



Kapalua Bay Villas
500 Bay Drive
Lahaina, HI 96761
808.669.6767

July 1, 2026

The Honorable Richard T. Bissen, Jr.
Mayors.Office@co.maui.hi.us
200 S. High Street
Kalana O Maui Building
Wailuku, HI 96793

Jacky Takakura
planning@mauicounty.gov
Maui Planning Director
2200 Main Street
One Main Plaza
Suite 315
Wailuku, HI 96793

Ana Lillis
planning@mauicounty.gov
Maui Deputy Planning Director
2200 Main Street
One Main Plaza
Suite 315
Wailuku, HI 96793

Alice L. Lee, Council Chair
alice.lee@mauicounty.us

Yuki Lei Sugimura, Vice Chair
yukilei.sugimura@mauicounty.us

Kauanoe Batangan
kauanoe.batangan@mauicounty.us

Thomas Cook
thomas.cook@mauicounty.us

Gabe Johnson
gabe.johnson@mauicounty.us

Tamara Paltin
tamara.paltin@mauicounty.us

Keani Rawlins-Fernandez
keani.rawlins@mauicounty.us

Shane Sinenci
shane.sinenci@mauicounty.us

Nohelani U'u-Hodgins
nohe.uu-hodgins@mauicounty.us
200 S. High Street
Kalana O Maui Building
Wailuku, HI 96793

Dear Mayor, Council Members, and Planning Directors:

I am the president of the Kapalua Bay Villas AOA, and I am writing to request inclusion of the Kapalua Bay Villas in a resolution rezoning this property to one of the new H-3 and H-4 classifications to maintain short-term rentals which have continuously, legally, and appropriately occurred in the Kapalua Bay Villas from the time they were built nearly 50 years ago.

We understand that the Housing and Land Use Committee is considering Resolutions 26-110 and 26-111, which reclassify certain properties into the new H-3 and H-4 zones. It appears that these two Resolutions address Minatoya list and Temporary Investigative Group (TIG) list properties that operate as traditional hotels. We also understand that the Committee will address other listed properties in subsequent resolutions. We trust you will include the Kapalua Bay Villas in one of these resolutions.

The agenda for today's hearing on Resolution 26-110 stated that the Committee may consider adding properties listed on Exhibit 1 to the agenda consistent with the Resolution's purpose. The Kapalua Bay Villas are listed on Exhibit 1, however, we understand that the purpose of Resolution 26-110 may be to only cover a limited subset of West Maui properties and there will be further resolutions to cover other Exhibit 1 properties such as the Kapalua Bay Villas. Either way, we provide this correspondence for consideration now.

There appears to be general agreement that short-term vacation rentals are appropriate in the Kapalua Resort, including the Kapalua Bay Villas. The reasons for this are obvious and include: (1) Kapalua is a world-class master planned destination resort important to the Maui economy and tax base; (2) long-term Maui community planning has directed tourism to Maui's major resort areas including the Kapalua Resort; (3) there is no affordable housing in the Kapalua Bay Villas; (4) affordable workforce housing was built outside of the Resort as a condition of approval of the Kapalua Resort master plan; (5) the Kapalua Bay Villas were approved, built, and sold for uses to include short-term vacation rental; and (6) short-term vacation rental has been common and continuous in the Kapalua Bay Villas for almost 50 years. For these reasons, the Kapalua Bay Villas is listed among the properties the TIG recommended for exemption from Bill 9. Likewise, the Kapalua Bay Villas is listed in the hearing agenda Exhibit 1 of "Apartment District Properties Allowed to be Used for Short-Term Occupancy."

Furthermore, the Kapalua Bay Villas clearly fall within the criteria for county reclassification in the newly created H-3 and H-4 zones. The Kapalua Bay Villas are comprised of buildings and structures that received valid building permits and planned development approval on or before April 20, 1989. And TVR use has been legally conducted in dwelling units within these buildings before September 24, 2020, as can be confirmed by multiple sources including by real property tax classifications and payment of GET and TAT. Without any doubt, the Kapalua Bay Villas satisfies all the County requirements and is entitled to maintain its near-50-year history of short-term vacation rental use.

The Kapalua Bay Villas is a 141-unit oceanside development in the Kapalua Resort. The Kapalua Resort is a master planned destination resort established by the Maui Land & Pineapple Company in the early to middle 1970s. The Resort includes the Kapalua Bay Villas, which were built in 1977 as an integral part of the Kapalua Resort. For almost 50 years, the Kapalua Bay Villas have provided daily vacation villa lodging to Resort guests to compliment accommodations at the original Kapalua Bay Hotel (later the Montage Kapalua) and the Ritz Carlton Kapalua. Further history of the Resort is available at [Kapalua Maui Hawaii \(uli.org\)](http://KapaluaMauiHawaii.org).

The Kapalua Resort zoning was approved by the Maui County Planning Department on August 12, 1974, and became effective on October 9, 1974, as shown below:



At the time of this approval, Maui County Zoning Code section 19.12.20 expressly permitted motels in Apartment districts. Short-term transient vacation rentals fell within the “motel” definition, and therefore, such use was an expressly legal and proper use in the Kapalua Resort at the time the Kapalua Bay Villas were permitted, built, and originally sold. On April 20, 1989, Section 19.12.20 was amended to delete “motel” from the uses permitted within the A-1 and A-2 districts, but by then, short-term rentals had been well established at the Kapalua Bay Villas for over a decade. Subsequent County resolutions and actions extended that legal use up to today.

The State of Hawaii Real Estate Commission Preliminary Horizontal Property Regimes (Condominium) Public Reports dated November 14, 1975, for the Kapalua Bay Villas state that the purpose of use of these properties includes “permanent or temporary residences, lodgings, or rental.” Accordingly, the corresponding community declarations and by-laws have always expressly permitted short-term rental use.

Consistent with this expressly permitted use, units in the Kapalua Bay Villas have been commonly and continuously used over the past 49 years to include short-term resort vacation lodging. The following rate sheet from the former Kapalua Bay Hotel and Villas is just one example from the rich historical record of this use:



Kapalua Bay Hotel & Villas provides elegant low-rise hotel accommodations, Villa packages with full hotel amenities, and the outstanding service you expect from an international-class destination resort. Kapalua Bay offers 194 over-sized hotel rooms and suites, 100 spacious one and two bedroom villas, in-room dining, pool, beach activities & water sports, and 3 award-winning restaurants, with plans and packages for every traveler and budget.

Room & Car Packages

- Enjoy a Garden View hotel room with private lanai, or
- Select a spacious one-bedroom Fairway View Villa with full hotel amenities
- Drive a free mid-sized Alamo Rent A Car during your entire stay
- From \$125 per person, based on double occupancy

SEVEN NIGHT ROOM & CAR PACKAGES are available from \$800 per person, based on double occupancy.

All prices are plus tax, and do not include rental car fuel, insurance, or optional charges. Extra person charge is \$35 per night. Availability of packages limited, some restrictions apply.

Kapalua Bay Hotel and Villas 1994 Daily Rates

EFFECTIVE FROM 12/24/93 TO 12/23/94

Kapalua Bay Hotel

GUEST ROOMS

Ocean Front	\$425
Ocean View Prime	\$360
Ocean View	\$310
Garden View Prime	\$270
Garden View	\$225
Third Person	\$ 35

SUITES

Two Bedroom Suites	\$1060 - \$1260
One Bedroom Suites	\$ 760 - \$ 960
Parlor Suites	\$ 610 - \$ 710

Kapalua Bay Villas

	1 BR	2 BR
Bay Villas Ocean Front	\$385	\$485
Bay Villas Ocean View	\$325	\$425
Ridge Villas Ocean View	\$200	\$250
Golf Villas Fairway View	\$185	\$235
Additional Person	\$ 35	\$ 35

All Hotel rates quoted are for single or double occupancy. One bedroom Villa rate is for two persons; four persons maximum. Two bedroom Villa rate is for four persons; six persons maximum. Villa guests enjoy full hotel facilities and amenities. All rates include daily maid service except Ridge and Golf Villas which receive third day maid service; for daily maid service add \$50.

All rates are subject to change without notice. All rates are subject to Hawaii state excise and accommodations taxes.

CHILDREN. No additional charge for children fourteen years or younger sharing room with parent.

DEPOSIT POLICY. A three night's deposit is due within fourteen days following booking.

CANCELLATION POLICY. Full refund if cancellation is received at least fourteen days prior to arrival. For Christmas holiday (December 20 to January 1) cancellation must be received by November 1 for a refund.

Like the Kapalua Bay Villas, the Kapalua Bay Hotel was part of the original Resort guest accommodations built in the mid to late 1970s. The Kapalua Bay Hotel opened in 1977 and operated until it officially closed in 2013 to make way for its redevelopment as the Montage Kapalua Bay Resort, which may soon rebadge as a St. Regis resort property. As demonstrated above, Kapalua Bay Villa owners were able to rent their units through an agreement with the hotel, which did business as the "Kapalua Bay Hotel and Villas". Alternatively, Villa owners have rented their units through many other property management companies catering to Kapalua Resort guests over the past 49 years.

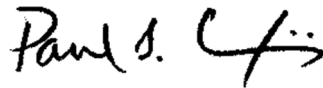
The Kapalua Bay Villas are not affordable family housing. Units in the Kapalua Bay Villas have high purchase costs, very expensive homeowners' association fees, huge maintenance expenses, significant resort-area community use restrictions (no pets, parking restrictions, noise limitations, etc.), and vacation-oriented construction and amenities. Monthly association fees and taxes range between approximately \$3,000 and \$5,000 a month. Kapalua Bay Villa property valuations can exceed \$2.5 million. Accordingly, applying Bill 9 to the Kapalua Bay Villas Resort will in no way create any affordable housing. No one has ever disputed this, which has made the Kapalua Bay Villas' inclusion on the TIG list an easy, obvious, and logical decision.

Furthermore, Maui has long recognized a public purpose of directing tourists to Maui's primary resort areas so other areas can remain more focused on local resident use. The Maui General Plan, the Community Plans, and the Maui Island Plan all work to direct short-term dwelling accommodations to the resort areas of Kapalua, Kaanapali, and Wailea. For obvious reasons, not all lodging within each resort area is a hotel or zoned as hotel. Some parcels are zoned for multifamily use, some are zoned for commercial use, and some are zoned for single family use. This mixture of resort zoning supports the public purpose of providing a range of short-term vacation accommodations in these identified geographic resort areas. Modifying that planning determination to ban short-term rentals in the Kapalua Resort would undermine this longstanding island-wide policy of consolidating tourism in Maui's primary resort areas.

Maintaining vacation rentals in the Kapalua Bay Villas is also important to protect Maui's economy and tax base by maintaining the status, value, and purpose of Maui's major world-class destination resort areas. This is acutely the case for West Maui where the Kapalua Resort is without question a major driver of the West Maui economy. Because of its visitor demographics and property valuations, the Kapalua Bay Villas provide substantial tax revenue, create many jobs, and support a broad range of local businesses, many of which exist specifically to provide goods and services to the tourism industry concentrated in the Kapalua Resort.

We thank you for your consideration and in anticipation of the County reclassifying the Kapalua Bay Villas' zoning to allow continuation of the 49-year history of short-term vacation rentals in this oceanside master planned resort community.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Paul G. Cereghini". The signature is stylized with a large, sweeping "P" and a distinct "C".

Paul G. Cereghini
President, Kapalua Bay Villas AOA