

To: Maui County Housing & Land Use Committee
From: Edward Codelia, Maui Resident, Licensed Realtor
Re: Testimony Supporting Passage of Bill 9 and Advancement to Full Council

Aloha Chair Kama, and members of the Housing & Land Use Committee:

I am happy to submit this testimony in strong, unequivocal support of Bill 9. This legislation is not merely about vacation rentals — it is about reclaiming Maui’s housing supply, restoring the intended purpose of apartment-zoned districts, and steering our island toward a more sustainable and equitable future.

As stewards of this island in the middle of the Pacific, we cannot afford to treat land like a speculative commodity. We must govern with clarity, courage, and responsibility. Bill 9 gives Maui County the opportunity to restore integrity to its land use system and reaffirm its kuleana to house its people — not its tourists.

I. The Legal and Historical Foundation: Undoing the Minatoya Loophole

In the 1990s and early 2000s, the County of Maui allowed a de facto practice to emerge: granting permissions for short-term vacation rentals (STVRs) in apartment-zoned (A-1 and A-2) districts — areas never originally intended for resort use. In 2001, this became formalized under what is now known as the **Minatoya Exemption** — an administrative compromise intended to address past permitting irregularities, not to authorize a future STVR industry in residential zones.

Over two decades, that exemption metastasized into a loophole, distorting the entire purpose of zoning. What should have remained affordable, workforce, or local long-term housing was instead sold off to out-of-state investors and operated as resort accommodations, creating a shadow industry with devastating consequences.

It is essential to understand: **these apartment zones were never zoned for hotels**, and STVRs only exist there because the County allowed an exception. The County now has the authority — and the responsibility — to close that loophole and restore lawful zoning practices. Doing so is not a “taking.” It is a **correction**.

II. We Are in a Housing Emergency

The Governor of Hawai‘i, through Emergency Proclamation(s) on Housing, has formally declared what many Maui families have known for years: **Hawai‘i does not have enough housing for its own people**.

After the tragic and economically catastrophic **Lāhainā fire in August 2023**, which destroyed over 2,000 housing units and displaced thousands, this shortage became undeniable. Yet even after this tragedy, hundreds of apartment units remained unavailable — locked up in the short-term rental market, prioritized for visitors while fire survivors languished in hotels and transitional shelters.

If those units had been preserved for local housing — as their zoning originally intended — **hundreds of Lāhainā families could have remained on-island, in dignity**. The economic loss from the fires exceeds \$7 billion. In contrast, the projected revenue loss from Bill 9’s implementation is marginal, temporary, and fixable — and **nowhere near the scale of damage caused by climate-exacerbated disaster and overtourism**.

We cannot prevent every wildfire, but we can remove the policies that have overpopulated Maui’s housing stock with short-term tourists instead of year-round residents.

III. Public Health, Infrastructure, and Environmental Risk

Maui now faces cascading public health and safety concerns:

- **Overtourism has saturated roads**, slowed emergency response, and increased vehicular pollution.
- **Population density in the wrong areas** has outpaced the capacity of our water, wastewater, and fire mitigation infrastructure.
- The senior population — among the fastest-growing in the state — faces housing insecurity, health neglect, and multi-generational crowding.

STVRs contribute to these problems by removing long-term rental stock, driving up home values, and incentivizing absentee ownership. Every apartment zoned A-1 or A-2 that operates as a STVR is **one less unit available to a nurse, teacher, kūpuna, or single parent**.

Furthermore, the risk of **wildfire devastation increases** when communities are filled with short-term occupants unfamiliar with emergency evacuation protocols, and whose presence creates traffic bottlenecks and strains response systems.

IV. The Economic Truth: We Can Afford to Do the Right Thing

Opponents of Bill 9 claim that eliminating STVRs in apartment zones will cost the County millions. Yet the data tells a more nuanced story:

- The **UHERO report** commissioned by pro-STVR interests is based on narrow assumptions that prioritize tourist dollars over community wellbeing.
- Studies routinely show that **resident-focused housing** produces more stable and diversified local economies, not less.
- Any **lost revenue** can be offset by:
 - **Special assessments** on resort areas (Kāʻanapali, Kīhei, Kapalua),
 - **Commercial tax reclassification** of high-impact tourism properties,
 - **Environmental trust fees**, and
 - **Speculation transfer taxes** on former STVR units.

The cost of doing nothing is far greater. Bill 9 is a sound financial decision rooted in long-term forward thinking.

V. The False Outcry of “85% Opposition”

Recent emails from organized real estate professionals claim that “85% of testimony opposes Bill 9.” That number is misleading:

- Many testifiers are **not full-time residents** or **registered voters**.
- Dozens of testimonies were **copy-paste templates** circulated by AOA boards and property managers.
- Public policymaking must reflect **constitutional principles and the common good**, not a popularity contest orchestrated by economic stakeholders.

The Council is elected not to serve the loudest lobby — but to govern wisely for the long-term health of Maui’s people, land, and future.

VI. Reject the Ballot Trap — Vote This Bill Through

Some opponents suggest sending Bill 9 to a ballot initiative. This would be a political **Hail Mary** designed to delay action, invite outside spending from real estate PACs, and turn land-use regulation into a public relations war.

We don’t need a ballot. **We need courage.**

The Council has the authority and the obligation to act now. Waiting for a vote opens the door to manipulation, misinformation, and further deterioration of our housing supply, and this community.

VII. Final Recommendation

For all the reasons above — legal, historical, environmental, ethical, and fiscal — I urge you to:

1. **Approve Bill 9 in full as recommended by the Planning Commission.**
 2. Send the legislation to the **full Council for swift passage.**
 3. Defend the bill using the County's **police power and home rule authority.**
 4. Pair implementation with a robust plan for housing transition and enforcement.
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Conclusion: Choose the Island, Choose the People

Every island must make a choice: between becoming a playground for the world or a home for its people.

The commodification of housing has gone too far. We cannot allow every unit, every street, and every apartment complex to become a resort-by-default. Maui is not for sale.

Bill 9 does not eliminate all tourism — it simply ensures that **residential zoning means what it says**, and that Maui's people come first.

Let this Committee be remembered not for surrendering to pressure, but for standing in defense of home, land, and future generations.

Pass Bill 9. Send it to Council. Let Maui live.

Mahalo.

Edward Codelia, Maui Resident, Licensed Realtor