

WRITTEN TESTIMONY IN STRONG SUPPORT OF BILL 9

To: Maui County Council, Housing and Land Use Committee

From: Edward Codelia, Maui Resident, Realtor

Date: June 24, 2025

Subject: Support for Bill 9 – Phasing Out Transient Vacation Rentals in Apartment Districts

Aloha Chair and Members of the Committee,

I submit this testimony in **support** of **Bill 9**. I believe this legislation is a critical step toward restoring legal clarity, residential stability, and community integrity in our housing policy. It directly addresses years of misuse and misinterpretation of zoning laws, which have allowed hotel-like operations to thrive in residential districts while your residents continue to face the most severe housing crisis in the County's history.

I. MAUI'S INFRASTRUCTURE AND COMMUNITIES CANNOT ABSORB UNCHECKED TOURISM

Maui County is home to approximately **164,000 full-time residents**, with the island of Maui accounting for over **168,000 residents** (U.S. Census 2020). Yet, **monthly visitor arrivals consistently range from 200,000 to 240,000**, and the **daily visitor census**—the number of tourists physically on the island—regularly fluctuates between **50,000 and 70,000**, according to the Department of Business, Economic Development & Tourism (DBEDT). In **January 2025**, the average daily visitor count on Maui was **approximately 57,800**.

This level of tourism overloads Maui's infrastructure: roads, water systems, emergency services, solid waste management, healthcare capacity—and most critically, housing. While tourism remains a pillar of our economy, its current **scale and saturation** are **ecologically, socially, and economically unsustainable**. Bill 9 does not attack tourism; it establishes lawful limits to protect residential zones from being overrun by commercial use.

II. BILL 9 UPHOLDS THE SPIRIT AND LETTER OF STATE AND COUNTY HOUSING POLICY

In 2023, Governor Josh Green issued an **Emergency Proclamation on Housing**, recognizing the urgent need to expand and preserve long-term housing for Hawai'i residents. That proclamation identifies the **preservation of existing housing stock** and the **removal of regulatory and zoning barriers** as key strategies to confront the housing crisis.

Allowing transient vacation rentals to persist in apartment-zoned districts **contradicts both state and county housing goals**. These units were never intended or zoned for hotel-style turnover. Their continued use as TVRs undermines zoning integrity, erodes community trust in public policy, and directly **removes housing from the long-term rental pool**—at a time when teachers, healthcare workers, kūpuna, and young families struggle to remain housed.

Bill 9 is not a prohibition on tourism. It is a reassertion of lawful land-use boundaries. Apartment zoning is explicitly intended for **residential use**, not commercial lodging. If an owner or association desires commercial hotel use, it must seek a legal rezoning—not exploit a loophole to extract private profit at public expense.

III. MAUI'S FINITE LAND BASE REQUIRES DISCIPLINED LAND-USE

Unlike cities on the continental U.S., Maui is a **closed ecological and economic system**. We cannot sprawl endlessly into surrounding counties. Every parcel matters. Every zoning designation is a deliberate social contract. Apartment districts were designed to meet long-term housing demand.

Instead, many have become backdoor hotels—legal fictions fueled by speculative capital. These STVR conversions are not neutral. They have **actively displaced working-class residents**, undermined intergenerational housing security, and driven artificial inflation of real estate values based on illegal or expired transient use.

Maui has **limited developable land**, limited infrastructure capacity, and limited public tolerance for being displaced in our own home. Bill 9 affirms that zoning exists to protect people, not just property rights.

IV. SHORT-TERM RENTALS DISTORT HOUSING MARKETS AND DISPLACE COMMUNITIES

As a licensed Realtor, I have witnessed the market distortions caused by the proliferation of STVRs in apartment zones. Short-term rental income potential drives up prices well beyond what local wage earners can afford. These inflated valuations do not reflect the cost of construction or the intrinsic utility of the property—they reflect speculative value based on illegal commercial use.

This distortion has **artificially inflated assessed values**, skewed appraisals, and undermined equitable taxation and valuation models. Buildings once used for multigenerational living or local rentals now cater to a revolving door of tourists. Schools lose enrollment. Neighborhoods lose cohesion. Safety becomes harder to maintain.

Communities are not built on transience. They are built on continuity, relationships, mutual aid, and place-based identity. STVRs erode those foundations.

Bill 9 offers a powerful solution: recover existing units for residents **without the delays or costs of new construction**. This is the lowest-hanging fruit in our housing strategy, and we must act swiftly before more units are permanently lost to commodified lodging.

V. LEGAL AND ECONOMIC CLARITY SUPPORT THIS POLICY

Opponents of Bill 9 argue that it represents a "taking" or harms investor rights. This is legally inaccurate. Operating a transient rental in a residentially zoned apartment building has always been **non-conforming** or contingent upon **permits**, many of which are **expired** or **never obtained**.

Zoning enforcement is not a seizure—it is an expression of the County’s **police power** to regulate land use for the health, safety, and welfare of its people.

Moreover, the economic obsolescence inflicted by TVRs is real. When residential neighborhoods are converted to commercial use, the **surrounding properties lose long-term value** for residents. Infrastructure ages without reinvestment. Community schools and amenities are neglected. Local businesses lose steady customers in favor of tourist volatility.

The principle of **highest and best use** in real estate appraisal includes **legality** and **feasibility**. Operating an STVR in an apartment district **is neither legally permitted nor socially sustainable**. Bill 9 corrects this by restoring zoning conformity and long-term economic integrity.

VI. MAUI MUST PRIORITIZE PUBLIC INTEREST OVER PRIVATE SPECULATION

No one is entitled to profit from an illegal use. The County is not confiscating anyone’s home—it is clarifying that **commercial lodging is not a protected right in residentially zoned apartments**.

This is a moral and legal stand:

- Should the County protect investor returns, or the right of its residents to remain housed?
- Should land use serve the short-term gains of absent owners, or the long-term health of local communities?

Bill 9 is the County’s answer—and it is the correct one.

VII. CONCLUSION: PASS BILL 9 FOR THE FUTURE OF MAUI

Bill 9 is not extreme. It is reasonable, overdue, and grounded in long-standing principles of land use, economic justice, and environmental stewardship. It affirms that housing is not a speculative asset—it is a human need and a community foundation.

Passing Bill 9 will:

- Recover housing for long-term local use
- Realign zoning with legal intent
- Restore market clarity
- Reduce neighborhood disruption
- And advance the County's responsibility to serve its people first

Maui deserves to be a place where kama'āina can live, not just visit. Our zoning laws are not suggestions—they are promises. Let's keep them.

I urge you to pass Bill 9 without amendment and without delay.

Mahalo for your time and leadership.

Respectfully,

Edward Codelia

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