy of an answer. So, anyways, those are just sorta some of my comments and I don't
7 know if between you and Jacky, if you scribble things down and know what it is that we want to
8 know at the next meeting to be able to come up with a decision or not. But I just thought I'd share
9 my manao as well. So any other questions or comments for the Director and/or Jacky?
10 Commissioner Tackett.

11
12 Mr. Tackett: I had a question as far as regulation. Is there a way that the people that market
13 these STRHs and bed and breakfast type properties, is there a way that they can be held to only
14 a list that they receive from you as opposed to getting their list from whoever happens to apply
15 for it? Like can they just go directly off of permits that are approved for this County and nobody
16 else, if you don't have an approved number from this County that you can't apply to run your ad
17 on these different places without that number, is that something that could happen?
18

19 Ms. McLean: Commissioner, the current law for B&Bs and STRHs require that all advertising
20 include the permit number. So when we see an ad that doesn't include the permit number, most
21 likely that's an illegal operation because permitted operations are generally good with complying
22 with their permit conditions for the most part. We cannot require the hosting platform to only
23 advertise lawful operations and there...we have tried working with the hosting platforms to get
24 them to agree to do that, and some seem willing to do it, others do not at all, and whether it's the
25 permit number, whether it's a TMK number, just some way for us to verify what property it is, but
26 that's why we've asked the State Legislature to grant the counties the authority to regulate hosting
27 platforms so that we could do just that. The Legislature has also looked at different ways to
28 regulate vacation rentals to make sure that lawful ones can be advertised and operate and to
29 assist the counties with enforcement of the illegal ones, but we haven't gotten enough progress
30 for us to be able to do that. Also, keep in mind that what complicates these is that the thousands
31 of vacation rental condo units that are lawful don't have a permit and they don't need a permit and
32 so when we see ads, we need to check that with our list of those that are allowed to operate
33 legally. Council approved funding in our upcoming FY-21 budget for us to issue like a registration
34 number for all of those so that they can list that number on their ads that would let a knowledgeable
35 consumer know that they're lawful. It would also assist us in enforcement. So that's something
36 that we could accomplish relatively soon that would assist, but back to your initial question is can
37 we require the hosting platforms to run those numbers, we can't and in general, they haven't been
38 willing to assist us.

39
40 Mr. Tackett: Thank you.

41
42 Mr. Carnicelli: Any other questions or comments before we shut...Commissioner La Costa.

43
44 Ms. La Costa: Thank you, Chair. This is for Director. During some of the testimony it was said
45 quite frighteningly that people use other people's pictures or permit numbers for their
46 advertisement, is there any way to police, sorry for the word, but is there any way to police if

1 indeed if I have a permit and I show my house that's legal and then somebody else rents vacation
2 rentals that are illegal and they use my house, I mean, is there any way to police that all or is it
3 just when, when somebody reports it?
4

5 Ms. McLean: We do, I think as most of you know enforcement at the County level is complaint
6 based except for vacation rentals. We've been given the okay to be proactive with enforcing
7 against the—
8

9 Mr. Carnicelli: Oh, really.
10

11 Ms. McLean: --operations. And so, we've been doing that for quite a while because of the
12 contractor that we hired to monitor the ad. When we see an ad, we don't go solely based on the
13 photo, if it's a...if it's a permitted operation their permit number would be in the ad, and so if there
14 isn't a permit number then we can enforce against that regardless of the picture. But we have
15 had cases where an illegal operator puts up a photo and a permit number of a lawful operation,
16 but when you go to rent that you're directed to a different property. We've gotten complaints from
17 visitors who come here and say, this is not the place that I rented, you know, and there's not much
18 we can do about that except to enforce against the owner right then and there. So it's tricky, it's
19 challenging, and like I said, this is around the world desirable locations are facing this, so we do
20 try to learn from those other places just like they're learning from us.
21

22 Mr. Carnicelli: Thank you. Any other questions, comments? So questions for you guys before
23 we go ahead and close this out, and we're gonna go ahead and defer this to I guess the next
24 meeting, Director is that what you want to do, the very next meeting, so we'll defer this one if there
25 are no objections we're gonna go ahead and defer this?
26

27 Ms. McLean: Chair, I would ask for Mike Hopper's guidance on this, I think he was suggesting
28 that you recess the public hearing to the next meeting.
29

30 Mr. Carnicelli: Oh, okay.
31

32 Ms. McLean: Mike, can you chime on procedurally what the action is?
33

34 Mr. Hopper: Yes, I think that's correct. I think you would want to say you're going to recess this,
35 and you've got to be specific as to date, so the item's gonna be recessed until I believe your next
36 meeting is June 23rd. In fact, you're gonna have to do this with all the remaining items that are
37 public testimony items, so this is gonna be good practice for those, there's a couple of those I
38 believe. So you would recess until June 23rd, and then that agenda, I think you can probably post
39 an agenda that has the recessed items referenced as recessed items because no new testimony
40 is going to be taken, but I think the most important thing is to have a phone call-in number for
41 anyone who wants to provide testimony who was not able to call in to provide testimony today.
42 So that's the action. The public hearing is gonna be left open for testimony and the meeting is
43 going to be recessed, so you know, that's gonna be kept open and again, it's only going to allow
44 people that have not already testified to testify. Written testimony can be submitted at any point,
45 but I think that's the action. So it's to recess until June 23rd, I believe at 9:00 a.m. would be your

1 action so that you would say, you know, to that meeting and then you can post on that agenda
2 that those items are gonna be included in your—
3

4 Mr. Carnicelli: Thank you, Mr. Hopper. So can I have a motion to recess this item to June 23rd at
5 9:00 a.m.? So moved by Commissioner La Costa, seconded by Commissioner Castro.
6 Discussion? Seeing none, all those in favor please raise your hand? That is unanimous.
7

8 **It was moved by Ms. La Costa, seconded by Mr. Castro, then**
9

10 **VOTED: To Recess the Matter to the June 23, 2020 meeting at 9:00 a.m.**
11 **(Assenting – P.D. La Costa, S. Castro, K. Freitas, D. Thompson,**
12 **C. Tackett)**
13 **(Excused – K. Pali)**
14 **(Absent – T. Gomes)**
15
16
17

18 Respectfully Submitted by,
19

20
21 CAROLYN TAKAYAMA-CORDEN
22 Secretary to Boards and Commissions II
23