

21OCT19 AM 8:11 CITY CLERK

October 18, 2021

From: Planning Commission

Re: Public Written Testimonies on Short-Term Rental
Submitted 8/18/21 – 9/8/21 relating to Departmental
Communication D-702 (2021)

From: Mike Heh [mailto:mikeheh100@gmail.com]
Sent: Tuesday, August 31, 2021 7:02 PM
To: Takara, Gloria C; info@honoluludpp.org
Subject: ** SPAM ** Partial Opposition to the STR ordinance!

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Ms. Takara & DPP Planning Commission,

This can be a wonderful STR ordinance! But instead of just seeking to weed out the last of the illegal rentals, it appears the legal ones will be crushed out of business in the process. Please eliminate the outrageous \$5,000 registration fee and \$2,500 annual renewal fee and the requirement to force legal vacation rentals to go under a central hotel reservation system which serves no purpose except to benefit the hotels.

I have owned and operated a legal vacation rental for 15 years paying the resort property taxes, TAT and GE taxes. Why ruin a good ordinance with two provisions that are grossly unfair and probably illegal by removing Property Owners rights to decide how we manage our privately owned property and by whom. With these 2 provisions removed I believe those of us in the legal vacation rental industry for our full support behind this.

Otherwise this looks like an attempt to crush the backs of legal vacation rental owners, by placing burdensome costs on us to enforce what DPP should be doing.

Additionally, allowing owners to rent in 30-day increments should be allowed as we understand the vacation rental platforms Airbnb VRBO and the like will report the illegal ones so you can enforce this without stipulating 180 day rule which is also unfair and probably illegal.

Michael and Maria Heh,
808-382-4515
TA-155-111-0144-01

August 31, 2021

Brian Lee, Chair
Honolulu Planning Commission

Dear Chair Lee,

I am writing to oppose the proposed revisions regarding the regulation of transient vacation units (TVUs) at Kuilima Estates East (KEE) and Kuilima Estates West. I understand that the new language proposes that TVUs be charged an initial registration application fee of \$5000 and an annual renewal fee of \$2500. To me, this is a great deal of money for an ordinary homeowner to pay.

My sister and I own a one-bedroom condo at KEE, one that we inherited from our mother when she passed away several years ago. We renovated it and rent it as a TVU so that we can keep our mother's property which she loved, and we can afford to pay the monthly maintenance fees and other costs of upkeep. We considered a long-term rental, but there were not interested renters for a property in this area. It isn't near anything except the hotel, and most hotel employees live elsewhere. So our changing this property from a TVU to a long-term rental would not help improve the rental market for local residents because of its location.

We don't make a lot of money on vacation rentals, but it is adequate for our needs. However, with the high registration fees that have been proposed, it would be difficult for us, as well as others in our same situation I'm sure. This would be made worse if property taxes also go up to hotel and resort rates.

I hope that there is a way you can achieve your goals but let KEE and KEW continue operating under the current language for TVUs in a resort area, as they are now. Thank you for your consideration.

Sincerely,
Jacquelin Carroll

-----Original Message-----

From: andrew logreco [mailto:andrewlogreco@gmail.com]

Sent: Tuesday, August 31, 2021 8:19 PM

To: Takara, Gloria C; Tsuneyoshi, Heidi

Subject: Bill 19-8 Sec. 21-5.730.2 , 3 , 4, (Opposition)

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Aloha,

My family and I have reviewed this bill and we see way too many issues that will hurt the local residents that own and operate vacation rentals. Majority have worked way too hard to acquire their property's and we need to be able to utilize them to help alleviate financial struggles of the extremely high cost of living here in Hawaii. If this bill goes through, it will effect the local community at large with negative ramifications, furthering the disparity of locally owned/operated businesses. My family and myself are against this bill entirely.

Mahalo for listening to the people's concerns

-----Original Message-----

From: barbara towle [<mailto:nsbarb@yahoo.com>]

Sent: Tuesday, August 31, 2021 10:32 PM

To: info@honoluludpp.org

Subject: change in Vacation Rental Law from 30 day min. stay to 120 min. day vacation rental stays

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Dear Planning & Permitting,

Many long term residents rent out a part of their home because of the high cost of living. These hard working people live on their property and supervise renters, whether they are renting for 30 days or more. Many select who they rent to by checking reviews, income references and find responsible vacationers or those working from a distant location.

Are the hotel lobbyist running our State government. Will this be the next FBI investigation?

Please do not increase minimum stays from 30 days to 180. Many long term residents have followed the new law and planning and permitting regulations and found minimum 30 day renters. These people have paid their taxes in a timely manner and followed all stipulations, such as, having updated septic systems, etc. The complaint about raising the rent amount comes from a population who do not like to work 40 hours a week and work towards keeping rental costs low.

I work full time with the state, but the cost of maintaining my property are very high. The people who I rent to would not rent a hotel room at Turtle Bay or a hotel in Waikiki. This new 180 day minimum stay will reduce the number of tourists, financially hurt our state, as far as, income received from these tourist whether monies earned from restaurants, stores or taxes.

Do not penalize the whole for those who are in violation.

Joshua Tyau
Kanio Engineering
540 Punaa Street
Kailua, Hawaii 96734

To: Dean Uchida, Director Department of Planning and Permitting
Rick Blangiardi, Mayor

Date: August 31, 2021

Subject: Proposed Amendments to Chapter 21 (Land use Ordinance [LUO]), Revised Ordinances of Honolulu (ROH) 1990, as Amended, Relating to Transient Accommodations

I do not support the proposed changes outline in this proposed bill. The BACKGROUND provided in the STAFF REPORT is bias and one sided. I vehemently oppose amendments to the LUO based on perceived situational reaction to COVID-19 community conditions. It is the City's unified responsibility to perform an unbiased study of vacation rentals and bed and breakfast impacts on the community. This was previously done and under the direction of Mayor Caldwell years ago it was proposed to allow owner occupants the ability to legally rent out a portion of their home under Ordinance 19-18. By making owner occupancy a requirement 80% of the 10,000 vacation rentals at the time would be eliminated. These new proposed amendments are based on a one sided interpretation of conditions and DO NOT reflect a consensus view of short term rentals on Oahu. I realize that there will never be 100% agreement but a compromise must be made, and I believe that Ordinance 19-18 was very close to that compromise. Short term rentals if responsibly managed by owner occupants can provide this compromise.

I support the premise of the rules and regulations governing short term rentals outlined in Ordinance 19-18, however I DO NOT support a lottery system, I DO NOT support a proximity requirement and I DO NOT support continuation of existing NCU permits. As a licensed structural engineer in the State of Hawaii I am familiar with permitting requirements and Hawaii Revised Ordinances. I am a lifelong resident of Oahu where I attended Kamehameha Schools and am currently a homeowner in Kailua. I feel that bed and breakfast homes provide a much needed alternative to hotel accommodations and can be responsibly managed and taxed to maintain the integrity of our communities.

In summary, I firmly believe that by following the five key points outlined below, bed and breakfast properties in residential zones can be responsibility managed and effectively enforced. The five key points are as follows.

1. Bed and Breakfast may be allowed on owner occupied properties.
2. Provide one off street parking for each bedroom.
3. Pay Hawaii State TAT and GE tax.
4. Pay City and County property tax rate for Bed and Breakfast.
5. Basic requirements for registration and standards of care.

I firmly believe that if a homeowner meets these requirements that they may be granted a bed and breakfast permit. I believe that by meeting these requirements the bed and breakfast density in residential zones will be significantly reduced to meet the intent to reduce community impact and home price speculation.

However, I DO NOT support the following key points.

1. I DO NOT support continuation of existing NCU permits as they do not provide equality for existing and future homeowners
2. I DO NOT support a lottery.
3. I DO NOT support a proximity requirement (1,000 ft radius). I suggest issuing new permits on a 2 year TRIAL period and then re-evaluating the bed and breakfast density and impact in 2 years.

I support the following KEY rules and regulations for the following reasons:

1. I support limiting bed and breakfast units in residential zones to owner occupied dwellings. This proposal was first brought up by Mayor Caldwell in a state of the city address years ago and based on DPP's report would eliminate approximately 80% of short term rentals. This would eliminate proliferation of investment bed and breakfast owned and operated by off island owners/operators. I believe this requirement alone will solve the biggest problems of bed and breakfast homes as the owner lives on the property and is responsible for management. This requirement eliminates owners owning and operating multiple properties and reduces housing market investment speculation.
2. I support requirements to provide one off street parking per bedroom for bed and breakfast rentals. Parking is a huge problem for bed and breakfast units and this requirement eliminates parking impacts to neighbors and forces responsibility to the owner.
3. I support Hawaii State TAT Tax registration and payments. Bed and breakfast should be taxed as transient accommodations tax in equality with requirements of the hotel industry.
4. I support an increase in property tax rates for bed and breakfast homes pursuant of posted 2021 Real Property Tax rates listed at \$6.5 per \$1000 Net Taxable Property. This in conjunction with limits of 2 bedrooms and a maximum of 4 guests provides a balance between residential property tax rates and hotel property tax rates. I do however feel that a maximum of 4 guests should apply to 4 adults. A family of 2 adults and 2-4 children should be allowed. Per the ROH Chapter 16 a DWELLING UNIT is defined as "A building or portion thereof that contains living facilities, including permanent provisions for living, sleeping, eating, cooking and sanitation, as required by this code, for not more than one family, or a congregate residence for 16 or fewer persons." The single family limit of 16 or fewer persons is already established in the ROH. If a family is typically considered to be 6 people, a bed and breakfast rental within a single family home could feasibly be allowed to have up to 10 additional renters/occupants and still remain under the 16 persons limit established by the ROH. I understand that 10 occupants in a bed and breakfast appear to be too much, but I would propose to allow additional guests based on lot size requirements similar to duplex/multi-family requirements. I would propose the following occupancy limits to conform to the already established ROH occupancy person's limit.
 - a. R-3.5, R-5 - A maximum of 2 bedrooms 4 Adult guests limit
 - b. R-7.5 - A maximum of 3 bedrooms 6 Adult guest limit.
 - c. R-10, R-20 - A maximum of 4 bedrooms 8 guest limit.
5. I support all other minor and basic requirements including but not limited to registration fees, quiet hours, standard health and safety requirements (smoke detectors, carbon monoxide detectors), insurance documentation, etc.

I DO NOT support the following KEY rules and regulations for the following reasons:

1. I DO NOT support allowing existing Non-Conforming Use properties to continue to operate as full home vacation rentals or bed and breakfast homes based on outdated permits specifically in residential zoning. All new vacation rentals and bed and breakfast should be subjected to the same fair and equal registration practices and requirements as outlined in the proposed ordinances. All existing NCU permits for vacation rentals and bed and breakfast in a residential zone SHOULD BE TERMINATED. If they meet the new requirements then they should be allowed to continue to operate under the same fair and equal requirements.
2. I DO NOT support a lottery system to determine who is allowed to operate a bed and breakfast rental in a residential zone. A lottery system is NOT CONSTITUTIONAL and goes against a fair and just system. I feel that if the rules and regulations as outlined in the previously supporting points (1-5) are implemented, bed and breakfast units will be required to be responsibly managed by local owners and easily enforced by the City. New permits should NOT be a repeat of the NCU permits which provided homeowners with a golden ticket to monopolize the bed and breakfast industry and prevent future homeowners from doing the same.
3. I DO NOT support the requirement that there shall be no new bed and breakfast within 1,000 ft of another bed and breakfast or NCU vacation rental property. Again this requirement is a "first come first serve" requirement that does not provide equality among current and future homeowners. This requirement along with a lottery system provides an unfair system which relies on luck and discriminates against future homeowners.

Sincerely,

Joshua Tyau
Kanio Engineering LLC
808.489.7115

Honolulu City Council
City and County of Honolulu Department of Planning and Permitting

September 1st 2021

Dear Council Members and Department Directors,

The Administration-initiated land use ordinance amendment related to short-term rentals, specifically as it applies to owner-occupied bed and breakfast homes (B&Bs) is harmful to residents, and is an inefficient and ineffective way to address crowding, noise and parking violations throughout the Islands.

As a healthcare provider, I find it particularly difficult that we are focused on eliminating what might be a sole-source of income for many local residents during a worsening pandemic.

I would like to begin by addressing the line items of the staff report submitted for the administration initiated amendment to Ordinance 19-18 (Bill No. 89, 2018, CD2) Relating to Short-Term Rentals(STR). The staff report is highlighted in blue, and the rebuttal in black.

**“ADMINISTRATION INITIATED LAND USE ORDINANCE AMENDMENTS
RELATING TO SHORT-TERM RENTALS AND TRANSIENT
ACCOMMODATIONS, POST COVID-19**

Staff Report August 13, 2021

1.BACKGROUND

On June 25, 2019, Mayor Kirk Caldwell signed into law Ordinance 19-18 (Bill No. 89, 2018, CD2) Relating to Short-Term Rentals(STR), which would in part allow more bed and breakfast homes (B&Bs) throughout the Island, including residential neighborhoods.

Bill 89 would establish a small number of legal, registered, and well-regulated bed and breakfast homes, while setting up the framework for enforcement and elimination of existing unregulated bed and breakfast homes.

Prior to full implementation of Ordinance 19-18, the City along with the rest of the world was disrupted by the shut-down of normal day-to-day activities due to the worldwide Covid-19 pandemic. Neighborhoods began to see what life was like before the proliferation of STRs throughout their neighborhoods. Traffic, crowding, tourists invading residential neighborhoods, and noise at all hours of the day that were typical issues created in part by STRs, disappeared during the pandemic lock down.

Actually, residents had a glimpse into life in the absence of any tourism, the absence of 10 million visitors a year, and the absence of a thriving economy. The

memo presumes that the elimination of short term rentals would prevent visitors from traveling to the neighborhoods of Kailua and the North Shore to visit the beaches, or to Portlock and Kahala to hike the craters and cliffs of Diamondhead and Hanauma Bay, from the hotels and condominiums in Waikiki and Ko Olina.

A perfect example of the pre-pandemic invasion of local neighborhoods were tour buses dropping off hundreds of Japanese visitors at the local farmers' market at KCC, and the tourist rental car-packed parking lots at the Kaka'ako farmers' market. Each market required HPD traffic control every Saturday.

In addition, residents across the state realized what life was like before millions of visitors started coming to Hawaii. No or very little traffic, wide open beaches and trails, and less people in general were "benefits" of the shut-down.

Again, the "benefits of a shutdown" are a dystopian product of an epidemic and are not germane to determining the appropriateness of strict property regulations. The report attributes traffic and crowded beaches to short term rentals, when approximately 90% of visitors to Hawaii stayed in hotels, time-shares, and condominiums or with friends or family in pre-pandemic 2019. (HTA 2019 Annual Visitor Research Report)

According to the Hawaii Tourism Authority, 52,253 visitors stay in bed and breakfast homes each year, which is one half of one percent of total visitors to Hawaii (0.5%) each year. The staff memo and its targeted amendment attributes the disruption of the character and fabric of our residential neighborhoods to less than one half of one percent of all visitors. (HTA 2019 Annual Visitor Research Report).

The memo also implies and never provides any supporting data that the visitors who choose accommodations in hotels and resort condominiums never shop, dine or seek activities outside of their immediate surroundings.

While the visitor industry is a main driver of Hawaii's economy, discussions have begun on how we might limit the number of visitors to Hawaii. Ten million (10,000,000) visitors annually has become too much. The pandemic caused us to take a closer look at Ordinance 19-18, which would allow a limited number of new B&Bs and require compliance with registration requirements, development standards, and other regulations. However, some of the provisions in Ordinance 19-18 would be impractical to implement and have resulted in enforcement problems. To address these issues, we believe it is necessary to improve upon Ordinance 19-18 by simplifying the City's approach to regulating STRs and other transient accommodations.

The memo its targeted amendment fail to answer the following questions:

- Other than through increased funding, how does this new ordinance improve enforcement of short term rentals?*

- Which specific provisions of Bill 89 were impractical to implement and difficult to enforce and why?
- How will redefining the duration of a short-term rental to 180 days from 30 days make enforcement easier?

They are inconsistent with the land uses that are intended for our residential zoned areas, they decrease the supply of long-term housing for local residents throughout the City, and increase the prices and rents of housing, making living on Oahu less affordable for its resident population. Any economic benefits of opening-up our residential areas to tourism are far outweighed by the negative impacts on our neighborhoods and local residents.

First, the report purports, but fails to substantiate how renting a room in one's house to a visitor for the purposes of sleeping and bathing is somehow not consistent with the definition of residential use. The exchange of money for the use of a residence does not equate to non-residential use. For example, adult children who pay rent to their parents does not equate to non-residential use. Likewise, unrelated roommates sharing a home does not equate to non-residential use. Arbitrary time frames (two weeks versus ninety days or six months) do not establish residential use.

Second, the report does not cite any study supporting the claim that bed and breakfast homes increase the prices and rents of housing or make living on Oahu any less affordable. To the contrary, a homeowner may be able to rent out a room a few days a month to supplement personal income, making Oahu homeownership more achievable.

Despite COVID restrictions banning the operation of all STRs for approximately six months of 2020, and the passage of Bill 89 imposing fines for advertising unregistered short term rentals, housing prices skyrocketed during that time.

Home prices across the country are at an all-time high, and are the result of low mortgage rates, low-inventory, and increasing materials prices, not owner-occupied bed and breakfast homes. ("The housing market stands at a tipping point after a stunningly successful year during the pandemic," Diana Olick, CNBC, March 12, 2021)

According to the Hawaii Tourism Authority, Hawaii hotels have experienced consistent year-over-year increases in revenue per available room (RevPAR), average daily rate (ADR) and occupancy. Statewide, RevPAR reached \$229 in 2019, the highest in The United States, beating New York City and San Francisco. Hawaii also led the country with an average daily rate of \$283. Hawaii's hotel occupancy reached 81.2 percent, following only New York City at 86.2 percent and San Francisco at 82.0 percent.

Cities in high demand have high property values. Why should corporate-owned, non-local hotels and foreign investors be the sole beneficiaries of this demand? Additionally, according to the Hawaii Tourism Authority, the average length-of-stay for hotels in Hawaii is 7.13 days, and for bed and breakfasts it is 8.78 days (HTA 2019 Annual Visitor Research Report). With respect to environmental concerns, longer stays equate to a reduction in environmental impact. ("Global trends in length of stay: implications for destination management and climate change" Stefan Gossling, Daniel Scott & C. Michael Hall (2018) Journal of Sustainable Tourism

2 The purpose of this Ordinance is to better protect the City's residential neighborhoods and housing stock from the negative impacts of STRs by providing a more comprehensive and controlled approach to the regulation of STRs within the City and creating additional sources of funding for the administration and enforcement of the City's B&B and transient vacation unit (TVU) laws

What protects residential neighborhoods is home ownership, not renters, not investors. Impeding on a homeowners right to privacy and supplemental income is not the solution. Enforcement of existing noise regulations and parking restrictions is a start to protecting residential neighborhoods.

Despite having the most popular beaches on the island, the North Shore and Kailua have been planned poorly for the daily influx of visitors, who are forced to park on residential streets. Many cities solve the problem of visitor parking with a convenient trolley systems, rail or revenue-generating underground parking facilities. With transient accommodation taxes and GET, how have these issues of infrastructure not been previously addressed?

Hypothetical scenario of eliminating one bed and breakfast home from Kailua:

A family rents out a bed and breakfast unit to two visitors with a rental car and they park in the driveway (a provision of Bill 89). With the new provision, the family is no longer allowed to have short term renters and now they rent the same unit to a couple. Each member of the couple has a car, one parks in the driveway and the other on the street. The hypothetical two visitors now stay in Waikiki and order room service from the hotel, instead of a meal for two at Konos' in Kailua (\$50). They also park their car on the residential street so they can go to the beach. This amendment as applied to one bed and breakfast home would now be responsible for two additional cars in Kailua and a loss of \$18,250 per year of revenue supporting a local business.

The city has a population of one million, and visitors of ten million per year. The strategy of relocating of 0.5% of tourist accommodations to solve the problem of parking and noise is unrealistic. Eliminating owner-occupied bed and breakfasts in an attempt to

reduce noise, traffic and parking congestion is the equivalent of brining a knife to a gun fight. It punishes homeowners and may constitute an infringement on property and privacy rights. It protects a hotel industry which is capitalizing on (perhaps exploiting) the natural resources of the island to profit non-residents, foreign investors and major corporations.

A wide-sweeping ban of owner occupied bed and breakfast units also creates a distraction from the enforcement of other major long-standing issues across the islands: vacant homes, abandoned property, homelessness, major illegal dumping, housing code violations, and other forms of substantial noise pollution (moped mufflers).

Perhaps most importantly, a ban of owner-occupied B&Bs is short-sighted and fails to look at other viable alternatives like tourist eco taxes for visitors, higher property taxes for foreign investors, and fines for owners of neglected and abandoned properties, all of which could increase City & County tax revenues, protect the environment and improve infrastructure for visitors and residents alike.

The issues of homelessness and affordable housing are not best-addressed by eliminating owner-occupied B&Bs, but by asking the corporations doing big business on these tiny islands (big box retailers, hotels, real estate investors, and cruise lines) to do their part to help produce affordable housing.

Registration and regulation of owner-occupied bed and breakfast homes are a path to home ownership for many. Complaint-driven enforcement is a low-cost and efficient means of addressing the concerns of neighbors. Bill 89 as originally passed was an excellent compromise in the best interest of all Hawaii residents.

Thank you for your time and consideration.

Kirsten Krause
Resident, Honolulu, Hawaii

From: Robyn Doo [<mailto:robyn.doo@gmail.com>]

Sent: Tuesday, August 31, 2021 9:30 PM

To: info@honoluludpp.org

Subject:

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

I support the new illegal vacation enforcement bill!

Sincerely,

Robyn Doo-Rehkemper

-----Original Message-----

From: Tad Grenert [<mailto:tadcycle7@gmail.com>]

Sent: Tuesday, August 31, 2021 9:25 PM

To: info@honoluludpp.org

Subject: Vacation rental bill

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I support the new bill concerning short term vacation rentals.

Tad Grenert

Sent from my iPad

-----Original Message-----

From: Amy Tousman [<mailto:a.Tousman@hawaiiantel.net>]

Sent: Tuesday, August 31, 2021 9:06 PM

To: info@honoluludpp.org

Subject: Short term vacation rental bill

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To city council:

I support the new illegal vacation rental enforcement bill.

Amy Tousman

(808) 262-3813

From: Jenny Lum [<mailto:jennyholzmanlum@gmail.com>]

Sent: Tuesday, August 31, 2021 9:04 PM

To: info@honoluluudpp.org

Subject: No short term rentals

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To Whom it May Concern,

I support the new illegal vacation rental enforcement bill.

Aloha,

Jenny Lum - born and raised in Lanikai, moved out of Lanikai because it is a disaster, and am now raising my family in Kailua. Trying to prevent the decimation of neighborhoods. Thank you for consideration. 🌺

From: dameen5086@aol.com [mailto:dameen5086@aol.com]

Sent: Tuesday, August 31, 2021 8:58 PM

To: 'Joan Parsons' <jparsons250@gmail.com>; info@honoluludpp.org

Subject: RE: OBJECTIONS TO THE CURRENT DPP PLANNING CHANGES TO LEGAL SHORT TERM RENTALS

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Thanks Joan this is a good response and covers all the issues between the BV and OSTR.

I did not get mine finished as I was spending time on the one the BOD was preparing.

From: Joan Parsons <jparsons250@gmail.com>

Sent: Wednesday, September 1, 2021 1:51 AM

To: info@honoluludpp.org

Subject: OBJECTIONS TO THE CURRENT DPP PLANNING CHANGES TO LEGAL SHORT TERM RENTALS

August 31, 2021

To whom it may concern,

As a Hawaii resident I purchased a Beach Villas condo in 2006 pre-construction, which explicitly allowed me to legally rent WITHIN A RESORT ZONE as the owner of the condo. I have done so legally since the property was completed in 2008, paying all GET and TAT taxes as well as 4 X the residential Property Tax rate for the privilege of being a legal short-term rental.

The Beach Villas are a conforming use today, as they have been since 2008 when the doors opened. The three uses guaranteed to me upon purchase included Transient Vacation rentals, long term residential and Hotel, all included in our declarations.

The Beach Villas uses should all remain permissible in the new LUO. All the listed restrictions are unnecessary as the BV has operated as intended by the planning commission for thirteen years since its inception.

The new LUO would wipe millions of dollars of value off the Beach Villas and taxes for the City & County of Honolulu, as well as my livelihood. You are changing the rules of the game, despite my good faith adherence to every law. That just simply is not fair, and extremely self-defeating for the C&C of Honolulu.

The new restrictions on TVR are excessive, burdensome and defeat the purpose stated by the planning board. TVRs serve the visitor population in a resort zone and do not impact residential zoning areas at all.

Our condo and other rentals at the Beach Villas have consistently and reliably provided a 5-Star reviewed alternative to hotels for families coming to Hawaii, who wish to be in their own condo environment RATHER than a hotel to feel safe and protected during Covid, as well as a more affordable alternative to potentially exorbitantly higher hotel rates.

The Beach Villas appear to be being punished for being the type of property we are.

In addition, we support local residents by hiring them at hourly rates SUBSTANTIALLY above minimum hourly wages normally paid by hotels, to clean and maintain and service our property. We specifically refer our guests to sustainable attractions, entertainment and practices that protect our environment and support local populations. In fact, I wish there were many more sustainable tourist options that we could offer to them, and have attempted to cultivate such with local communities since 2008 as a member of Sustainable Tourism Authority of Hawaii (STAH) and on my own with our local communities.

I have personally reported illegal rentals to authorities when I see unauthorized use by owners who offer short term weekly rentals in areas zoned 30 day or longer rentals, WITH LITTLE RESPONSE FROM THE CITY AND COUNTY BECAUSE OF POOR ENFORCEMENT. Those parties cannibalize our LEGAL short term rental offerings made from within a RESORT ZONE, while destroying residential comfort and safety, and should be prevented from doing so. The C&C of Honolulu has failed miserably to ensure this does not occur, despite its verbal commitment yet failed financial support to enforce such violations.

Property rights and equity:

- This bill seeks to take away long-established property rights in the resort zone that explicitly allow people like me to own and operate short term rentals. Those who have chosen to operate short-term rentals in this zone have done so in a good-faith effort to comply with existing laws.
- Those who have purchased or operated within the law have made their commitment to compliance; the County of Honolulu should uphold its end of the deal.
- This bill drastically expands hotels interests while choking out individual property rights. The bill imposes ownership, operations, and financial hurdles and restrictions on TVU operators while at the same time giving corporate hotels unfettered right to operate without the same restrictions and siphon tourism revenue to the mainland.

Taxing short-term rentals at the hotel rate is grossly unfair:

- We have paid nearly 4X Real Estate Property taxes for 13 years compared to residential properties, PLUS GET and TAT to rent our property within a legally designated RESORT area. To now add exorbitant fees allowing us to rent is usury and unconscionable.
- Hotels have additional revenue sources that we as short-term rentals do not that offset these exorbitant tax rates.

This bill would cause unintended economic fallout:

- Visitors support local neighborhoods by patronizing grocery stores, artisans, tour operators, restaurants and the like.
- Owners of TVUs hire cleaning staff, maintenance and repair persons nearby.
- Visitors outside resort zones interact with locals, fostering cultural exchange and good neighborliness, and further the Aloha spirit of Hawaii.
- Most STR operators pay their cleaning staff much higher rates, and we support and foster the development of local entrepreneurial endeavors. Most of these, and certainly in our case, are owned by Native Hawaiian and Pacific Islander woman who hire similar workers near our resort area of Ko Olina.
- Cleaners working at STRs generally act as independent contractors. Thus they have greater flexibility in their working schedule to accommodate other family responsibilities and opportunities to pick up extra jobs when desired.

Overall Points:

- Nuisance issues can and should be addressed with appropriate management, oversight, and ENFORCEMENT by the city of Honolulu, not banishment of legal rentals.
- In order to come up with effective and fair solutions for our entire community, we ask DPP to sit down with vacation rental owners and operators, who can help provide insights and solutions it may not otherwise uncover.

Sincerely,

Joan Parsons

From: Elizabeth Connors [<mailto:betsyconnors60@yahoo.com>]

Sent: Tuesday, August 31, 2021 8:57 PM

To: info@honoluludpp.org

Subject: Support for vacation rental enforcement bill

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

I fully support the new illegal vacation rental enforcement bill.

Elizabeth (Betsy) Connors
1220 Lola Place
Kailua hi 96734
phone; 808 261-8839

-----Original Message-----

From: Bob Ress [<mailto:ress.bob@gmail.com>]

Sent: Tuesday, August 31, 2021 8:38 PM

To: info@honoluludpp.org

Subject: Short term rentals

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

I support the new illegal vacation rental enforcement bill.

Bob Ress

From: Cheryl McIlroy [<mailto:msmac1018@gmail.com>]

Sent: Tuesday, August 31, 2021 7:47 PM

To: info@honoluludpp.org


Subject: Vacation reinforcement bill

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I support the new illegal vacation reinforcement bill.

Cheryl Mcilroy

Aloha~

Cheryl 

From: Wm Alan & Barbara Thom [<mailto:waikiki13410@gmail.com>]

Sent: Tuesday, August 31, 2021 7:16 PM

To: info@honoluludpp.org

Cc: Rebecca Fagasa <paradisehomesbyrebecca@gmail.com>

Subject: Testimony re: opposing short term rental revision.

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We have been honest about buying and paying our non conforming use certificate since 2002. We have paid all taxes earned through renting our STR and have provided a vacation to many who could not afford a hotel room. We are elderly and this supplements our social security. We oppose new restrictions in bill 89.CD1. Our unit # is 1-3410 in the Waikiki Banyan. We have held on to our property (though it was not easy) through the Hawaii shut down because of the pandemic with no income for nearly a year. We paid our taxes and dues and a \$704. per month building assessment during yhe past year. There has been no government help for us as landlords through all this time. We were hoping to get back on our feet financially, and now face this. Please reconsider. Hawaii has changed over the years to cater to only the wealthy. We as short term rental owners offer housing to the average vacationer. What we offer is needed.

From: lisa wong [<mailto:100smileswaikiki@gmail.com>]
Sent: Tuesday, August 31, 2021 7:01 PM
To: info@honoluludpp.org
Subject: 30 day vs 180 days

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We own a condo on the Ala Wai side of Kuhio. Our complex allows stays of only 30 days or longer and we have followed the condo rules and the law. we purchased this condo both as a rental unit and to have family members from neighbor island and the mainland stay.

However, changing to 180 days would mean that rentals would need to be long term and defeat the purpose for which we originally purchased the condo. We currently pay TAT. this would go away with the 180 day minimum.

Warren Wong

From: Mike Dixon [<mailto:22pokoli@gmail.com>]
Sent: Tuesday, August 31, 2021 7:01 PM
To: info@honoluludpp.org
Subject: yes gor NS bb

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

please allow for visiting surfers most stay for 2 weeks not 6 months. Surfing is our life out here.

From: Joanne Q [<mailto:snow2136@gmail.com>]

Sent: Tuesday, August 31, 2021 6:59 PM

To: info@honoluludpp.org

Subject: Written Testimony for Proposed Amendment to Bill 89 (Ordinance 19-18)

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Dear Department of Permitting and Planning:

After reviewing the documents regarding short-term rentals, we are very concerned about the new proposed amendments to short-term rentals Ordinance 19-18. We are glad there is a good possibility our condominium hotel will be included in the extended resort district of Waikiki under the Apartment Precinct zone. However, the Honolulu Department of Planning and Permitting (DPP) wants to limit **ONLY ONE** condominium hotel to be registered short-term rental, with or without a NUC, to only **ONE "Natural Person"** excluding any other legal entity to apply. Thus not allowing ownership of more than one legal short-term rental unit stifles entrepreneurship and the right to make a living. According to the **14th Amendment of the US Constitution:**

"The Right to Earn a Living Act- restores the proper balance between freedom of enterprise and legitimate government regulation. It allows agencies and local governments in the first instance to review their rules to eliminate economic protectionism and to tailor them to legitimate public purposes."

We understand that the government wants to limit the number of short-term rentals and bed & breakfasts in "residential neighborhoods". We as homeowners understand that you want to hold illegal short-term rentals and B&B's accountable. We were never advised at the time of purchase that we needed a NUC to operate a short-term rental but we operated responsibly by paying our TA and GE taxes the entire time for years. We were never contacted by the City of Honolulu, County or State of Hawaii in all the years we were operating our short-term rental that we were not compliant as the state of Hawaii collected their GE and TA taxes.

Why do they want to limit the number of short-term units in resort and hotel zoned areas? Why limit the amount of ownership per person/entity to only one in the zoned hotel/resort area, if there is an understanding by everyone and every entity that multiple hotel rooms, short-term rentals and B&B's will exist in the resort/hotel areas? Everyone will be aware of the short-term transient environment in those four zoned hotel/resort areas. There will be expectation among all who visit and reside in the hotel/resort area a heavy concentration of transient guests related to

the tourism industry. The important thing is the Short-term units will be legal and in compliance paying all government fees and taxes once they are properly registered. Where is the freedom of open competitive markets within the "hotel/resort" boundaries? It denies our right to earn a fair living.

If each condominium hotel is in legal compliance, then a person/entity should have the choice of owning more than one registered unit to operate as a short-term rental in the special zone. Is the government trying to "economically protect" the big hotels from competition by making it very restrictive and difficult for short-term rentals and B&B's to obtain registration and permitting based on many requirements including location, application and renewal costs, and demanding that only a "natural person" register?

EVERY visitor has a choice where they want to stay in Hawaii. Some visitors want all the amenities of a hotel and others want the STR or B&B benefits with a full kitchen and to be away from crowded hotels especially during a pandemic. The government wants to limit the choices and apparently Rep. Ed Case (D-Hawaii), former senior vice president and Chief legal officer at Outrigger Hotels Hawaii from 2013-2018 who previously served on the American Hotel and Lodging Association board, is pushing in favor of hotels by introducing The Protecting Local Authority and Neighborhoods Act.

In Maui County, the local DPP government allows legal entities and a "natural person" to be a permit applicant. Maui DPP also allows the permit to be transferred to a close family member or trust unlike the proposed Oahu amendments that do not allow this transaction.

Maui County Code 19.65.030 (G)- Restrictions and Standards is as follows:

The short-term rental home permit is issued in the name of the applicant, who shall be a natural person or persons holding a minimum of a 50 percent interest in the legal title in the lot; except that, a permit may be issued for a lot owned by a family trust, a corporation, a limited liability partnership, or a limited liability company if the following criteria are met:

1. The applicant is a natural person or persons who is a trustee or who are trustees of the family trust, or who represents 50 percent or more of the partners of a limited liability partnership, 50 percent or more of the corporate shareholders of a corporation, or 50 percent or more of the members of a limited liability company.
2. The limited liability partnership, corporation, or limited liability company is not publicly traded.

3. All of the trustees, partners, corporation's shareholders or limited liability company's members are natural persons, and if there is more than one trustee, partner, shareholder, or member, they shall be

The proposed amendments are a barrier with the restrictive guidelines of only a "natural person" permit holder and not being able to transfer the permit related by blood, adoption, marriage, or civil union.

Our condominium-hotel is filed under a legal entity at the advice of our attorney to protect our rights and which the proposed City and County of Honolulu amendments would not allow. We had operated our condotel legally for years until the City of Honolulu abruptly shut us down with Bill 89 in August 2019 with little warning. We feel there was no due process or very little warning before the non-NUC short-term rental shut down. Since then we have had no income for two years to pay all the bills, HOA fees, special assessments and taxes. The City and County of Honolulu has deprived us to make a living that we had earned for years within the accepted parameters by city and state.

In addition, the proposed application fee for City and County of Honolulu registration is ridiculously high at \$5000 and an annual renewal fee of \$2500 per unit. While in Maui County the application fee is at a much lower rate of \$857 with a sliding scale for additional approved years from \$250 to \$500 and a renewal application fee of \$700 with possible extension approval rates. In Kauai there is no application fee or need to apply for a permit to operate a short-term rental in the Visitor Destination Area. Only outside the Visitor Destination Area do you need a permit for a short-term rental to be renewed at \$750. Even in major cities the licensing fees for approved short-term rentals are less than \$250.

<https://www.2ndaddress.com/research/short-term-rental-laws/>

Why is there such disparity in charging registration permit application fees from \$857 to proposed \$5000 and renewal fees from \$700 to proposed \$2500 every year per unit within the same state of Hawaii? How can the government justify trying to charge small independent condo owners those high application fees and renewal fees? It seems the government is trying to penalize the legal short-term units with high application fees in order to finance a unit to go after illegal units. We agree Maui and Kauai are different counties with different demands than Oahu but we are sister counties under one state of Hawaii that should be similar and not so different.

Then the proposed amendments want to group condominium-hotels and hotels and resorts in the same category to pay the same high property tax Hotel/Resort rate of 13.90 for every \$1000 of assessed value. It would be an astronomical 297% increase for all condominium-hotels from 3.5! The proposed real property tax rates are so unfair and unaffordable to condo owners on top of all the other charges and fees. The proposed tax increase would increase financial hardship to residents who want a staycation and tourists too as costs are passed along to the condo-hotel daily rate reaching over 18%. We/condo-hotel owners are not the equivalent to Hotels and Resorts and should not be put in the same Hotel/Resort tax category for many reasons. According to SECTION 24. Chapter 21, Article 10, Revised Ordinances of Honolulu 1990 a:

““Hotel” means a building or group of buildings containing lodging and/or dwelling units [offering] that are used to offer transient accommodations to guests.[,]. A hotel building or group of buildings must contain [and] a lobby, clerk’s desk or counter with 24 hour clerk service, and facilities for registration and keeping of records relating to hotel guests. A hotel may also include accessory uses and services intended primarily for the convenience and benefit of the hotel’s guests, such as restaurants, shops, meeting rooms, and/or recreational and entertainment facilities.”

and SECTION 25. Chapter 21, Article 10, Revised Ordinances of Honolulu 1990 ““Hotel unit” means a dwelling unit or a lodging unit located in a hotel building.” while the ““Condominium hotel” [simply] means a hotel in which hotel units are designated for separate ownership and the remainder of which is designated for common ownership solely by the owners of the hotel units subject to a condominium property regime.”

Condominium hotels do not normally have the desk clerk or the extra money generating services for hotel/resort guests as stated above including entertainment, restaurants and shops to pay for fees, taxes and expenses. Joy Skorge, senior vice president at Hawai’i Lending Alliance, further differentiated between condominiums and hotels. In order to get a loan for a condominium, a condo has to come equipped with a full kitchen for a lender. “You need three things: a refrigerator, a stove with an oven and a sink,” Skorge says. “The refrigerator can’t be half-size or hotel size, it has to be the tall full-size or a slightly smaller apartment-size version.” Without these things, lenders consider it a lodging unit(aka Hotel unit), not a potential home, and won’t finance. Therefore condominium-hotels should not be taxed at the Hotel/Resort rate of 13.9 category. If the DPP would propose something close to the Bed and Breakfast rate of 6.5 for condominium

hotel units that would be reasonable since most B&Bs and condo-hotels usually have no amenities except maybe a pool.

For many years, we have acted responsibly since we purchased the unit by having it professionally managed through a central booking group, paid TA and GE, HOA fees, management fees and taxes. It has been financially difficult to pay those expenses with no income coming in for two years since the government abruptly shut down short-term rentals without NUC's in August 2019. We should be grandfathered into short term rental status because of provable history. If a short-term rental owner cannot provide several years of payment history, they should not receive "grandfather" status.

While we wait for a legislative resolution, if we rent our unit long term, we hope it will not prohibit our ability to register it as a short-term rental in the future.

We would like to work with DPP and the government to:

- Reach a reasonable solution for our condominium unit to be able to operate as a short-term rental unit again in the expanded Waikiki Resort area;
- With a reasonable tax rate between 3.5 and 6.5 as our unit is not equal to a lodging unit in a hotel.
- Not to be forced to register only as a "natural person"
- And the freedom to be able to own more than one unit.

Thank you for your time and consideration in this matter.



WAIKĪKĪ IMPROVEMENT ASSOCIATION

Testimony of Rick Egged
President, Waikiki Improvement Association
Before the
City and County of Honolulu Planning Commission
Wednesday September 1, 2021
In consideration, of

Proposed Amendments to Chapter 21 (Land Use Ordinance [LUO]), Revised Ordinances of Honolulu (ROH) 1990, as Amended, Relating to Transient Accommodations

Aloha Chair Lee and Members of the Planning Commission:

My Name is Rick Egged, representing the Waikīkī Improvement Association (WIA). The WIA is a membership organization consisting of major stakeholders in Waikīkī including, landowners, hotels, retailers and restaurants, the businesses that serve them and those interested in the future of this important part of our community and economy.

The Waikīkī Improvement Association (WIA) strongly supports the proposed amendments.

WIA favors stronger regulations and enforcement measures in dealing with the illegal transient vacation rentals in our county.

The Proposed Amendments apply stricter limits of where transient vacation units may exist than the ordinance passed in 2019. The amendments also change the definition of a short term rental from 30 days to 180 days closing a large loop hole in the existing law.

WIA strongly believes that whether and where to permit such vacation rentals should be a matter of careful City and County of Honolulu-wide planning, that any and all such short-term rentals should be legally conforming, that the operation of such rentals should be fully transparent, and that the City should have full enforcement mechanisms and resources. We are comfortable that the proposed amendments help accomplish that goal.

Thank you for the opportunity to testify.

From: Carol Moy [<mailto:clm3611@gmail.com>]
Sent: Tuesday, August 31, 2021 6:28 PM
To: info@honoluluodpp.org
Subject: Testimony: Proposed Amendments to Ordinance 19-18 (Bill 89)

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

We are writing to voice our concerns over the proposed amendments to Bill 89 for which public hearings will take place on September 1, 2021. Our family has owned two short-term rentals in Waikiki for many years which have been professionally managed by a hotel group during the entire time. It is a 40+ year old building with NO restaurants, bars, entertainment spaces, spa services or any other ancillary income producing activities.

We understand Honolulu's intention to more closely regulate illegal short-term rentals that have been operating without proper permitting or tax revenue contribution. However, we feel that the city and county of Honolulu are unfairly penalizing short-term rental owners that have operated within the guidelines set forth and/or accepted by the city and county of Honolulu since 1989.

- Without due process, Bill 89 denied ALL short-term rental owners of income – regular, retirement and supplemental income for over two years. We have had no income from our non-NUC property but still had to pay mortgages, property taxes, insurance, fees, assessments and special assessments for the 40+ year old building during this time.
- Prior to Bill 89 going into effect before August 2019, we paid ALL TA/GE taxes and can prove our compliance with the guidelines set forth by the city and county of Honolulu and the State of Hawaii during this time. In the stroke of a pen, the city and county of Honolulu voided our ability to rent our short-term rental units, an accepted practice that it had allowed for over 32+ years. There was no prior notification by the city and county government of Honolulu that we perhaps were engaging in some sort of “illegal activity”.
- From our review of the draft bill of proposed amendments to Bill 89, ONLY ONE NATURAL PERSON may be registered as a short-term rental in the city and county of Honolulu. As you know, real property is held in different legal vehicles for a variety of reasons. This proposed amendment clause is denying owners their right to hold legal title to property as they and their attorneys deem appropriate. We feel this bill also infringes upon our rights to own and operate more than one short-term rental in Honolulu.
- Please consider allowing those conscientious owners who have more than one short-term rental unit and can prove rigorous compliance to the TA/GE and property tax payments for several years to be grandfathered in and allowed more than one unit to be registered with DPP. If other short-term rental owners cannot produce the required historical documents, then deny their application for multiple registrations.
- We understand that the city and county of Honolulu wants to restrict short-term rentals in residential areas but we believe that ownership of short-term rentals within the four resort

districts of Gold Coast, Ko 'Olina, Kuilima and Waikiki should not be limited to just one property. This favors the hotels and not small property and business owners trying to make a living or obtaining retirement income.

- The initial registration fee of \$5000 and a \$2500 annual renewal fee is unaffordable for most small business owners.
- The draft proposal suggests that the property will be taxed at the hotel/resort rate of \$13.90 per \$1000 of assessed value. As we previously stated, our short-term rentals are in a 40+ year old building with no restaurants, bars, entertainment spaces, spa services or any supplemental income producing activities. We provide more affordable accommodations to residents, visitors, families and military personnel posted on Oahu. Our short-term rentals are more like a bed and breakfast accommodations and should be taxed at a more appropriate rate.
- While we have been waiting for a legislative solution to the short-term rental guidelines, we have had no income for the last two years. We have not rented our condo for two years hoping a resolution was right around the corner and the fear of losing our prior short-term rental status. Our only options now are:
 - 1) drain our savings while waiting for resolution;
 - 2) sell our condo unit with no NUC which will be difficult; or
 - 3) rent out the condo long term. Now that we are strongly considering renting our condominium unit out long term, we hope we do not lose the future possibility to register our condo back to short-term condo status. We believe any short-term units in the zoned hotel-resort areas should have the flexibility to be long-term or short-term rentals as long as they are properly registered and pay reasonable renewal fees for the years they operate as short-term rentals.

We want to work in good partnership with the City and County of Honolulu and the State of Hawaii to find a mutually beneficial solution for all parties concerned. Please strongly consider our concerns and suggestions as you deliberate modifications to the proposed amendments of Bill 89. Thank you.

From: Jim Muneno [<mailto:jim.muneno@exprealty.com>]
Sent: Tuesday, August 31, 2021 5:18 PM
To: info@honoluludpp.org
Subject: Short Term Rentals

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha,

I am writing to oppose your proposed changes to the definition of short term rentals on Oahu. As a realtor for 10 years I encounter the need for short term rentals often and have specifically encountered the following situations:

- Families from out of State that are taking care of loved ones
- People moving to Oahu and looking to buy a home
- Families who are waiting for their new home to complete construction
- Government contract workers
- Traveling nurses
- Military PCS while looking for a home to buy
- Home Sellers who need to rent until they find a new property

While I fully support enforcement actions against illegal Short-Term Rental operators I feel there is no need to change the definition from 30 days to 180 days. We just need to properly enforce the 30 day rule. Changing the definition to 180 days is not needed and will harm many local property owners as well as the Tenants that stay in their homes. Thank you for considering my point of view.

Respectfully,



Jim Muneno

REALTOR-Associate® | RS-73802

808.679.2400

jim.muneno@exprealty.com

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From: Steve's Rentals [<mailto:rentals@stevemarcotte.com>]
Sent: Tuesday, August 31, 2021 4:56 PM
To: HNL Dept Plan & Permitting <info@honoluluodpp.org>
Subject: Opposed to STR draft bill

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

My name is Steve Marcotte and I have owned Hawaii vacation rentals since 1993. I am speaking out against this STR Draft Bill because I believe many of the aspects are both unfair and unconstitutional.

I have been a licensed real estate broker since 2002 and am stunned at many of the proposals in this bill that are contrary to the rights of real estate property owners.

At worst, some of these items appear to be in collusion with the hotel industry: I sincerely hope that is not the case, and that the goal of the bill is to get a handle on the short term rental industry, which has seemingly been in essence ignored by Honolulu government for decades, until recently. However, it goes about it in the wrong way.

For example, my wife and I are planning to move into a 2-bedroom unit in a condotel as our residence next year and this bill would both wipe out our income stream AND prevent us from moving into our own property. I know many elderly people that have been living in their units at condotels for years. This would be devastating to them.

I have always paid taxes, followed the rules, and done everything possible to provide a safe home base for visitors and have mostly 5-star reviews. I have helped reduce problems associated with vacation rentals in communities through the use of house rules and rental agreements and communication with guests and neighbors.

I moved my business from Hawaii Island to Waikiki in 2013, thinking, what better place to do vacation rentals? As a licensed broker, I have been committed to complying with both laws and common sense to provide a safe home base for visitors and keep the peace with neighbors. I have not had complaints from neighbors and have mostly 5-star reviews.

I support the idea of reducing the number of tourists on Oahu but not at the expense of violating people's rights.

Aloha,
Steve

Steve Marcotte
Owner, Real Estate Broker
Hawaii Second Homes
Vacation Rentals and Real Estate Sales
Hawaii License Number: RB-18115

Phone/Text: +1-808-965-1224

www.WaikikiBeachVacationRentals.com

330 Saratoga Rd #89553

Honolulu, HI 96815

USA

From: chris hagood [<mailto:surfdig@hotmail.com>]

Sent: Tuesday, August 31, 2021 4:55 PM

To: info@honoluludpp.org

Subject: !!!180 days is too restrictive a classification for STRs. It will adversely impact critical medical staffing of contract nurses!!!

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Traveling nurses and medical personnel all sign 90 day volunteer contracts to come assist Hawaii's critically understaffed healthcare system. They have been literally been lifesavers to our island and our community for decades, especially with latest surge with the Covid-19 Delta variant. 180 day minimum leases will eliminate housing for this critical asset. The minimum should be -95 days, so that these critical employees helping to hold the health care system together can continue to do so. Traveling nurses and medical personnel all sign 90 day volunteer contracts to come assist Hawaii's critically understaffed healthcare system. They have been literally been lifesavers to our island and community for decades, especially with latest surge with the Covid-19 Delta variant. 180 day minimum leases will eliminate housing for these critical asset.

Thank you for your time and consideration,

Chris Hagood

From: Richard Kulhawe [<mailto:rkulhawe@gmail.com>]

Sent: Tuesday, August 31, 2021 4:32 PM

To: info@honoluludpp.org

Subject: Testimony in Opposition to Select Provisions of the Planning Commission's Proposed Bill to Amend Chapter 21 (Land use Ordinance [LUO]), Revised Ordinances of Honolulu (ROH) 1990, as Amended, Relating to Transient Accommodations Affecting the Associatio...

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TO WHOMEVER IT MAY CONCERN,

Please be advised that as Owners of Unit O-812 in Beach Villas at Ko Olina, we fully endorse and support the testimony presented on our behalf and attached below:

CHRISTOPHER SHEA GOODWIN

ATTORNEY AT LAW LLLC
737 BISHOP STREET
SUITE 1640 MAUKA TOWER
HONOLULU, HAWAII 96813
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Ann E. McIntire**
ann@christophersheagoodwin.com

**Admitted to practice in HI and CA

August 31, 2021

Via email: info@honoluludpp.org and telefax: (808) 768-6743

City and County of Honolulu
Department of Planning & Permitting
Planning Commission

RE: Public Hearing Date and Time: Wednesday, September 1, 2021, 11:30 a.m. (via WebEx)

Testimony in Opposition to Select Provisions of the Planning Commission's Proposed Bill to Amend Chapter 21 (Land use Ordinance [LUO]), Revised Ordinances of Honolulu (ROH) 1990, as Amended, Relating to Transient Accommodations Affecting the Association of Apartment Owners of Beach Villas at Ko Olina

Dear Planning Commission:

This firm serves as general legal counsel to the Association of Apartment Owners of Beach Villas at Ko Olina ("Association"), a condominium association, organized and existing pursuant to Hawaii Revised Statutes, Chapter 514B (the "Condominium Property Act") and presents this testimony on behalf of the Association in opposition to the Planning Commission's Proposed Bill to Amend Chapter 21 (Land Use Ordinance [LUO]), Revised Ordinances of Honolulu (ROH) 1990, as Amended, Relating to Transient Accommodations (referred to hereinafter as the "Proposed Bill to Amend Chapter 21 Re Transient Accommodations" or the "Proposed Bill").

As discussed below, the Association's Board of Directors ("Board") is concerned regarding the proposed amendments set forth in the Proposed Bill to add new Sections 21-5.730.1, 21-5.730.2, 21-5.730.3, 21-5.730.4 to the LUO, and to amend the definition of "transient vacation unit" set forth in ROH, Chapter 21, Article 10.

1. Current Law

Absent possession of a Non-Conforming Use Certificate ("NUC"), rental of a unit for any period less than thirty (30) consecutive days in areas not zoned for "Resort" use, is prohibited under the LUO wherein Section 21-5.730(d) currently provides, in pertinent part, as follows:

(d) . . . **"Unpermitted transient vacation unit" means a transient vacation unit that is not: (A) Located in the resort district**, resort mixed use precinct of the Waikiki special district, or A-1 low-density apartment district or A-2 medium-density apartment district pursuant to subsection (a); **or (B) Operating under a valid nonconforming use certificate** pursuant to Section 21-4.110-1.

(2) It is unlawful for any owner or operator of an unpermitted bed and breakfast home or unpermitted transient vacation unit, or the

City and County of Honolulu Department of Planning & Permitting ("DPP")
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owner or operator's agent or representative to: (A) Rent, offer to rent, or enter into a rental agreement to rent an unpermitted bed and breakfast home or unpermitted transient vacation unit for fewer than 30 consecutive days

See, ROH, Ch. 21, Sec. 21-5.730(d), emphasis added.

ROH, Article 10, defines a "transient vacation unit" as "a dwelling unit or lodging unit that is advertised, solicited, offered, or provided, or a combination of any of the foregoing, for compensation to transient occupants for less than 30 days, other than a bed and breakfast home. For purposes of this definition, compensation includes, but is not limited to, monetary payment, services, or labor of transient occupants."

Conversely, in areas which are zoned for "Resort" use, there is no minimum required rental period, and rentals for periods less than 30 days are permitted. See, ROH, Sec. 21-3.100-1: ("Resort uses and development standards. (a) Within the resort district, permitted uses and structures shall be as enumerated in Table 21-3.") The Master Use Table, Table 21-3, currently indicates that "Transient Vacation Units" are a "**permitted use subject to the standards in Article 5**" on properties located within the Resort Zoning District, **regardless of the classification of the property as an apartment, hotel or hotel-condominium.**

The City and County of Honolulu, Department of Planning and Permitting (DPP) Property Information Report describes the Beach Villas at Ko Olina Condominium Project located at 92-102 Waialii Place, Kapolei Hawaii 96707, Tax Map Key No. 91057009:0000 as located within the Resort Zoning District. As such, the Beach Villas at Ko Olina is not subject to the conforming use certificate requirements of ROH, Chapter 21 and its unit owners lawfully may rent their units for periods of less than 30 days under the current provisions of ROH, Chapter 21.

Accordingly, Beach Villas at Ko Olina's Declaration, as amended and restated, provides that all hotel or transient vacation uses shall be for periods not less than six (6) consecutive nights. Under the amendments to ROH, Chapter 21, proposed by the Planning Commission, it is unclear whether owners of units at Beach Villas at Ko Olina may continue to lawfully advertise and rent transient vacation units, should the Proposed Bill be enacted into law.

2. Proposed New Section 21-5.730.1 should be revised to clarify that transient vacation units are also permitted in the Resort Zoning District without a non-conforming use certificate

Unlike the first draft of the Proposed Bill, Table 21-3 Master Use Table of the Revised Draft of the Planning Commission's Proposed Bill to Amend Chapter 21 Re Transient Accommodations, now includes "Transient Vacation Units" as a "permitted use subject to the standards in Article 5" on properties located within the Resort Zoning District (see, Proposed Bill, Revised Draft at pg. 19). However, at the time the Planning Commission implemented the latest change to the Table 21-3 Master Use Table, corresponding changes were not made to the text of the other proposed amendments in the Proposed Bill. Table 21-3 Master Use Table provides, in

City and County of Honolulu Department of Planning & Permitting (“DPP”)
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pertinent part, that, “In the event of any conflict between the text of this Chapter and the following table, the text of the Chapter shall control.” See, Id. at pg. 19.

Therefore, it is requested the Planning Commission also revise the other proposed amendments as necessary to ensure they are consistent with the revised Master Use Table of the Revised Draft of the Proposed Bill. Currently, the other proposed amendments to add new Sections 21-5.730.1, 21-5.730.2, 21-5.730.3, 21-5.730.4 to the LUO, and to amend the definition of “transient vacation unit” are ambiguous, to the extent it is unclear, despite the revision to Table 21-3 Master Use Table adding transient vacation units back to the list of permitted uses of property in the resort district, whether, under these proposed amendments, short-term rentals of units for less than 30 days (or less than 180 days) may continue at properties located in the Resort Zoning District without a non-conforming use certificate, if the Proposed Bill is enacted.

The Proposed Bill provides, in pertinent part:

SECTION 17. Chapter 21, Article 5, Revised Ordinances of Honolulu 1990, as amended, is amended by adding a new Section 21-5.730.1 to read as follows:

“Sec. 21-5.730.1 Bed and breakfast homes and transient vacation units.

(a) Bed and breakfast homes and transient vacation units are permitted in the portions of the A-2 medium-density apartment zoning district located in the Gold Coast area of the Waikiki Special District shown in Exhibit A and in the portions of the A-1 low-density apartment zoning district, A-2 medium-density apartment zoning district located in the Kuilima and Ko‘olina Resort areas shown in Exhibits C and -B, respectively, and the Resort Mixed Use Precinct in the Waikiki Special District, subject to the restrictions and requirements in Article 5 of this chapter.

See, Proposed Bill, Revised Draft, pg. 26.

It is also unclear whether the Planning Commission’s proposed amendment adding Section 21-5.730.1 to the LUO continues to permit transient vacation units (“TVUs”) in the Resort Zoning District, as Sec. 21-5.730.1(a) only references the A-2 medium-density apartment zoning district located in the Gold Coast area of the Waikiki Special District; portions of the A-1 low-density apartment zoning district and A-2 medium-density apartment zoning district located in the Kuilima and Ko‘olina Resort areas shown in Exhibits C and B, respectively, and the Resort Mixed Use Precinct in the Waikiki Special District.

Exhibit “B” to the Proposed Bill entitled “Short-Term Rental Permitted Areas – Ko Olina Resort,” referenced in proposed Sec. 21-5.730.1(a), does not show the area zoned “Resort” as an area where TVUs are permitted, which is contrary to the current ROH, Sec. 21-5.730(d) and Table 21-3 Master Use Table which permit TVUs in the Resort Zoning District.

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To be consistent with current ROH, Sec. 21-5.730(d) and current Table 21-3 Master Use Table, proposed Sec. 21-5.730.1(a) should be further revised to **clearly state that transient vacation units are permitted in the resort district, resort mixed use precinct of the Waikiki special district, A-1 low-density apartment district, and A-2 medium-density apartment district, without a non-conforming use certificate.**

One of the stated purposes of the Proposed Bill "is to better protect the City's **residential** neighborhoods and housing stock from the negative impacts of short-term rentals by providing a more comprehensive approach to the regulation of transient accommodations within the City." See, Proposed Bill, Revised Draft, Section 1., pg. 1, emphasis added. In addition, ROH, Chapter 21, Sec. 21-3.100 provides that, "[t]he **purpose of the resort district is to provide areas for visitor-oriented destination centers. Primary uses are lodging units and hotels and multifamily dwellings.** Retail and business uses that service visitors are also permitted. **This district is intended primarily to serve the visitor population,** and should promote a Hawaiian sense of place." See, ROH, Chapter 21, Sec. 21-3.100, emphasis added. It is recommended the Planning Commission revise proposed new Section 21-5.730.1, as well as proposed new Sections 21-5.730.2, 21-5.730.3, 21-5.730.4 and the proposed new definition of "transient vacation unit" to clearly exempt properties within the Resort Zoning District from these proposed amendments. As discussed below, if the Proposed Bill, is enacted in its current form, it will conflict not only with the expressly stated purposes of the Proposed Bill, but the purposes and intended uses for the Resort Zoning District.

3. Under the proposed new definition of "transient vacation unit," it is unclear whether properties such as the Beach Villas at Ko Olina may continue to allow short-term rentals for periods less than 30 days and/or 180 days

The Proposed Bill provides, in pertinent part:

SECTION 24. Chapter 21, Article 10, Revised Ordinances of Honolulu 1990, as amended, is amended by amending the definitions of "bed and breakfast home", "hotel", and "transient vacation unit" to read as follows:

...

"“Transient vacation unit” means a dwelling unit or lodging unit that is advertised, solicited, offered, or provided~~[or a combination of any of the foregoing, for compensation]~~ to transient occupants, for compensation, for periods of less than [30] 180 consecutive days, other than a bed and breakfast home. For purposes of this definition,

- (1) ~~[C]~~compensation includes, but is not limited to, monetary payment, services, or labor of guests;
- (2) Accommodations are advertised, solicited, offered or provided to guests for the number of days that are used to determine the price for the rental; and
- (3) Month to month holdover tenancies resulting from the expiration of long-term leases of more than 180 days are excluded.

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See, Proposed Bill, Revised Draft, pgs. 36-37.

The above proposed amendment is ambiguous as to whether the proposed new definition of "transient vacation unit" applies to properties located in the Resort Zoning District, such as the Beach Villas at Ko Olina, and whether the Beach Villas at Ko Olina owners may lawfully continue to rent their units for periods not less than six consecutive nights, as provided under the Association's Declaration should the proposed amendment become law.

As stated above, in *areas which are zoned for "Resort" use*, there is no minimum required rental period, and rentals for periods less than 30 days (or any period) are permitted. See, ROH, Sec. 21-3.100-1. **The Planning Committee's proposed new definition of "transient vacation unit" should be revised to make it clear that it does not amend the definition of "unpermitted transient vacation unit" under ROH, Chapter 21, Sec. 21-5.730(d), and the minimum rental period restriction of 180 consecutive days does not apply, to transient vacation units located in the resort district**, resort mixed use precinct of the Waikiki special district, A-1 low-density apartment district, or A-2 medium-density apartment district.

In addition, the proposed amendment to the definition of "transient vacation unit" is inconsistent with, ROH, Chapter 21, Sec. 21-5.730(d)(2) which currently provides it is unlawful to rent an *unpermitted transient vacation unit for fewer than 30* consecutive days. See, ROH, Sec. 21-5.730(d)(2), Supra, emphasis added. To ensure consistency between the various sections of ROH, Chapter 21, it is requested the Planning Committee propose an amendment to ROH, Sec. 21-5.730(d)(2) to change the clause therein providing, "for fewer than 30 consecutive days" to "for fewer than 180 consecutive days."

4. Proposed new Section 21-5.730.2 should be further revised to clarify that properties located within the Resort District are exempt from the registration requirements

The Proposed Bill provides, in pertinent part:

SECTION 18. Chapter 21, Article 5, Revised Ordinances of Honolulu 1990, as amended, is amended by adding a new Section 21-5.730.2 to read as follows:

"Sec. 21-5.730.2 Registration, eligibility, application, renewal and revocation.

- (a) Registration required. Bed and breakfast homes and transient vacation units must be registered with the department . . .

See, Proposed Bill, Revised Draft, pgs. 26-29.

Currently, under ROH, Chapter 21, Section 21-5.730(d), it is lawful to rent a transient vacation unit on property located within the following zoning districts: the **resort district**, resort mixed use precinct of the Waikiki special district, A-1 low-density apartment district or A-2 medium-density apartment district, **and neither a non-**

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conforming use certificate nor registration with the DPP is needed, since transient vacation units are a conforming use in the foregoing zoning districts.

Therefore, the Planning Commission should revise proposed new Section 21-5.730.2 to make it clear properties located within the resort district, resort mixed use precinct of the Waikiki special district, A-1 low-density apartment district, and A-2 medium-density apartment district which rent or offer units for rent for a term of less than 180 consecutive days are exempt from registration with the department.

- 5. Proposed new Section 21-5.730.3 should be further revised to expressly state that properties located within the Resort District are exempt from the standards and requirements of this Section.**

The Proposed Bill proposes to add a new Section 21-5.730.3 to ROH, Chapter 21 regarding use and development standards for transient vacation units. See, Proposed Bill, Revised Draft at pgs. 29-32. These standards include occupancy limits and sleeping requirements, parking, smoke and carbon monoxide detectors, noise restrictions, gathering restrictions, et seq. that may reasonably apply to residential zoning districts, but not to the Resort Zoning District. Given that one of the stated purposes of the Proposed Bill "is to better protect the City's **residential** neighborhoods and housing stock from the negative impacts of short-term rentals by providing a more comprehensive approach to the regulation of transient accommodations within the City" (see, Proposed Bill, Revised Draft, Section 1., pg. 1, emphasis added), it would appear the Planning Commission did not intend the Proposed Bill to impose these new regulations on properties located in the **Resort Zoning District** which may lawfully rent and advertise transient vacation units under the current LUO. Subjecting properties located within the Resort Zoning District to the use and development standards proposed in new Section 21-5.730.3, would be in direct contradiction to the stated purposes of the Proposed Bill and the purposes of the Resort Zoning District stated in ROH, Chapter 21, Sec. 21-3.100 and discussed at length under Section 2., Supra.

Therefore, it is requested that the Planning Commission should revise proposed new Section 21-5.730.3 to clarify that this section and the use and development standards and requirements stated therein do not apply to properties located in the resort district, resort mixed use precinct of the Waikiki special district, A-1 low-density apartment district, and A-2 medium-density apartment district which rent or offer transient vacation units for rent. As transient vacation units are already a permitted use in the Resort District, proposed new Section 21-5.730.3 should be revised to expressly state that the Beach Villas at Ko Olina and properties located in the Resort Zoning District and other above stated districts are exempt from Section 21-5.730.3.

- 6. Proposed new Section 21-5.730.4 should be further revised to clarify that properties located within the Resort District operating a transient vacation unit are exempt from Section 21-5.730.4.**

The Proposed Bill proposes to add a new Section 21-5.730.4 regarding "Advertisements, regulation, and prohibitions" which makes it unlawful for any person to advertise a dwelling unit that is not a registered transient vacation unit pursuant to Section 21-5.730.2 or operating pursuant to a nonconforming use certificate for a term of less than 180 consecutive days. The following are exemptions to Section 21-5.730.4:

CHRISTOPHER SHEA GOODWIN
ATTORNEY AT LAW LLC

City and County of Honolulu Department of Planning & Permitting ("DPP")
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Exemptions. The following are exempt from the provisions of this Section:
(1) Legally established hotels,
(2) Legally established time-sharing units, as provided in Section 21-5.640; and
(3) Publishing companies and internet service providers will not be held responsible for the content of advertisements that are created by third parties."

See, Proposed Bill, Revised Draft, pgs. 32-34.

The Planning Commission should further revise proposed new Section 21-5.730.4 to provide that the following are also exempt from the provisions of Section 21-5.730.4: transient vacation units operated and located in the resort district, resort mixed use precinct of the Waikiki special district, A-1 low-density apartment district, and A-2 medium-density apartment district.

Thank you for your consideration of this testimony and recommended revisions to the Proposed Bill which will have an adverse impact on owners of units at the Beach Villas at Ko Olina and other condominiums located within the Resort Zoning District, if enacted without the above recommended clarifications and revisions.

Very truly yours,

/s/ Christopher Shea Goodwin
/s/ Ann E. McIntire

Christopher Shea Goodwin
Robert S. Alcorn
Ann E. McIntire

CSG:AEM:skuw

From: Kelly Lee [<mailto:kellyreports@gmail.com>]
Sent: Tuesday, August 31, 2021 4:30 PM
To: info@honoluludpp.org
Subject: Fwd:

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Opposed to additional TVU restrictions

----- Forwarded message -----
From: **Kelly Lee** <kellyreports@gmail.com>
Date: Tue, Aug 31, 2021 at 4:29 PM
Subject:
To: Kelly Lee <kellyreports@gmail.com>

I started cleaning vacation rentals five years ago as a new mom. It gave me the flexibility to maintain my own schedule and bring my children to work with me when needed. Vacation homes are empty while we work and I don't need to worry about bothering anyone. Now with Covid and the lack of the city to start the permitting process I have been unemployed. This has caused us financial hardship as well as having to move in with family to help reduce our family living expenses. I would like to see the city take steps forward to allowing vacation rentals to apply and receive permits so I can rebuild my business to what it once was.

-Amber Taylor

Care of Kelly Lee

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"If you no longer wish to receive these emails, please reply to this email and write the word UNSUBSCRIBE in the Subject line, and you will be removed from any future e-mails." Thank you.

From: Laurynn KP [mailto:lkp@alohanarealty.com]

Sent: Tuesday, August 31, 2021 3:42 PM

To: info@honoluluodpp.org

Cc: kevin taylor

Subject: REGISTER/TESTIMONY : OPPOSITION to DPP Proposed Changes to TVU regulations

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha,

I would like to register to join the hearing, so that I am able to comment and be involved as necessary.

I have already submitted written testimony (attached), along with the following summary of points:

NO HOTEL MONOPOLY

ENFORCE BILL 89 BEFORE IMPOSING NEW REGULATIONS

30 DAY RENTALS ARE A NECESSITY

1. **Enforcement of Bill 89 and current regulations.** I am sure all professionals throughout the industry would be very open to providing suggestions on how the current regulations can be enforced. It works to everyone's benefit if the illegal rentals are removed from the market. I am shocked to hear that the City believes there are still such a large number of illegal rentals in operation, as I cannot understand how this can be possible. Booking sites (Airbnb, VRBO) have added requirements for all listings to provide their TAT, GET, and TMK numbers in order to advertise. If this is not completed, the listing is removed. Buildings within the Waikiki apartment precinct are enforcing on a building level by requiring registration and copies of the leases to show the 30-day minimum term. If any of the rentals within the residential areas or apartment precinct are renting to guests for less than 30 days, this should be very easy to determine, and all information should be at DPPs fingertips.
2. In fact, for all of us who followed the law it is a slap in the face to know that there has been a lack of enforcement. We have lost hundreds of thousands in revenue complying with the new law immediately while violators were rewarded by being allowed to continue without enforcement. DPP did not act even on violations that were reported as far as I know. Why?
3. Before implementing new regulations, the regulations set forth by Bill 89 should be enforced for a period of time to allow us to see the impacts and identify if there are still areas of concern. Without enforcement of the previous bill, there is no way at this time to determine the results and to warrant additional regulations.
2. **Hotels and Condotel.** The proposed changes seek to place all short-term rental units in the "hotel pool", under exclusive booking and management by the Hotels as opposed to the various property owner and property managers currently managing a portion of the

units. I do not see anywhere in the proposed bill that exempts even those hotels/condotels within the resort district from this rule. This seems absolutely unfair and illogical. What is the reasoning behind this? [Please see Pages 23-24, Sec. 21-5.360 & 5.360-1.](#)

3. Placing all units in the "hotel pools" does not reduce the number of tourists or increase local housing as the bill suggests. It simply creates a monopoly for multimillion (billion?) dollar corporations like Aston - it eliminates the competition for corporate hotel chains by decimating the vacation rental industry for all the local owners, small management companies, and numerous local cleaners and contractors we hire.
- 4.
5. **30 day minimum rentals.** This is a necessity for many important groups, and not just tourists. The primary groups we have in our 30 day minimum rentals include travelling nurses, doctors being reassigned, outer-island residents in town for hospital services, contractors for infrastructure projects like the rail or the airport, local families needing intermediate housing, families relocating to the island, young students attending UH and HPU, and other businesspeople. Early in the pandemic, we even had families stuck on island and unable to return to their homes due to the lockdowns. It is not feasible for any of these groups to rent a long-term rental, sight unseen, for a term longer than they are planning to be on island. It also does not make sense for them to stay in hotels or daily rentals.

Mahalo,

Laurynn Paet
RS-83545
Alohana Realty LLC
Office (808) 922-2111 x3
Cell (808) 773-3266

From: Laurynn KP
Sent: Monday, August 30, 2021 3:04 PM
To: info@honoluludpp.org <info@honoluludpp.org>
Subject: OPPOSITION to DPP Proposed Changes to TVU regulations

The publicity surrounding the bill is deceptive to the public, skewing the public's perception. The "discussion" (or more accurately the marketing) focuses only on the 'residential neighborhoods', reducing tourism, and creating 'housing for the locals' – which all sound like good things to the local people. However, what the DPP and other officials fail to mention is the fact that there is a whole other

side to the bill not being discussed – deliberately. The public should be properly informed of the full content of the bill to truly understand the potential impacts.

The bill seeks to force privately owned and managed legal units in the Waikiki resort zone to be managed by the “Hotel”. This does not reduce the amount of tourists or create new housing for the locals. This simply puts the units under the control of the large corporate hotels and eliminates the local businesses, property owners, and numerous local contractors currently handling legal units within Waikiki. Property owners will make less money on their investments being managed by the hotel. Thousands of local businesses and contractors will be out of a job. Those of us in the industry have just barely survived Bill 89, then COVID shutdowns, and have only recently been able to begin gaining traction again. This bill will decimate the industry entirely. **The only ones that stand to benefit from this portion of the bill are the HOTELS, and this type of monopoly should not be allowed.** This violates antitrust laws and infringes on the rights of property owners and affiliated local managers and contractors.

The bill seeks to include new areas and change the zoning to allow more STRs run by **Hotels**.

- Diamond Head/Gold Coast: currently rentals less than 30days are prohibited.
- The “Apartment Precinct” within Waikiki that was just delineated, and short-term rentals deemed illegal through Bill 89.

These areas are currently being rented mainly as 30day rentals, with some buildings allowing 30day minimum rentals. This would essentially further **REDUCE the amount of available long term rentals in Waikiki** and **INCREASE the capacity of Waikiki for HOTEL daily rentals**. This portion of the bill would do the exact opposite of what the bill’s supposed intentions are – yet the public is barely aware this is part of what’s on the table due to the City’s great marketing.

All rentals within Waikiki should not be mandated to be run by hotels in order to do short-term rentals. They are within the areas deemed legal by the City zoning. Any additional rules in regards to 30 day minimums throughout Waikiki resort zone and apartment precinct should be under the control of the buildings and property owners, not the city.

The city has highlighted only the portion of the bill relating to ILLEGAL Short-Term rentals in RESIDENTIAL AREAS. I agree that our residential neighborhoods should be protected. However, I cannot understand how “Illegal” rentals are still being allowed to operate after Bill 89. If there are some still rental operating illegally, they should absolutely be shut down and the DPP should be enforcing the laws already passed. **Before implementing new regulations, the regulations set forth by Bill 89 should be enforced** for a period of time to allow us to see the impacts and identify if there are still areas of concern. Without enforcement of the previous bill, there is no way at this time to determine the results and to warrant additional regulations. Implementing new regulations only further penalizes those of us who are abiding by the laws set forth, while continuing to reward those who have not complied while the laws go unenforced.

Mahalo,

Laurynn Paet

RS-83545

Alohana Realty LLC

Office (808) 922-2111 x3

Cell (808) 773-3266

From: Nancy MI [mailto:relaxamommy@yahoo.com]
Sent: Tuesday, August 31, 2021 3:51 PM
To: info@honoluluodpp.org
Cc: Nancy MI
Subject: Oral testimony of Nancy Manali-Leonardo for 11:30 a.m., 9-1-21, meeting

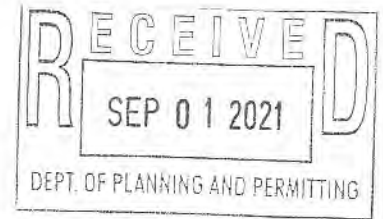
CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Name: Nancy Manali-Leonardo
Phone: 808-542-1556
Subject matter: Oral testimony for 11:30 a.m. September 1, 2021 DPP meeting.

Planning Commissioner Brian Lee, Chair, and Commissioner board members, Dean Uchida, Director DPP,

I am a 67 year old *retired* (fixed income) senior.
I paid over a quarter of a million dollars to purchase my leasehold unit 13 years ago.
It is a hotel unit located in a condo-hotel at the Diamond Head end of Kalakaua Avenue.
I have never, not even for a day, rented out my unit. I have lived alone in my unit full-time, year round, for the last 13 years.
Before that, I lived and owned in the Honolulu area: Kaimuki, Hawaii Kai for over 30 years.
As a domestic violence survivor, I feel very safe in my unit. I am happy and again, I feel *safe.*
The state of Hawaii has the second highest homeless population in the country.
Please explain to me why any City Planning and Permitting department would dare entertain the idea to pass an ordinance that would not only make me homeless, but would make dozens of people also living in their hotel units homeless?
Where is the common sense in this action?
Where is the humanity?
Where is the aloha?
This proposed ordinance is nothing short of senior abuse (in my case).
It is not pono by any means, no matter how you try to spin it.
The entire ordinance, in fact, makes no sense for *anyone* who owns a unit.
Shame!
Sincerely,
Nancy Manali-Leonardo

Lowell D. Funk, Inc. dba
Hawaii Condo Management
1750 Kalakaua Blvd., Suite 3804
Honolulu, Hawaii 96826
Telephone (808) 924-1500
Fax (808) 758-3175
john@hawaiicondomgt.com



August 31, 2021

Re: City and County of Honolulu // Short Term Rental Proposed Legislation

I strenuously object to the proposed changes to the LUO:

Section 6 (b) persons includes then LLPs, S Corps, Condominiums and co-operative housing corporations. Is that the intent? They are then liable and since they are liable they are therefore also able to own TVU and Bed and Breakfast units.

Table 21-3 among other issues, the increase in lease requirement in BMX3 and 4 would seriously damage use of commercial properties. Any pop-up leases or open ended leases or subleases in those areas become illegal—to no purpose. Short term use of executive offices would be made illegal. Short term use of conference rooms could be construed to be included. This is a disaster and the logic eludes me.

Central Booking: This appears to be something solely to benefit the hotel companies and to destroy any entrepreneurial enterprise. It would not be difficult to speculate about the motivation.

As far as enforcement, the DPP certainly could use more assets for enforcements since it seems incapable of enforcing the rules currently in place (witnesses disappear, hearings delayed, access is denied, etc.). If word gets out that enforcement is laughable, any enforcement will become only more problematic. At that point, these rules would mean nothing. DPP is already in that condition. And now you're asking DPP to determine the duration of leases in commercial properties as well?

As for rate enforcement, most hotels discount rates based on bulk reservations, late night check ins, low or high supply. These changes would make that illegal and subject to fines against the hotel management companies. And you're asked DPP to enforce this too? This provision would block wholesalers reselling blocks of rooms.

So, owners of a unit at a condotel will have to pay the overhead/mark up to use their own property and pay GET and TAT to use their own property? This looks like a law suit waiting to happen.

The special permissions for Ko'Olina and Kuilima certainly looks suspicious.

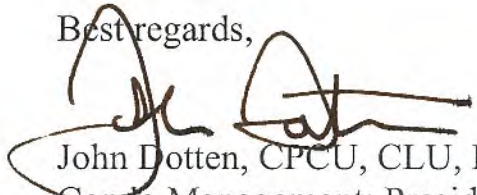
The establishment of advertising standards then we assume will be to create the need for advertisers' liability in the legislation.

The changes to Table 21-3 would seem to make BMX3 and BMX4 illegal for apartment use. It's not entirely clear. That's pretty radical.

I think the City & County would be better served to recodify the LUO and make it more clear. You have heaped a huge burden on DPP, one they are struggling to deal with presently—why are you doing this?

I won't speculate.

Best regards,

A handwritten signature in dark ink, appearing to read 'John Dotten', is written over the printed name.

John Dotten, CPCU, CLU, Broker, President, Lowell D. Funk, Inc. dba Hawaii Condo Management; President Century Center, AOA



August 31, 2021

The Honorable Brian Lee
Chair, The City and County of Honolulu Planning Commission
650 South King Street, 7th Floor
Honolulu, HI 96813

Regarding: Testimony **supporting the intent** of proposed amendments to Chapter 21 (Land use Ordinance [LUO]), Revised Ordinances of Honolulu (ROH) 1990, as Amended, Relating to Transient Accommodations, **and offering comments.**

Aloha Chair Lee and Honorable members of The City and County of Honolulu's Planning Commission,

For more than 100 years, the American Hotel & Lodging Association (AHLA) has been the foremost representative of and advocate for the U.S. lodging industry. We advocate for our members so they can do their best at what matters most: serving guests, employees and their communities. With more than 160 members in Hawaii representing 110,000 employees, this is a job we take very seriously.

We appreciate the valuable work that the Commission has been doing to ensure that Hawaii's legal tourism industry continues to thrive while seeking balance with and maximizing the benefits of tourism for our residents; specifically, the commission's proven commitment to the eradication of illegal short-term rentals in Honolulu. Study after study has shown that the vast majority of short-term rentals in Honolulu are owned and operated by out-of-State commercial hosts who are renting whole units. In some cases, these law breakers are operating 20 or more illegal whole home rentals. This is not home sharing; these are illegal hotels which destroy the aloha in our communities and drive up the cost of housing for our residents.

In recent years, the City and County of Honolulu made incredible progress towards curbing the negative impacts of short-term rentals through Bill 89 (Ordinance 19-18). As you may recall, AHLA advocated vehemently to get this law on the books, and the resulting ordinance has provided enforcement tools that have become the gold-standard in AHLA's nationwide fight against illegal short-term rentals. As written, Ordinance 19-18 cedes the Department of Planning and Permitting with a strong foundation for enforcement that



includes the sharing of data by hosting platforms and holds platforms responsible for knowingly listing illegal units. These provisions were an important first step.

In the same way COVID upended nearly every other well thought out public policy, so too has this tragic global pandemic informed Honolulu's need to further resource the fight against illegal short-term rentals. The absence of tourism during the State's COVID induced shut-down followed by a sudden surge in visitors to our shores amplified the deep wounds left on our communities by the rampant short-term rental operations that fueled the initial wave of tourism we saw from January to June of 2021. The friction between our residents and visitors was exacerbated by the fact that in staying at illegal short-term rentals, many of these visitors occupied homes and crowded streets in the heart of some of Honolulu's most vulnerable and congested communities.

Simply put, short-term rentals damage the visitor industry's ability to attract respectful visitors, they erode public trust in our legitimate and legal hotel and lodging operations, and they hurt our employees by driving up housing costs and destroying the residential nature of our communities. This is a story that those of us who call Hawaii home know all too well. It is for these reasons that AHLA offers our strong support for the intent of this draft legislation presented by Mayor Blangiardi and DPP Director Dean Uchida.

In addition to AHLA's support for the intent of this draft bill, we would like to offer the following comments for the Commission's consideration as you make your recommendations:

A dedicated funding source allows DPP to program enforcement: For decades DPP has consistently pointed to the lack of resources as one the biggest challenges with enforcement. As written, the draft measure provides a dedicated funding source to DPP which will allow the department to program, forecast, and plan for enforcement.

Close the 'thirty-day loophole': Hundreds if not thousands of whole-home rentals across the Island are operated effectively as short-term rentals by circumventing the laws on the books with the 'thirty-day loophole.' Hosts do this by offering an *exclusive 30 day contract* for a property that is not permitted for short-term rental, and then turning around and offering the property to a new tourist every thirty days. The draft measure's change in the definitions of "bed and breakfast home" and "transient vacation unit" by amending the definitions to increase the rental period for TVUs or B&Bs from less than 30 days to less than 180 days will assist in closing this loophole.



Data-collection requirements and the authority to compel hosting platform

compliance with City laws is both legal and necessary for enforcement: The strongest tool that the City has in protecting our communities and ensuring compliance with the laws on the books stems from data collection and holding hosting platforms accountable. These provisions are both legal and necessary to ensure compliance. In March of 2019, the 9th Circuit Court of Appeals ruled against HomeAway and Airbnb and their claims of CDA 230 protections in their litigation against the city of Santa Monica. This ruling was the basis for the City and County of Honolulu's adoption of the provisions in Ordinance 19-18 that hold hosting platforms responsible for illegal transactions that take place on their websites. These enforcement mechanisms contained in Ordinance 19-18 are congruent with the 9th Circuit ruling and give DPP potent enforcement tools against unpermitted short-term rentals. However, section 3 of the draft bill states "Article 2A of Chapter 21, Revised Ordinances of Honolulu 1990, as amended, is repealed." This provision would effectively eliminate regulations applying to hosting platforms and neuter DPP's enforcement capabilities. We urge the Commission's consideration in recommending in your comments that Section 3 of the draft measure be deleted and in so doing preserving the enforcement tools found in Article 2A of Chapter 21, Revised Ordinances of Honolulu 1990 as amended.

On behalf of the American Hotel and Lodging Association, please accept our mahalo for your consideration of our testimony on this most important issue. AHLA is committed to this process as we have been before and we look forward to making our team available to support Mayor Blangiardi and his Administration and to Council Chair Waters and the Honorable members of the Honolulu City Council as this measure progresses. Thank you again for your continued leadership and the tremendous service that you and your colleagues provide to our community through your work on the Honolulu Planning Commission.

Me ka pono,

Kekoa McClellan
Spokesperson, AHLA Hawaii



HAWAI'I APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice

SUPPORT – Relating to Transient Accommodations

City and County of Honolulu, Planning Commission Meeting

Wednesday, Sept 1st, 2021 at 11:30 AM

Aloha Chair Lee and members of the Planning Commission,

Thank-you for the opportunity to testify in support of agenda item IV, "Proposed Amendments to Chapter 21".

We at Hawai'i Appleseed work towards more equitable and sustainable economy. In order to create a Hawai'i where rents are not pushed up by unregulated airbnb rentals and residential neighborhoods remain *residential* instead of resort areas we **strongly support** these proposed changes to Chapter 21 which would better regulate and restrict the use private homes as vacation rentals.

In 2018, Hawai'i Appleseed wrote a report on the negative impacts of unregulated vacation rentals because the consequences for the local housing market are clear: it drives up rental prices and removes homes from the pool of rental housing, decreasing the supply of affordable rentals. Here is some of the research which highlights the need to regulate this industry:

- Vacation rentals proliferate rapidly when they are unregulated because of the high income they generate as compared to long-term rentals. A 2015 study by Honolulu's Office of Community Services indicated that, **at 80% occupancy the average Airbnb brings in 3.5 times more revenue than a rental.**
- A 2020 economics paper by University of Southern California, California State University, and the National Bureau of Economics Research, showed that for every 10% increase in Airbnb's there was a 0.2% increase in rents and a 0.3% increase in home prices. **This supports the claim that Airbnb's drive up rent and home prices, and decrease the supply of long term rentals¹**

Over time, these small increases in rent prices add up **and result in local renters and homebuyers paying the price for earnings made** by airbnb operators. To create a more fair and equitable economy airbnb operators must be regulated and appropriately taxed.

¹ Barron, Kyle and Kung, Edward and Proserpio, Davide, The Effect of Home-Sharing on House Prices and Rents: Evidence from Airbnb (March 4, 2020). Available at SSRN: <https://ssrn.com/abstract=3006832> or <http://dx.doi.org/10.2139/ssrn.3006832>

- **Enforcement is clearly needed** to prevent airbnb's from becoming an increasing share of the housing market, leaving less homes for residents. The number of vacation rentals across Hawai'i increased by 35 percent from 2015 to 2017, due to lack of enforcement of regulations on property use and taxes collected.²

Joshua Tree, a popular tourist destination in California outside of Los Angeles, provides a recent example of how lack of regulation leads to a proliferation of airbnb's. The number of airbnb homes doubled within three years and went from 15% of the housing stock in 2018 to 30% of all homes in 2021. **Due to lack of regulations one out of three homes in Joshua Tree, CA is now an airbnb.**³

As a result, median home prices in Joshua *have increased by 264% over the past year*, and residents say that there are no available affordable rentals.

Clearly, we must regulate and even more importantly enforce the rules regarding the use of properties as short term rentals. Otherwise we all pay the consequences in terms of lack of affordable rentals, increasing home prices, and decreased quality of life for residents still living in neighborhoods now operating as resort areas.

We strongly urge the planning commission to do what is in the overall best interest of our economy and our local residents: tax and regulate vacation rentals in a similar manner as resorts and hotels since that is how they operate.

Mahalo for the opportunity to testify.

² Hawai'i Housing Planning Study, 2016, Honolulu, HI, Hawai'i Housing Finance and Development Corporation, 2016

³07/08/2021 "Short Term Rentals and High-End Buyers Wipe Out Affordable Housing in Joshua Tree, Say Residents" <https://dailyyonder.com/short-term-rentals-and-high-end-buyers-obliterate-affordable-housing-in-joshua-tree-say-residents/2021/07/08/>

Hawaii Appleseed Center for Law and Economic Justice

September 1, 2021

Page 3 of 3

From: T and M Nguyen [<mailto:marisatin@yahoo.com>]

Sent: Wednesday, September 1, 2021 8:19 AM

To: info@honoluluudpp.org

Subject: illegal vacation bill- in support

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I support the new illegal vacation rental enforcement bill

Thinh Nguyen

From: Kenna StormoGipson [<mailto:kenna@hibudget.org>]
Sent: Wednesday, September 1, 2021 8:20 AM
To: info@honoluludpp.org
Subject: Testify today on transient vacation rental units and B&B

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Aloha DPP,

If it is not too late please add me to the list of testifiers today in support of amendments to Ch. 8 and Ch. 21.

Name: Kenna Stormogipson Email: kenna@hibudget.org

Organization: Hawaii Budget and Policy Center

Mahalo!
-Kenna

--

Kenna StormoGipson (she/hers)
Director of Housing Policy
Hawai'i Budget and Policy Center
office: (808)369-2506 cell: (808) 892-5998
733 Bishop Street, Ste. 1180
Honolulu, Hawaii 96813
www.hibudget.org

From: Paula [<mailto:paular@hawaiiantel.net>]
Sent: Wednesday, September 1, 2021 8:09 AM
To: info@honoluludpp.org
Subject: short-term rentals

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PLEASE! We need enforcement. What good is any bill if there's no enforcement? I wrongly thought bills were enforced, but I guess we must have a bill not only to limit short-term rentals, but also to enforce the law.

Paula Ress
paular@hawaiiantel.net
(808) 384-9439

From: Liu Hao [<mailto:haoliu.ucsd@gmail.com>]
Sent: Wednesday, September 1, 2021 8:01 AM
To: info@honoluludpp.org
Subject: Registering to Speak for the 9/1 Hearing

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To whom it may concern

My name is Hao Liu. I am the owner of the studio in Hawaiian Monarch 2314. I am writing to register to fully support the short-term rental. The change of policy is not acceptable, it hurts our right tremendously.

Thank you

Hao Liu

From: Katie Slattery [<mailto:kslattery53@gmail.com>]
Sent: Wednesday, September 1, 2021 7:40 AM
To: info@honoluludpp.org
Subject: DPP STR Draft Bill

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Aloha,

I am writing to you today to voice my concerns with the new DPP STR Draft Bill. I am an owner of a unit in a legal condotel in Waikiki which supports short term rentals, and also a local paddler at Waikiki Beach Boys Club.

I would like the council to consider the benefits a legal short term rental offers to the community. Since opening as a STR, I have hosted many families who are visiting the island sometimes with kids or grandparents. Surprisingly, I have also had many previous residents and locals who are back visiting their family and friends, and looking for a place to stay that supports local business and not hotel conglomerates.

I also wanted to make sure both my guests and community were well taken care of, and have made sure to enforce the building and house rules to be kind to our neighbors. I have hired an assistant who is a young girl looking to save up to buy her first place, and I mentor her so that she can better accomplish her career and personal goals. I hire a team of cleaners who I have gotten to know personally, and they are eclectic and caring individuals who wouldn't have a job if it weren't for supporting this business. I am friends with the security and maintenance men and women in the building, who prefer to work with vacation guests as opposed to long term tenants, as people on vacation are generally happier and excited to be there. All of these people are not only my contractors, but also my ohana, and we look after each other.

I also pay property taxes at a hotel rate instead of residential, and pay my quarterly GE and TA taxes to the state to better support malama ka 'aina i ke kai.

At this time, I feel the DPP is better served by cracking down on illegal STRs which are disruptive to the community. Short term rentals can and are a benefit to the neighborhood when done legally and with responsible hosts. Please do not punish the people who are working to better serve our communities by creating laws which hinder more than they help. Eliminating STRs will not cut down on tourists, but only drive them to the large hotel chains.

I ask you to please consider the ripple effect of benefit STRs bring to our community, instead of the vocal minority who cause more detriment to their ohana by shutting out the outside. Mahalo for your time and consideration,

Katie

From: scott langford [<mailto:beachhousehawaii@hotmail.com>]

Sent: Wednesday, September 1, 2021 7:32 AM

To: info@honoluludpp.org

Subject: Short Term Rentals

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1. We fully support enforcement actions against illegal Short-Term Rental operators. There is no need to change the definition from 30 days to 180 days. We just need to properly enforce the 30 day rule.

2. As licensed real estate professionals, we frequently encounter people on Oahu who need rentals of less than 180 days. These uses include:

- Families from out of State that are taking care of loved ones
- People moving to Oahu and looking to buy a home
- Families who are waiting for their new home to complete construction
- Government contract workers
- Traveling nurses
- Military PCS while looking for a home to buy
- Home Sellers who need to rent until they find a new property
- Film and TV crews while on a shoot

3. It is overly broad to include all rentals 30 days or greater as Short-Term Rentals and will harm many local property owners as well as the Tenants that stay in their homes.

Mahalo,
Scott Langford
Haleiwa, HI 96712

Sent from [Mail](#) for Windows

From: Arjuna Heim [<mailto:heimarjuna@gmail.com>]

Sent: Wednesday, September 1, 2021 8:38 AM

To: info@honoluludpp.org

Subject: Fwd: oral testimony for todays bill?

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I was hoping I could give oral testimony on behalf of Hawaii appleseed, we submitted our testimony already, and I just want to underline how TVU's drive up rent, take away from housing stock, and in Joshua Tree, CA 1/3 homes is a vacation rental because they did not put in regulations or restrictions

From: Maria Connolly [<mailto:connolly949@gmail.com>]
Sent: Wednesday, September 1, 2021 6:41 AM
To: info@honoluludpp.org
Subject: We oppose changing the definition of TVUs from 30 to 180 days

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We fully support enforcement actions against illegal Short-Term Rental operators. However, **there is no need to change the definition from 30 days to 180 days. What is needed is proper enforcement of the 30-day rule!!!**

We live on the mainland mostly during the summer months and in Hawaii mostly during the winter months. We are a retired couple and have owned a home in Kailua for many years. We have a Property Management company that faithfully follows the 30-day Long-Term Rental requirement. We sometimes have a tenant who rents for a few months, but mostly it's for one month. The tenants are usually families looking for a nice home to spend their vacation, who do not want to live in a hotel in a heavily congested area.

If you now change the definition of Long-Term Rental to be 180 days, rather than 30 days, we would be able to keep our home in Kailua. The income we receive from our rentals helps pay for the property taxes, insurance and the upkeep. And since we are not full-time residents, we pay much higher property taxes than local residents. If this change is implemented, we would have to sell our home and stop coming to Hawaii during the winter months.

We understand the bigger picture of what you are trying to accomplish, but if you go ahead with this revised legislation, you would not only be hurting people like us but also the local people who depend on tourism and the Hawaiian economy. Out-of-state people like us would no longer be able to afford their second home with the higher non-resident property taxes and reduced rental income. Hawaii's income from tourism would be negatively impacted as well as the employment of local people such as gardeners, house cleaners, maintenance workers, property managers, rental agents, etc.

Lastly, we wonder why a change in the Long-Term Rental legislation is being considered at this time. The current legislation has only been in place for a few years and now, with the impact of the Covid pandemic, it is a very difficult time. Wouldn't it be better to wait until the pandemic is over and things settled

down. We do not see how you can accurately and reliably assess the impact of such changes at this unstable time. You could cause more harm than good.

Please feel free to contact us to discuss. We would be very happy to share our insights and experiences with you.

Len and Maria Connolly

From: Karen Cochran [<mailto:kldcochran@yahoo.com>]

Sent: Wednesday, September 1, 2021 6:40 AM

To: info@honoluluodpp.org

Subject: STR further restrictions draft bill

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Dear Planning Commission,

We have owned our 2 bedroom condominium in Waikiki at the Waikiki Lanais, 2452 Tusitala Ave., Honolulu for over 25 years. When we bought our unit the building was zoned as a condo hotel, and the by laws stated that the property was permitted for short term rentals. Our unit had already been a short term rental unit for many years, since the building was built some time in the 1970's. For over 22 years we operated under this situation, spending approximately 100 days a year in our condo and renting it for about 200 days a year.

Throughout this period of time we paid a significant amount in TAT and GET to the city and county of Honolulu - we estimate about \$175,000. Never once did the city/county advise us that we were not in compliance with any regulations or laws. Then approximately 2 years ago the city and county revised the rules to "outlaw" short term rentals in our building mandating that rentals be no less than 30 days. We were extremely disappointed in that decision, having been a good law abiding business partner for so many years. We have abided by that 30 days minimum, often renting to business people such as from the department of education or travelling nurses. We also rent to locals families coming to visit their relatives. Between the minimum 30 day rental requirement and the pandemic, it has already made it very difficult for us to make ends meet.

For over 25 years we have brought hundreds of guests to Honolulu and Hawaii, and they in turn have spent thousands of dollars, contributing greatly to the economy of the island. Never once have we had a complaint of an unruly or inconsiderate renter. We have taken pride in only renting to good, responsible visitors.

Now we understand there is a proposal to limit our type of rentals to a minimum of 180 days. This will virtually put us out of business, making it impossible for us to contribute to the vitality and economy of Honolulu/Hawaii or to come over ourselves. This will result in the City/County losing thousands of dollars in the taxes we pay and the money our renters would spend. This new law, if passed, will force us to leave the islands - and all the dear friends we have there and the surf - for good - ending a 60 year love affair we have with the island, its culture, and its people. It will also mean that the retired "snow birds" and the business people that rent our condo, and ones like ours, will also not be able to afford to come to stay. Even the locals that come to visit family will be hurt financially with this change. The aloha spirit is being lost.

We understand the motivation, as stated, for this new regulation is that residential neighborhoods have been disrupted with the conversion of homes to vacation use. Our building is in the heart of Waikiki, not in a residential neighborhood, and has ALWAYS had short term rentals. If you eliminate our monthly rentals, people (families, business people, retirees) will be forced to not come over or stay in a hotel just a block or two away, and the city/county collects fewer taxes - with no change in the "neighborhood".

Is there a way we can have a conversation regarding this proposal? We are available by phone/zoom/email 7 days a week.

Thank you for your consideration.

Aloha and mahalo,
Karen and Greg Cochran
property owners, Waikiki Lanais
2452 Tusitala, unit 701
Honolulu HI 96815
415-987-8488



‘ĀINA HAINA COMMUNITY ASSOCIATION

c/o ‘Āina Haina Library, 5246 Kalanianaʻole Highway, Honolulu, HI 96821
ainahainaassoc@gmail.com; www.ainahaina.org

Jeanne Ohta, President • Melia Lane-Kamahale, Vice-President • Art Mori, Treasurer • Kathy Takemoto, Secretary • Directors At Large: Jeff Carlson, Wayson Chow, Meymo Rego, Marie Riley

September 1, 2021

To: Members of the Planning Commission

From: Jeanne Y. Ohta, President

RE: Proposed Amendments to Chapter 21, ROH 1990, as Amended, Relating to Transient Accommodations

POSITION: SUPPORT

The Board of Directors of the ‘Āina Haina Community Association (AHCA) write in support of the Proposed Amendments to Chapter 21 Land Use Ordinance (LUO), ROH 1990, as Amended, Relating to Transient Accommodations.

Specifically, we support the proposed changes in the Real Property Tax for B&B properties and TVU properties to ensure that those businesses pay their fair share of increased infrastructure costs that occur when they rent houses or rooms to tourists.

We also support any measure that would improve enforcement procedures for violations to the LUO and increase the collection of fines due to the violations. The current situation where fines continue to accrue while property owners continue their illegal business must not continue. Neighbors are forced to report illegal use of properties for years without any incentive for property owners to cease the illegal businesses.

As the Department of Planning and Permitting has acknowledged, the character of our neighborhoods has been negatively affected by the use of residentially zoned properties for mini hotels. Our neighbors have complained about the increased parking and traffic congestion and the noise of visitors arriving late at night and rolling their luggage from their cars. Neighbors also complain of loud parties. Tourists are on vacation while residents need to work the next day. These schedules are just not compatible, especially when Honolulu has numerous resorts catering to visitors.

We respectfully request that the Commission support these proposed changes. Thank you for this opportunity to provide testimony.

From: Marisa Nguyen [<mailto:mypillbuggy@gmail.com>]

Sent: Wednesday, September 1, 2021 6:12 AM

To: info@honoluludpp.org

Subject: Support for enforcement against STRs

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I am writing in support of your draft bill that helps enforcement against vacation rentals in residential areas, where we desperately need long term housing for our citizens.

Marisa Nguyen

From: Sean McCready [<mailto:liveforarthawaii@gmail.com>]

Sent: Wednesday, September 1, 2021 5:45 AM

To: info@honoluludpp.org

Subject: Short term rental regulations meeting

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Sean McCready

808-779-4243

Liveforarthawaii@gmail.com

--

Sean McCready

Brew+Foam

Rishi Distribution Hawaii

From: Meylysa Duldulao [mailto:meylysa@gmail.com]

Sent: Wednesday, September 1, 2021 8:55 AM

To: info@honoluluodpp.org

Cc: Duldulao Jomel <jomeld12@gmail.com>; Therese Tseng <mthersty@gmail.com>; Kenny Morikawa <morikawakenny@gmail.com>

Subject: Written Testimony Opposing Bill 89 revisions - hearing today at 11:30am

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Aloha, my name is Meylysa Duldulao and I am opposing the Proposed Amendments to the Short-Term Rental Ordinance Bill 89 which is being discussed in the September 1, 2021 hearing.

My husband Jomel Duldulao and myself purchased 1911 Kalakaua Apt 608 in 2018. It was an existing AirBnB unit when we bought it. We continued using it as an AirBnB unit (<https://www.airbnb.com/rooms/27395129>). It is in a resort/mixed use district in Waikiki, and we have paid the property taxes in this higher bracket.

When we purchased the unit for an investment, we only looked at properties that had the proper zoning, as we wanted to follow existing laws.

Before purchasing the unit, we discussed with my mother, Theresa Tseng, if managing and cleaning the unit would be a good occupation for her. My mother just turned 70 years old this year, and has told me that over the past 10 years she has applied to many part time jobs and hadn't found consistent work.

We pay her the cleaning fees for the unit, and she enjoys talking to the visitors who stay in our unit. She is also a Super Host, which is the highest status you can get on the AirBnB platform.

Our \$3,500 average monthly income from the unit pays for cleaning fees (\$628/mo average), transient and GE taxes (\$523.67/mo), the mortgage, property taxes and mortgage insurance (\$1,244.92), supplies and equipment (\$156.74/mo for July), repairs and upkeep (\$100/mo average), the maintenance fee (\$614.29), and a management fee (\$140/mo), short term renters insurance (\$21.91/mo), and a loan payment for our start-up costs (\$0-\$500/month, balance as of end of July remaining is \$2,292.98).

Income - \$3,500/mo estimated average (\$3,533.81 to be exact for July 2021)

Expenses - \$3,500/mo estimated average

Expenses Breakdown:

\$628/mo average - cleaning fees

\$358.75/mo - Transient Tax

\$164.92/mo - GE taxes

\$1,244.92 - the mortgage, property taxes and mortgage insurance

\$156.74/mo (for July) - supplies and equipment

\$100/mo average, repairs and upkeep

\$614.29 - maintenance fee

\$140/mo management fee

\$21.91/mo short term home owners insurance

\$0-\$500/month - loan payment for our start-up costs, balance as of end of July is \$2,292.98.

According to the new revisions, 1911 Kalakaua is zoned Resort/Mixed Use

(https://honolulu.gov/rep/site/dpp/str/News_and_Updates/STR_Waikiki_2021.pdf), but does not have a front desk, so are we now a TVU?

According to Section 22, the revised version, TVUs are allowed in Waikiki in the Resort/Mixed Use zone.

“SECTION 22. Table 21-9.6(A), Revised Ordinances of Honolulu 1990, as amended, is amended by amending the entries for “bed and breakfast home,” “hotel,” and “transient vacation unit” as follows:

SECTION 17. Chapter 21, Article 5, Revised Ordinances of Honolulu 1990, as amended, is amended by adding a new Section 21-5.730.1 to read as follows: “Sec. 21-5.730.1 Bed and breakfast homes and transient vacation units. (a) Bed and breakfast homes and transient vacation units are permitted in the portions of the A-2 medium-density apartment zoning district located in the Gold Coast area of the Waikiki Special District shown in Exhibit A and in the portions of the A-1 low-density apartment zoning district, and A-2 medium-density apartment zoning district located in the Kuilima and Ko‘olina Resort areas shown in Exhibits C and -B, respectively, and the Resort Mixed Use Precinct in the Waikiki Special District, subject to the restrictions and requirements in Article 5 of this chapter.”

What is the purpose of a TVU designation? If it is to make sure that the TVU is paying the correct property tax? Is it to ensure that AirBnBs do not operate in Waikiki are monitored like hotels?

Are TVUs banned in Waikiki in the sections with resort/mixed use zoning? If so, why would TVUs be banned in Waikiki in the sections with resort/mixed use zoning, but allowed in Gold Coast area of Diamond Head Special district, Ko‘Olina and Kuilima resort areas?

“New B&Bs and TVUs will only be allowed in areas adjacent to and associated with existing Resort zoned property, specifically in the A-2 medium-density apartment zoning district located in the Gold Coast area of the Diamond Head Special district and in the A-1 low-density and A-2 medium density apartment zoning districts located adjacent to the Ko‘Olina and Kuilima resort areas.”

From reading the bill, it seems it does not acknowledge buildings such as ours and buildings such as Hawaiian Monarch, which have independent owners, in a building that is zoned properly for vacation rental use, that have owners that live in the building as residents (like my mother) and owners that are operating an AirBnB business or similar vacation rental.

According to Section 10, if you are a TVU then you can continue being a TVU as long as you have the nonconforming use certificates for transient vacation units.

“SECTION 10. Section 21-4.110-1, Revised Ordinances of Honolulu 1990, as amended, is amended to read as follows: “Sec. 21-4.110-1. Nonconforming use certificates for transient vacation units. (a) The purpose of this section is to permit certain transient vacation units that have been in operation since prior

to October 22, 1986, to continue to operate as nonconforming uses subject to obtaining a nonconforming use certificate as provided by this section. This section applies to any owner, operator, or proprietor of a transient vacation unit who holds a valid nonconforming use certificate issued pursuant to this section on the effective date of this ordinance.”

However, since we are operating legally in the correct zoning, we do not need or have a certificate. There is no provision for our types of units to continue our business. There is no reason for us to apply for a certificate as we conform.

We are not a hotel, hotel unit or condominium hotel per definitions below:

“Sec. 21-5.360 Hotels and Hotel Units.

(a) Hotel units must be used or offered to provide dwelling or lodging accommodations to transient guests. Hotel units may not be used as transient vacation units or bed and breakfast homes.

(b) Hotel units must be booked by guests through a centralized hotel booking system that is managed by the hotel operator or through the hotel front desk, provided that this section will not prohibit the booking of hotel units through third party services or technologies that make bookings through the central hotel operated booking system or hotel front desk.

(c) Rental rates for all hotel units must be determined by the hotel operator or the manager of the hotel’s centralized booking service. Hotels and third party booking services may not provide discounted rental rates to the owners of condominium hotel units or hotel guests arranged for by the owners of condominium hotel units unless the same discounted rates are available to members of the general public that are not condominium hotel unit owners or guests of condominium hotel unit owners. This section does not apply to bookings for hotel units that are part of a legally established time-share program.

(d) Hotels and hotel units that have existing certificates of occupancy for hotel uses shall comply with subsections (b) and (c) within two years of the effective date of this ordinance. Hotels and hotel units that obtain certificates of occupancy for hotel uses after the effective date of this ordinance must comply with the subsections (b) and (c) immediately.”

“SECTION 14. Chapter 21, Article 5, Revised Ordinances of Honolulu 1990, as amended, is amended by adding a new Section 21-5.360.1 to read as follows: “Sec. 21-5.360.1 Condominium hotels. Units in a condominium-hotel must be part of the hotel’s room inventory, available for rent to the general public. Hotels and third party booking services may not provide discounted rental rates to the owners of condominium hotel units or hotel guests arranged for by the owners of condominium hotel units unless the same discounted rates are available to members of the general public that are not condominium hotel unit owners or guests of condominium hotel unit owners. The use of a condominium-hotel unit as a primary residence or usual place of abode is not allowed.”

If this bill is passed as is, we will be banned from operating and forced to close down and sell our property. Hotels will be allowed to operate, but small business owners such as ourselves will be forced out of business.

If there is a provision made for us to continue, the regulations placed on TVUs are also too restrictive.

In section 21-5.730.3, it states that number of guests cannot exceed 2 x the number of bedrooms and all

guests have to sleep in bedrooms. Why?

“Sec. 21-5.730.3 Use and development standards for bed and breakfast homes and transient vacation units. All bed and breakfast homes and transient vacation units except those that are allowed to operate in accordance with a nonconforming use certificate issued under Sections 21-4.110-1 or 21-4.110-2 must comply with the following standards and requirements.

(a) Occupancy limits and sleeping arrangements. All overnight guests at the bed and breakfast home or transient vacation unit must be registered with the owner or operator of the bed and breakfast home or transient vacation unit. Sleeping accommodations for all guests must be provided in bedrooms, and no more than two adults may use any bedroom in the bed and breakfast home or transient vacation unit for sleeping purposes. The total number of adult overnight guests at a bed and breakfast home or transient vacation unit shall not exceed twice the number of bedrooms provided to guests for sleeping accommodations.”

We currently have a bedroom and 2 sofa beds in the living room. Is it my understanding that sofa beds in living rooms are not allowed, or that the living room counts as a bedroom?

In addition, it states we need to have commercial general liability insurance of \$1,000,000 minimum at all times. What is the rationale for this requirement? It seems very excessive, considering we bought our unit for \$205,000 in 2018. Our current insurance short term renters insurance covers personal liability limit of \$500,000 per occurrence.

“Sec. 21-5.730.3 Use and development standards for bed and breakfast homes and transient vacation units. All bed and breakfast homes and transient vacation units except those that are allowed to operate in accordance with a nonconforming use certificate issued under Sections 21-4.110-1 or 21-4.110-2 must comply with the following standards and requirements.

(f) Insurance coverage required.

The owner of a bed and breakfast home or transient vacation unit must maintain a minimum of \$1,000,000.00 in commercial general liability insurance at all times. In addition to any supplemental insurance coverage selected by the owner, such insurance coverage must include coverage for:

- (1) Bodily injury and property damage arising out of the condition of the premises or the negligent acts of the business and persons providing services to the business. For the purposes of this subsection, bodily injury shall include mental injuries and emotional distress whether or not such harm is accompanied by other physical or bodily harm;
- (2) Personal and advertising injury arising out of liability for libel, malicious prosecution, wrongful eviction, wrongful entry, public disclosure of private facts, and invasion of privacy; and
- (3) Necessary and reasonable medical, surgical, ambulance, hospital, professional nursing and funeral expenses for a person injured or killed in an accident taking place on the insured's premises.”

Also, the bill states that we will need to register our unit and the cost is \$5,000 initially and \$2,500 every

year after. This is very high for us, as we are not yielding a profit as of yet.

In addition, we already pay \$358.75/mo average in transient tax and \$164.92 in GE taxes. Why is the cost of registration so high? What is this number based on? Why can't the high transient tax we already pay cover the excessive cost of registration?

What about the up to \$3,125,000.00 in real property taxes collected annually, that we have been paying since 2018, cover the cost of part or all this registration fee?

“Notwithstanding any ordinance to the contrary, beginning in the 2022 tax year and in all tax years thereafter, up to \$3,125,000.00 in real property taxes collected annually by the city for the bed and breakfast tax classification and the hotel and resort tax classification shall be placed into the special fund identified in subsection (a) and used by the Department of Planning and Permitting for the administration and enforcement of the provisions of this chapter relating to bed and breakfast homes and transient vacation units.”

What is the proposed budget for the use of the up to \$3,125,000.00 in real property taxes collected annually?

Also, it states that the unit must be registered and owned by a natural person. Our unit is in an LLC for liability purposes. We can show that we are members of the LLC. Why should we have to have our property in our own names for registration purposes?

“Sec. 21-5.730.2 Registration, eligibility, application, renewal and revocation.

(a) Registration required. Bed and breakfast homes and transient vacation units must be registered with the department. Each natural person, as distinguished from legal persons and legal entities, may own no more than one dwelling or lodging unit that is registered as a bed and breakfast home or transient vacation unit. Bed and breakfast homes and transient vacation units that have a valid nonconforming use certificate issued under Sections 21-4.110-1 or 21-4.110-2 will be counted as registered dwelling units for the purposes of this section. Legal entities other than natural persons are not eligible to register a bed and breakfast home or transient vacation unit with the department.”

Section 24 of the bill says rentals of less than 180 days are not considered to be transient rentals, unless it is a month to month continuation of a 180 day or longer lease.

“SECTION 24. Chapter 21, Article 10, Revised Ordinances of Honolulu 1990, as amended, is amended by amending the definitions of “bed and breakfast home”, “hotel”, and “transient vacation unit” to read as follows:

““Transient vacation unit” means a dwelling unit or lodging unit that is advertised, solicited, offered, or provided[, or a combination of any of the foregoing, for compensation] to transient occupants, for compensation, for periods of less than [30] 180 consecutive days, other than a bed and breakfast home. For purposes of this definition,

(1) [C]ompensation includes, but is not limited to, monetary payment, services, or labor of guests;

(2) Accommodations are advertised, solicited, offered or provided to guests for the number of days that

are used to determine the price for the rental; and

(3) Month to month holdover tenancies resulting from the expiration of longterm leases of more than 180 days are excluded.”

Right now, in our personal residence located in 303 Liliuokalani, a residentially zoned building, we are renting one of the bedrooms in our apartment to a long term renter. However, if he leaves and I find a renter for a month or up to 5 months, now am I considered to be an illegal TVU? Now you are punishing homeowners who have student or part time renters who actually reside in Hawaii. What is the purpose of this?

Finally, the bill states that AirBnBs and TVUs hurt the community and increase traffic. Was there a study done to confirm this? There is so much traffic from commuters to work and school that ceased during COVID-19.

“Neighborhoods began to see what life was like before the proliferation of STRs throughout their neighborhoods. Traffic, crowding, tourists invading residential neighborhoods, and noise at all hours of the day that were typical issues created in part by STRs, disappeared during the pandemic lock down.

In addition, residents across the state realized what life was like before millions of visitors started coming to Hawaii. No or very little traffic, wide open beaches and trails, and less people in general were “benefits” of the shut-down. While the visitor industry is a main driver of Hawaii’s economy, discussions have begun on how we might limit the number of visitors to Hawaii. Ten million (10,000,000) visitors annually has become too much.”

Also, how is this argument relevant to banning TVUs in Waikiki, which is a tourist neighborhood?

In our personal experience, having an AirBnB has enhanced the community we live in. They have given my Mom, a senior citizen, a job that she not only enjoys but excels at. Our AirBnB guests are given our house rules and are monitored by my Mom, our neighbors and AirBnB. We register all guests with our building management.

We have also recently helped a resident in the building, by having her daughter and son-in-law book our unit at a discounted price for their upcoming visit in February.

Guests who violate house rules are banned from using AirBnB in the future. It is a highly efficient system that weeds out trouble makers. Guests rate us and we rate the guests on cleanliness, communication, check-in, accuracy, location and value.

I understand that the City and Council are looking for ways to properly manage the AirBnB and transient vacation unit market. I am open to legislation that is fair to all parties. However, I believe that the revisions in this bill hurt our family and us as business owners, and respectfully oppose it's adoption.

--



Mey Duldulao

Check out <http://YesFinanciallyFree.com> and get your free Parents Guide to Financial Freedom

"Think of yourself as a role model for others-showing that you can be kind, generous, loving AND rich"

-T Harv Eker from Secrets of the Millionaire Mind

From: Don Wilcox [<mailto:donwilcox808@gmail.com>]
Sent: Wednesday, September 1, 2021 9:34 AM
To: info@honoluludpp.org
Subject: I support draft bill to enforce law against STR's

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Strongly support.
Thanks,
Don Wilcox, Kaneohe

From: Courtney Snider [<mailto:courtneysnider8@gmail.com>]
Sent: Wednesday, September 1, 2021 9:31 AM
To: Department of Planning and Permitting <dpp@honolulu.gov>
Subject: Fwd: STR restrictions

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Sent from my iPhone

Begin forwarded message:

From: Courtney Snider <courtneysnider8@gmail.com>
Date: September 1, 2021 at 8:50:09 AM HST
To: honoluluhideaway@protonmail.com
Subject: STR restrictions

If you impose more restrictions to STR owners that directly affects my business as an owner of a cleaning service that cleans only STRs. I am just now getting over COVID and getting ready to return to work! These owners pay taxes, support their communities and provide accommodations for families who normally wouldn't be able to afford coming to Hawaii. This has not been on the news that I know of, so why the secrecy? You are going to cost hundreds of cleaning services their businesses as well as the enormous funds the state takes in on tax revenues. Get the airlines to bring their rates back to what they used to be and that will slow down the amount of tourists but if you close short term vacation rentals and let the Hotel industry monopolize the island I guarantee law suits and I will be one of them! Who is going to benefit when all is said and done! Hotels!!!! Don't close my business or the people I service! Why don't you ask my family where they would rather stay when they come!

Thank you

Courtney lee Snider
808-347-6604

Sent from my iPhone

From: Vicki Henry [<mailto:vshenry@yahoo.com>]

Sent: Wednesday, September 1, 2021 10:19 AM

To: info@honoluluudpp.org

Subject: Public Comment on Proposal to Change Short Term Rental Definitions and Rules

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September 1, 2021

1. We fully support enforcement actions against illegal Short-Term Rental operators. We do not support this Ordinance to change the definition of Short Term Rentals from 30-days to 180 days. The county just needs to properly enforce the existing 30-day rule.

2. We frequently rent our condominium in Waikiki on the 'residential' side of Kuhio Avenue to people on Oahu who need rentals of less than 180 days. Our renters have used our fully equipped 30 day rental condo because they:

- Are families from out of State that are taking care of loved ones on the island.
- Are moving to Oahu and looking to buy a home
- Are families who are waiting for their new home to complete construction
- Are Government contract workers such as traveling nurses, university speakers, temporary teachers
- Are Military PCS while looking for a home to buy
- Are Home Sellers who need to rent until they find a new property

Are prior Oahu residents that come to Oahu to visit with family and friends each year for 1, 2 or 3 months at a time.

3. It is overly broad to include all rentals 30 days or greater as Short-Term Rentals and will harm many local property owners as well as the Tenants. In our case we typically rent to the same people each year since 2000 for 1 to 4 months at a time. We pay our GET and TAT taxes quarterly, employ an on-island Property Manager and Cleaning Service. For us, we use our unit 3 to 4 months per year, so we would remove it from the pool of available rentals for all of the above uses.

4. It affects the market value of our property and tax categories unnecessarily while we are helping to serve the needs of Oahu visitors and essential workers.

Please do not pass this new ordinance.

Sincerely,

Robert & Vicki Henry

Property Owners in Four Paddle Building, 2140 Kuhio Ave

From: craig day [<mailto:daywong369@gmail.com>]

Sent: Wednesday, September 1, 2021 10:23 AM

To: info@honoluludpp.org

Subject: STR Restrictions

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This will put a critical circumstances on my livelihood. This is how I feed my family, pay my bills to be part of a productive person in society. I feel this is unfair due to the fact that I am paying my taxes TAT, GET and three times amount of property tax for the last five years. For all of us sudden, for this to be yanked out from under you, it's very stressful causing heart Palpation. Please reassess what you will be doing two hard-working Americans.

From: Barbara Alexander [<mailto:babs@ladybuglan.com>]
Sent: Wednesday, September 1, 2021 11:44 AM
To: Department of Planning and Permitting <dpp@honolulu.gov>
Subject: RE: hearing 9/1/21 on Draft Changes on STRs
Importance: High

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ATTN.: Geraldine

Sorry this is so late being sent to you.

Here are my comments (see attached.)

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How do I log in to the Hearing virtually?

Many thanks.

barbara

Mahalo nui loa to Director Uchida and the DPP Staff for this comprehensive 'overhaul' of the ordinance/rules pertaining to Short Term Vacation rentals.

I do have some questions/comments. For the sake of simplicity, at times I use the term unit to mean any structure that is rented out as a STR.

1. I believe that Ord. 19-18 totally banned '**whole house**' **vacation rentals**.
 - a. I would suggest that even if a whole house STR/TVU somehow has a NUC, it be terminated ie; Sec. 10-"Sec. 21-4.1 10-1 can be eliminated.
 - b. The taxation changes address TVUs. Why if they are not allowed?
 - c. ALL TVUs ought to be banned. Therefore, this draft ought to mention them only insofar as it pertains to the issuance of NOV's and fines.
2. I am confused by the terminology which amends the definition of B&B/TVU to "...**the rental period ...less than 180 days.**" If one were to take that literally, would not renting for 5,10, 20, 30 etc. days meet the definition and be allowed?
 - a. Is the intent of the amendment that rentals must be for **at least 180 days**?
 - b. As I said, I am confused as to the wording and what will withstand any legal challenge.
3. RE: **Enforcement**- What is deemed a correction of a violation?
 - a. If a unit is rented out illegally, I would suggest that fines be levied until said unit is vacated.
 - b. A correction would be to take down all ads. And cease operating.
 - c. Will enforcement inspectors visit a unit to ascertain that it has a contract w the current occupant that meets the definition of a legal unit?
 - d. Will complaints be allowed to be submitted via an e-mail?
 - i. Why must the complainant have to also ID the provisions of the Sec. of the Ordinance that have been violated?
 - e. When a unit is reported as a possible illegal unit, if the complainant submits the make, model, color and license plate # of the property manager, will that be sufficient to issue a service of process for the violation?
4. While **the info. Binder is an excellent idea**, it ought to include info. on what to do if there is a need for evacuation due to tsunami, hurricane or other impending disaster.
 - a. When workshops were held around the island several years ago and I asked what was to be done with all the tourists in case of a, say, natural disaster, there was no plan except in the resort areas.
 - i. This is yet another important reason that B&Bs and TVUs ought not to be in residential neighborhoods.
5. I do not understand the inclusion of '**Vacant Agricultural**' in Sec. 8-7.1. Years ago it was reported that occupants of Ag. Lots in Central O'ahu

(Sorry, I do not recall the name of the designated land.) were not only building structures that they could live in but that some holders of those lots were operating structures as STRs.

- a. Is this what is meant to be addressed herein? At the time, inspectors with the C&C stated that it was hard to enforce any ordinance there because lots did not have addresses. Geez, will this **now** be addressed?

6. **Evidence of an owner occupying the unit:** this now requires a Home owners Exemption ('H.E.').

- a. Given that we have heard of houses where an improper H.E. has been granted & the house is being rented as a TVU (or even a L-T rental), how exactly will this be monitored?
- b. If a proper H.E. has been granted, I would suggest that if rooms are being legally rented out as B&B units, the H.E. ought to be applied proportionately (based on sq. footage). This is done for income Tax purposes, so why not for this?
- c. Sec. 21-5.350 relating to home occupations shall not apply to bed and breakfast homes.
 - i. What exactly does this mean?

7. **Sec. 21-5.730.2 Registration,** eligibility, application, renewal & revocation

- a. I would suggest that an inspection be required when applying, as well as when renewing.
 - i. Submission of photos of the unit, parking spot, proximity to neighbor(s) can be submitted, if applicable.
- b. While this Sec. addresses one natural person, one legal unit only and a later Sec. addresses that no LLCs, corporations, etc. NOT be allowed to legally operate, what about foreign persons?
 - i. Would it past legal muster to exclude foreigners from investing in a unit in a resort area and obtaining a legal permit to operate as a STR?
 - ii. If we truly want to increase the housing stock on O'ahu for folks living here, is this not a way to do so?
- c. Will DPP be permitted to examine Property tax Records to ascertain ownership of properties?
- d. I do not understand the legal rationale that the NCU attaches to the property, not the owner of the property (as reported in newspaper accounts). Please explain. The unit does not apply for the NCU designation, the owner does.

8. **Sec. 21-5.730.4 Advertisements**

- a. I thought that this was in the current ordinance? It has not been especially useful??
- b. I totally disagree with exempting from responsibility companies and internet providers for the contents of ads. Created by third parties. To me this is another loophole that will be used by those that choose not to operate legally.

From: Vicki Basil [<mailto:greekvicki20@gmail.com>]
Sent: Wednesday, September 1, 2021 12:33 PM
To: info@honoluludpp.org
Subject: STR Revisions

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Hello DPP and to whomever it may concern;

I have a condo which I purchased in 2017 in Waikiki on Tusitala Street. It was advertised by the realtors as permitted for short term rentals and the previous owner was using it as such. I obtained the necessary business permits from TAT and GET. I was asked at that time if I would be renting it out for short term rentals and I replied yes. They were given my address and they never mentioned Bill 89 or that my condo was not in the "Resort Zone". Why did the city of Honolulu take my money, have me sign up for a business license and not inform me of any possible infractions due to the location. If I am violating your laws, then so is the city. They are taking advantage and collecting money for businesses which they deem illegal. This is unacceptable!

Also, by operating a short term rental; myself and others in my neighborhood are pouring money into the economy. People renting units are spending money in stores, restaurants, shops, car rentals, bus fares, taxis, etc. The wonderful lady that cleans my unit was born and raised in Honolulu. She has had her income cut severely and has been very close to bankruptcy. I am sure that she is not the only one in this predicament. When the pandemic hit; she was not able to receive unemployment due to the fact that she is self-employed. She got NO government assistance from the city, county, state or federal government. Employees of these small business owners are also having a very hard time.

Why doesn't the city of Honolulu consider rezoning for Waikiki. A logical and natural boundary would be the Ocean; Kapahulu to Ala Wai and Ala Wai to Ala Moana and back to the Ocean. Your own Police Department considers this area to be Waikiki Resort. Once again, this is NOT a residential neighborhood.

Another point is that Waikiki Banyan has been given permission to operate STRs even though they exist on the opposite side of the street from the ordinance. Seems like they are favored because they are a large company. And with this in mind; why should the city be dictating that each condominium must operate the rentals as though they are a hotel. This would greatly increase the price per night that condos could charge and keep many people away, simply because they cannot afford condohotels or hotels.

In closing; please look into alternatives for those wishing to operate STRs. We can pay a licensing fee yearly and perhaps have our units inspected yearly. My income was heavily reduced due to my adherence with the policy of being able to rent out for a 30 day minimum. My cleaning lady and staff had their ability to make a living also cut way back.

Thank you for your time and consideration,

Vicki Basil
vleebasil@yahoo.com

From: Vicki Basil [<mailto:greekvicki20@gmail.com>]
Sent: Wednesday, September 1, 2021 12:38 PM
To: info@honoluludpp.org
Subject: Fwd: STR Revisions

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----- Forwarded message -----

From: Vicki Basil <greekvicki20@gmail.com>
Date: Wed, Sep 1, 2021 at 3:34 PM
Subject: Fwd: STR Revisions
To: Clara Dias <cdkahoku3@gmail.com>

----- Forwarded message -----

From: Vicki Basil <greekvicki20@gmail.com>
Date: Wed, Sep 1, 2021 at 3:32 PM
Subject: STR Revisions
and Rob an anyone else you want.
To: <info@honoluludpp.org>

Hi Clara, please feel free to share this with Brett

Hello DPP and to whomever it may concern;

I have a condo which I purchased in 2017 in Waikiki on Tusitala Street. It was advertised by the realtors as permitted for short term rentals and the previous owner was using it as such. I obtained the necessary business permits from TAT and GET. I was asked at that time if I would be renting it out for short term rentals and I replied yes. They were given my address and they never mentioned Bill 89 or that my condo was not in the "Resort Zone". Why did the city of Honolulu take my money, have me sign up for a business license and not inform me of any possible infractions due to the location. If I am violating your laws, then so is the city. They are taking advantage and collecting money for businesses which they deem illegal. This is unacceptable!

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In closing; please look into alternatives for those wishing to operate STRs. We can pay a licensing fee yearly and perhaps have our units inspected yearly. My income was heavily reduced due to my adherence with the policy of being able to rent out for a 30 day minimum. My cleaning lady and staff had their ability to make a living also cut way back.

Thank you for your time and consideration,

Vicki Basil
vleebasil@yahoo.com

From: Caroline Miner [mailto:C_miner@outlook.com]
Sent: Wednesday, September 1, 2021 12:34 PM
To: Department of Planning and Permitting <dpp@honolulu.gov>
Subject: Not able to stay for the entire time

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Aloha DPP,

I was not able to stay for the entire time; thus, I was not able to provide oral testimony. I am very much in favor of changing the minimum rental from 30 days to 180 days.

Sincerely,
Caroline Miner

Condo owner in Makaha Valley Towers (a location with MANY illegal vacation rentals).

From: Jason Bitzer [<mailto:bitzer.jason@gmail.com>]

Sent: Wednesday, September 1, 2021 1:02 PM

To: info@honoluludpp.org

Subject: Bill 19-8 Sec. 21-5.730.2 , 3 , 4, (Opposition) Deadline tonight

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Aloha,

I have reviewed the issues with the bill.

Some of the requirements make total sense. Commercial insurance binding etc.

The issues are,

- Hotels do not get charged per room so their cost per average rental is less. Our insurance will be way high
- They do not get a license of \$5,000 initial and \$2,500 per room so their cost is amortized at a lower rate.
- They have amenities for a fee that makes up the cost of room revenue slippage, Food and Bev, Liquour, gold, horseback rides, and amenities that a TVU can no gain a benefit to make up revenue.
- We are taxed the same for City Property tax at 13.25 however their footprint has many units in what we can rent 1 and they charge higher prices for Lobby, Activities, and general marketing elements they can charge for. Of which an owner of a TVU has no outlet.

This is a case of corporate capture of the middle-class operator. You are treating an owner as if he is a large operator but non hold the diversified staying/selling power of a hotel that runs multiple streams of revenue not just rooms for rent.

It is not fiscally reasonable to put this one a single unit operator. There should be a dollar-cost average to break down a hotel's room base vs cost of operating to apply this to an operator. It is not apples to apples and there is no justification for the below costings. There should be a report drafted to the adjacent properties to make it fair for both parties.

Aloha

JB

- New section applying to all B&Bs and TVUs
- (a) registration required
 - Provides that each natural person may only own 1 bed and breakfast or transient vacation rental unit, and legal entities other than natural person are not eligible to register a bed and breakfast home or transient vacation unit.
 - Note – we think that if this is enforced against an individual owning multiple Kuilima units, it may be an illegal taking of private property rights.
- (b) duration of registration and registration fees
 - 1 year term
 - \$5,000 initial application and \$2,500 annual renewal registration fee
- (c) sets forth application requirements
 - (1) GET and TAT license numbers
 - (2) title report
 - (3) certificate of insurance
 - (4) for B&B, evidence that homeowner has obtained a homeowner exemption
 - (5) informational binder
- (d) certificate of registration

--

JASON BITZER
 61-163 Ikuwai Pl
 Haleiwa HI, 96712
 (808) 255-8671

All content in this email is for the recipient's eyes only and is not to be forwarded or shared without prior consent by the sender Jason Bitzer.

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Sender works remotely and apologies in advance for any typos as the nature of his business puts him away from the office frequently and requires the use of voice dictation for the majority of his email correspondence. All messages are intended to be viewed by the recipient and for their eyes only, at no time should and email be

From: Lynette Landon [<mailto:lynette96712@gmail.com>]

Sent: Wednesday, September 1, 2021 1:03 PM

To: Tsuneyoshi, Heidi <htsuneyoshi@honolulu.gov>; SenRiviere@capitol.hawaii.gov;
RepMatsumoto@capitol.hawaii.gov; atupola@onolulu.gov; Kiaaina, Esther <ekiaaina@honolulu.gov>; Waters,
Tommy <tommy.waters@honolulu.gov>; Say, Calvin <ckysay@honolulu.gov>; Fukunaga, Carol A
<cafukunaga@honolulu.gov>; Cordero, Radiant <rcordero@honolulu.gov>; Elefante, Brandon
<belefante@honolulu.gov>; Tulba, Augie <atulba@honolulu.gov>; info@honoluludpp.org

Subject: Concerns About New DPP Short Term Rental Recommendations

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

To Heidi Tsuneyoshi, Gil Riviere, Lauren Matsumoto, all Honolulu City Council members, and members of the Planning Commission:

Every year the cost of living in Hawaii rises.

Hosting guests in my home is how I could make ends meet. Many other longtime homeowners, particularly retirees, are in the same situation.

Without the ability to host paying guests, we will have to sell the homes we raised our families in.

The space I could host will never be a long term rental as my son and other family members stay there when they visit. So I, and others like myself are not keeping long term rentals off the market.

When Bill 89 was adopted by the City Council the intent was to create an orderly approach to changes in visitor accommodations brought about by the emergence of platforms such as AirBnB and VRBO. One that balanced the right of local residents to host visitors in their homes - and thus DIRECTLY benefit from Hawaii's primary industry - and to preserve the character of our residential neighborhoods.

The new and highly draconian recommendations from the DPP are in direct opposition to this objective and serve no interest but that of out of state/country hotel corporations.

Bill 89 needs modification but not in the direction urged by the DPP.

Bill 89 was said to modeled on the city of Santa Monica's well designed approach, but this is not correct. SMMC 6.20 (link below) differs from Bill 89 in that it draws a clear distinction between commercial B&B/TVU operations and 'Home Sharing'. Home Sharing requires the presence of the host on the premises which must be their primary residence. This is a crucial distinction as the host is present in the home and directly answerable to his neighbors for any negative impacts. Additionally, reasonable regulations such as off street parking requirements, adherence to local noise limitations, occupancy limits and a prohibition on special events such as weddings or parties are mitigating factors.

Had Bill 89 actually followed the model set by SMMC 6.20 a healthy compromise would have been accomplished and the 'illegal' vacation rental problem largely resolved, as it has been in Santa Monica and other popular locales. Again, please refer to the link below for the City of Santa Monica's Ordinance.

Bill 89 should be modified to allow 'Home Sharing' as a legitimate home owner activity distinct from a commercial B&B or TVU.

The City Council should take another look at Santa Monica's approach - and that of many other major American cities and tourist destinations such as San Francisco, Los Angeles, Washington D.C., Boston, Charleston, SC. These cities have balanced the new realities of visitor accommodation with the needs and rights of their residents.

Sincerely,

Lynette, a concerned North Shore resident.

<https://www.smgov.net/uploadedFiles/Departments/PCD/Permits/Home%20share%20O-2616.pdf>

From: Choon James [<mailto:choonjameshawaii@gmail.com>]
Sent: Wednesday, September 1, 2021 2:58 PM
To: info@honolulu.dpp.org
Subject: Planning Commission Hearing Sept 1, 2021 - WRITTEN TESTIMONY

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CITY AND COUNTY OF HONOLULU

PLANNING COMMISSION Meeting of the Planning Commission

DATE: Wednesday, September 1, 2021

TIME: 11:30 a.m.

PLACE: Remote Meeting and at Mission Memorial Auditorium,

Mission Memorial Building, 550 South King Street, Honolulu, Hawaii

<http://www4.honolulu.gov/docushare/dsweb/Get/Document-292657/Sept.%201%2c%202021%20PC%20agenda.pdf>

Aloha Chair Lee and Planning Commission Members,

DPP has been delinquent or incapable or unwilling to enforce its own ordinances and rules through the decades. The short-term vacation rentals have escalated from about 800 TVUs to about 10,000 operations.

We should not be penalizing our small local home occupants running mom-and-pop bed and breakfast operations but allowing other big operations free reins. We need to put our Residents First!

After Bill 89, many non-occupant owners (out of state) are moving on to the 30-day rentals to circumvent the system.

I wish to make this stark 30-day discrepancy in the Bill 89 issue that the city needs to effectively address.

Here is one example that I'm very familiar with. This is next door to me. An out of state owner bought several properties here for cash and turned them into illegal vacation rentals. It's mostly been happening since 2012.

The property manager and owner have been snarky and aloof. We have communicated with them on many occasions

but met with ridicule and accusations that WE should be good neighbors. They fail to understand that while

neighbors bear the negative impacts of their vacationing guests (like loud partying or hearing screams and quarrels at 3 in the morning), they are profiting at the expense of our quality of life and peace of mind. We don't know who is living next to us.

We did not choose to live in a "resort" area.

I wish I had reported them earlier. On and around October 1, 2018, they irreparably destroyed Oahu's natural resources, including the collapse of a fisherman path along the Laie Point shoreline ridge. The Property Manager was jackhammering new steps into the water to provide more amenities for their guests. Although there was a Notice of Violation and "correction", how does an offending party "restore" what was damaged in this case. Can we glue the collapsed rocks back?

Only after the cliff-top collapse (due to jack-hammering to carve steps down to the ocean for their guests) that they now use the **30 days scheme**. <https://www.civilbeat.org/2018/10/denby-fawcett-what-caused-this-north-shore-cliff-to-collapse/>

The Property Manager has also changed his first name to his middle name in their recent Airbnb link. <https://www.airbnb.co.nz/rooms/861878>



I've asked DPP whether it's ok to turn single family residential homes into YMCAs. I reported to the city recently. There were about 25 -30 visitors from Michigan in this single family home. DPP responded that the property manager provided a 30-day contract. However, I observed that the big group stayed for about a week. Thereafter, there were different visitors with new cars within the 30-day cycle.

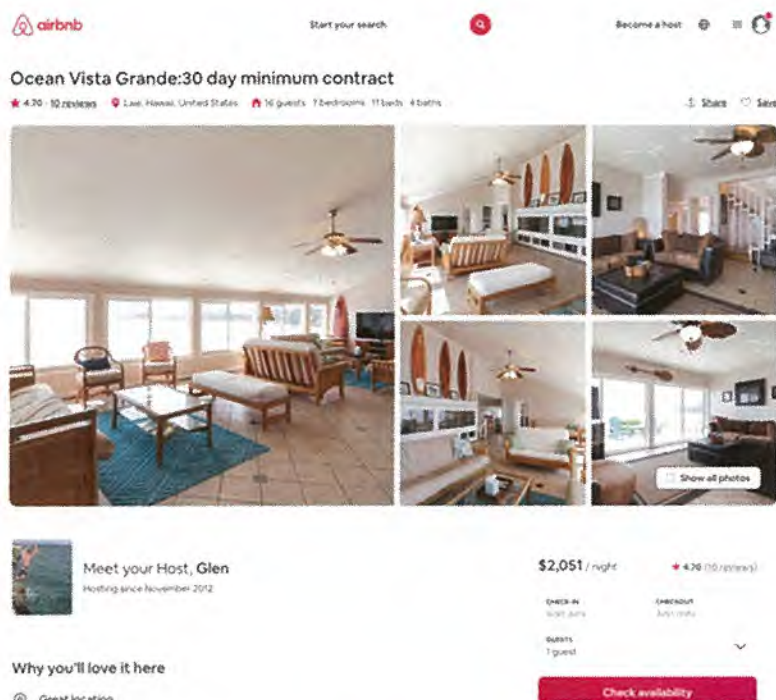
I've continued to ask how DPP is enforcing the 30-day scheme because I usually see new visitors in between the 30-day cycle.

I continue to ask if it's ok to turn single family homes into YMCAs in our residential neighborhoods. IT IS NOT OUR KULEANA

to be the 24/7 watchdogs for DPP.

We shouldn't have to waste our time and energy to protect and enforce existing "residential" zoned neighborhoods. Private Property Rights include the right to enjoy our quality of life without being exploited by those who ignore zoning ordinances and laws.

<https://www.airbnb.co.nz/rooms/861878>



30d Min Contract required

Monthly contract is 13 thousand dollars plus tax.

*12 beds in 7 bedrooms sleep **20 people** in beds*

*Space for **8 more** on convertible futon/couches*

Listed price is for 16 people. Additional people option is available with extra fees. (350\$ per person)

children under age 9 are free.

Ideal 4 large family gatherings

This home has 180 degrees of ocean views. The sun rises out of the ocean and sets behind the mountains with miles of beach & shoreline in view.

The space

**Retreat to this gated, spacious, oceanfront vacation home with miles of unobstructed, panoramic ocean and mountain views. Situated on the cliffs of historic Laie Point, enjoy breakfast on the lanai while watching the sun rise out of the ocean.*

After a full day, BBQ in that same spot while silvery moonbeams begin their dance on the lapping waves of the Pacific Ocean below you.

**Beach access is a short walk (2-3 minutes) to the stone staircase cut into the cliff side. Low tide leaves tide pools to explore, or you can swim in the shallows.*

**You may often have the beach to yourselves, with only occasional passers-by.*

This 7 bdrm/4bath house sleeps 20 in beds with sofa sleepers for additional guests.



BEDROOMS

#1 The main level master suite enjoys full ocean views with a Cal-king size bed, private bath and walk out glass doors to the lanai.

#2 The garden room has a queen bed near the front entrance.

#3 The map room has a queen bed near the front entrance.

These 2 rooms share a hallway bathroom.

#4 Upstairs family suite has two queen beds and a private bath, perfect for a family staying with a larger group.

#5 The sunrise room has a queen bed and faces the sunrise.

#6 The shipyard room has a queen bed

#7 The dormitory has 1 queen bed and 4 twin beds. (younger cousins love this space)

Upstairs hallway bathroom.

A spacious great room upstairs seats 15 comfortably in an ocean view setting. Entertainment includes a 55" flat screen HDTV with cable/DVD player. Main level front room also has walk out glass doors to the covered lanai.



Kitchen is fully supplied with fridge, stove/oven, dishwasher, microwave, small appliances, dishes, glassware, utensils, pots/pans. Dining area walks out for additional outdoor dining.

Oceanfront Vista is near shopping and local restaurants and less than 1 mile from the famous Polynesian Cultural Center, Hawaii's top tourist attraction and a "must do." BYU-Hawaii, the LDS temple, and Hukilau Beach are easily accessible within Laie. A short drive takes you to pro surfing spots at Sunset Beach, Haleiwa, Waimea, or to the pro golf course at Turtle Bay Resort.

At Oceanfront Vista you can seclude yourself in Hawaii's natural beauty or join in the local scene for a true Hawaii experience away from crowds. Rental also includes use of the boogie boards and snorkel gear on site.

*For larger groups and family reunions Oceanfront Vista may be rented in conjunction with neighboring **Ocean Point Estate** or **Ocean Tropical Retreat**.*

TAT #[TA-178-455-7568-01](tel:1784557568)

Licence number

550100330000, 55-064 Naupaka Street, TA-178-455-7568-01"

(NOTE, any one can get a tax number from the State of Hawaii. The State does not vet the legality of the application.)

Ocean Vista Grande:30 day minimum contract

★ 4.70 · [10 reviews](#) · 📍 Laie, Hawaii, United States ·

🏠 16 guests · 7 bedrooms · 11 beds · 4 baths

📶 [Share](#) ❤️ [Save](#)



⋮ [Show all photos](#)



Meet your Host, **Glen**

Hosting since November 2012

\$1,987 / night

★ 4.70 ([10 reviews](#))

CHECK-IN
Add date

CHECKOUT
Add date

GUESTS
1 guest



[Check availability](#)

Why you'll love it here



Great location

100% of recent guests gave the location a 5-star rating.



Great check-in experience

100% of recent guests gave the check-in process a 5-star rating.



[Report this listing](#)

All about Glen's place

30d Min Contract required

Monthly contract is 13 thousand dollars plus tax.

12 beds in 7 bedrooms sleep **20 people** in beds

Space for **8 more** on convertible futon/couches

Listed price is for 16 people. Additional people option is available with extra fees. (350\$ per person) children under age 9 are free.

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For larger groups and family reunions Oceanfront Vista may be rented in conjunction with neighboring Ocean Point Estate or Ocean Tropical Retreat.

TAT #TA-178-455-7568-01

Licence number

550100330000, 55-064 Naupaka Street, TA-178-455-7568-01

House rules

Check-in: After 4:00 pm

Checkout: 10:00 am

No smoking

No pets

No parties or events

Additional rules

TAT#TA-178-455-7568-01

All contracts are for 30 days at a minimum. Guests are not required to stay in the home for all 30 days. No other guests can occupy the home during the 30 day contract. Home Owner requires a 30 day contract to be signed in addition to Airbnb agreements entered into by the customer. This contract acknowledges line item charges that constitute the full rental price as seen on the Airbnb listing including rent, taxes and cleaning fee. Certain terms of use apply to rental of this property. Please read the detailed terms of use below. Signing constitutes agreement to all terms, conditions of use and pricing.

Summary:

Check in after 4pm, check out by 10am. Quiet hours between 10pm and 8am. Please do not eat in the bedrooms. No smoking unit, smoking is not allowed on the property. No illegal drugs are permitted on the property at all, violators will be removed from the property immediately without compensation of any kind. No loud speakers are allowed outside or on the beach. Please be mindful and respectful of our wonderful neighbors. Only those people registered as guests sleeping at the house are allowed on the property. Bugs live in the tropics, measures have been taken for pest control on the property, seeing a bug inside the house does not constitute unsuitable living conditions and no refund will be given for shortened stay.

Detailed TERMS OF USE

From: Michael Brant [<mailto:michaeljbrant@hotmail.com>]

Sent: Wednesday, September 1, 2021 5:18 PM

To: info@honoluludpp.org

Subject: Draft STR/TVU Bill

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Dear Planning Commission:

With the public comments on the proposed legislation being carried over for another week, I hope I may still submit a comment.

I would first like to compliment Chairman Lee and the Commissioners for their professionalism in handling this lengthy meeting, and their patience in sitting through hours of what was fairly repetitive testimony.

But there's a reason why the testimony was so repetitive. It was clear to virtually all the speakers what a terrible piece of proposed legislation this is.

Everyone understood the need to address excesses and violations in STR, especially in residential neighborhoods, but virtually everyone saw that these proposed measures do virtually nothing to address that problem, but are, instead, a torpedo aimed at the operation of all vacation rentals on Oahu.

I will not go into speculation on how these measures got proposed and who stands to benefit by them.

I add my voice of protest to these major, little-publicized measures that would have a devastating effect on thousands of people (such as myself) who invested considerable sums to operate small businesses, and have for years followed all the applicable laws and regulations.

To suddenly destroy these businesses with the flick of a pen is outrageous, and quite possibly illegal. (I will be glad to join the plaintiffs in any resulting action.)

These hasty and destructive proposals should go no farther, and more careful thought given to using the enforcement tools already at hand.

Mahalo.

Michael Brant

owner of 5 legal vacation rental units in Waikiki

source of thousand of dollars of revenue to the City and County

-----Original Message-----

From: Scott Nishikawa [<mailto:scottnishikawa@gmail.com>]

Sent: Wednesday, September 1, 2021 6:38 PM

To: info@honoluludpp.org

Subject: I support the new illegal vacation rental enforcement bill

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

I support the new illegal vacation rental enforcement bill.

Scott Nishikawa

Sent from my iPhone

-----Original Message-----

From: hula65 (null) [<mailto:hula65@aol.com>]

Sent: Wednesday, September 1, 2021 7:22 PM

To: info@honoluludpp.org

Subject: Support for illegal vacation rental bill

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

I support the new illegal vacation rental enforcement bill.

Sent from my iPhone

-----Original Message-----

From: Lehualani Concepcion [<mailto:lconcepcion@hawaii.rr.com>]

Sent: Wednesday, September 1, 2021 9:38 PM

To: info@honoluludpp.org

Subject: Proposed amendments to short term rental ordinance

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

Aloha! As a 2nd generation resident of Kailua, I have seen the impact that short term rentals have had on our community. I support the proposed amendments with reservations regarding the change in the short term rental definition from 30 to 180 days. I understand that some homeowners are getting around the current 30 day minimum by asking vacationers to sign a fake 30 rental agreement (there are 2 properties on my block that likely do this). However, extending the minimum to 180 days may have unintended consequences of decreasing housing availability for certain populations, such as traveling nurses and newly arrived military. I agree that changing the 30 minimum to 90 days may be helpful, but I believe 180 days may be detrimental in some respects. Otherwise, I wholeheartedly support the increase in funds for enforcement, increasing fines for violators, and placing short term rental homes into the hotel tax category.

Lehualani Concepcion

Sent from my iPhone

-----Original Message-----

From: Gregory Gerdes [<mailto:gerdesgreg@gmail.com>]

Sent: Thursday, September 2, 2021 5:32 AM

To: info@honoluluudpp.org

Subject: Waikiki Sunset

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

32 years ago my parents purchased a condominium unit at 229 Paoakalani Ave as an investment that could be put in the hotel pool when not used and a vacation home when they wanted. It pretty much paid for itself and sometimes made a few dollars. We paid thousands of dollars of GET and TAT taxes each year as a result. Your re-zoning, in an effort to create more available housing is a noble gesture, but I fail to see how this does not equate to a "taking" under the 5th & 14th Amendments. In so doing you are liable for compensating owners of said properties for 1) their loss of revenue from rentals and 2) loss of property values. Our property is currently valued at approximately \$150k less than before your zoning actions. The other absurdity is that if we simply had an NUC (non-conforming use certificate) we could still be renting as a large percentage of our building does. Thing is these certificates are no longer issued. Might I suggest you review Supreme Court Case David H. LUCAS, petitioner v. SOUTH CAROLINA COASTAL COUNCIL, and explain to me how what you have done does not equate to a "TAKING" requiring just compensation. You want our properties to help with a housing shortage, fine pay for them. Because if it goes to court, you will lose. A block and a half from the beach, 100 yards on the wrong side of Kuhio. At least do the right thing and push the mixed use zone back to Ala Wai Blvd.

Greg Gerdes

Unit 701 Waikiki Sunset

gerdesgreg@gmail.com

Sent from my iPad

From: sheffieldhouse@hawaii.rr.com [<mailto:sheffieldhouse@hawaii.rr.com>]

Sent: Thursday, September 2, 2021 9:58 AM

To: info@honoluluodpp.org; Paul Sheffield <rktx@hawaii.rr.com>

Subject: Fwd: Property tax increase on legal Bed and Breakfasts

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Dear sirs,

I am writing about the proposal to raise the property tax on legal bed and breakfasts.

It would make sense to raise the property tax rates IF the City and County ALSO raised the property tax rates of all of those operating short term rentals without licenses. That information should be readily available at the tax office. Illegal bed and breakfasts and other illegal short term rentals have been around a long time.

Since the City and County of Honolulu has an absolutely dismal record on keeping track of this zoning and land use issue, it is unfair, inequitable and inappropriate to raise the tax rate on the legal bed and breakfasts who have tried to follow the law for all of these years.

Last year I received a letter citing an executive order from the Mayor stating that I was to shut my business down.

So, for 7 months I did not have any income from this business. I refunded between \$30,000 and \$40,000 in deposits. All of that time I watched the illegal bed and breakfasts and TVUs continue doing business.

Many illegal short term rentals operate as pseudo- long term rentals and then with prior agreement with their guests they would refund their guests when they leave early.

Please contact us and let us know your thoughts on this issue.

Please do not propose a penalty by the increase on the property tax on the legal bed and breakfast owners who hold a NUC license. This group of businesses has followed the rules all of these years.

Thank you for your consideration of this matter.

Paul and Rachel N Sheffield
Hawaii Sheffield House

131 Kuulei Road
Kailua, HI 96734
(808) 262-0721
90/BB- 0077

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From: Aubrey Yee [<mailto:aubreysky1959@yahoo.com>]
Sent: Thursday, September 2, 2021 11:36 AM
To: Honoluluudpp Info <info@honoluludpp.org>
Subject: honolulu planning commission

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AUBREY YEE
818 -675 5909
aubreysky1959@yahoo.com

From: LIN P [<mailto:alohalin@live.com>]
Sent: Thursday, September 2, 2021 12:48 PM
To: info@honoluludpp.org
Subject: downzone

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

At yesterday's all day testimonies there were a lot of talk about upzoning. I am however very interested in down zoning. I am currently in a bldg in Waikiki that 2 yrs ago you folks rezoned us to an eating place thereby virtually made the bldg hotel resort. The airbnb in this small bldg have since been crazy. How to try to do away with the hotel resort classification? Thanks.
The Kalakauan 1911 Kalakaua Ave.
Thanks.

From: Bob Starr [<mailto:bob@bobstarr.ca>]
Sent: Thursday, September 2, 2021 1:31 PM
To: info@honoluludpp.org
Subject: Comments on DPP meeting Sept 1, 2021

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Mr. Mayor and DPP:

Yesterday I LISTENED to the DPP HEARING. 150 speakers, 5+ hours. I wonder IF the DPP actually HEARD what was being said. I thank you for putting this on through the internet. The world has changed communications wise.

If you stand back and look at Hawaii tourism. You have different government agencies trying to work against each other. You have the Department of Tourism = to promote Hawaii as a tourist destination. Building the Convention Center to attract business and visitors. The Department of Transportation investing millions of dollars in the new extension of the airport, to allow handling of way more passengers. Also millions to upgrade all the other Island Airports Maui, Kuai and the Big Island. WHY to attract more tourists., The Department of the Film Industry attracting movie companies with tax incentives, building sound stages = to PROMOTE Hawaii as a tourist destination. I remember sitting at Kuhio Beach, in a crowd of thousands awaiting the preview of Hawaii 5-O season opener. The Governor and Mayor touting the incredible job they have done with showing Five-O in 40 different countries = promoting tourist to visit Hawaii. Running 22 years of inviting tourists to come to Hawaii. Add Elvis with Blue Hawaii, Lost, Jurassic Park and the 12 seasons of Magnum PI, with fantastic scenery shots all over the island. Now N.C.I.S. Hawaii premieres in 3 weeks. SO WHO brought all the tourists.....AND you want to blame the influx of tourists on the STR industry. Someone is looking for an easy fall guy to point the finger at.

NOW you want to pick on the little guy with a 1 bedroom condo rental as a way to stop the influx of too many tourists. Is like asking Walmart and Costco, because they are perceived to be excellent business people to write the standards, rules, zoning for the mom & pop corner grocery store.

This latest bill has obviously been drafted with the help to the Hotel Industry. It is almost embarrassing to read the language, the terms, the rules, the zoning upgrades, how much influence the Hotels have had on the Planning Department and our government. You are elected by the people, for the people, to represent the people and now you are being directed by BIG BUSINESS to eliminate the little guy competition. When you curtail competition the Hotel rates go up = it is just commerce. DPP planner stated there are 40,000 accommodation.... 30,000 hotel rooms and 10,000 STR. Get the hotels to cut back an equal portion of their rooms? If you want to curtail the number of tourists coming into Hawaii.... Limit the number of flights allowed each day by airline Stop them before they even buy a ticket..... IF that is your goal.

Question is, where do ALL the profits go? Hyatt (Chicago), Hilton (McLean, Virginia), Marriot (Bethesda, Maryland), Sheraton (White Plains, New York), Holiday Inn (Atlanta, Georgia), Westin Resorts (Richmond, Virginia), Trump Tower (Irongate= Los Angeles Calif.), Aulani

Disney Resort (Burbank, Calif.), Turtle Bay (Bristol, England). Where do they buy all their dressers, couches, mirrors, beds, linens, pillows, towels = import container loads from mainland.

The point is ALL the profits go OFF Island. Whereas the mom & pop short term rentals profits stay on Oahu. Your choice: support the big conglomerate or support the little guy. It is ALL in your hands to make the right decisions. Your picking on the wrong guys.

Maui has a solid tested, system in place. They don't gouge their people at \$5,000 to register. They charge \$857 for 1 year OR \$1,357 for 5 years = \$271 a year. They bring in 4 million dollars EVERY YEAR in registration fees. The staff deal with them once, set them up and don't need to talk to them for 5 years..... unless there is a problem. If YOU had 10,000 STR on Oahu registered at \$800 per year = \$ 8,000,000 EVERY YEAR. Who do you think could run an office with that budget just on registration fees. Hire 10 staff, 10 computers, 10 phones, 10 desks, 1 large office, 5 by-law enforcement officers with 5 city vehicles and you would have 7 million dollars left, to cover any incidentals. OK send it over to housing dept. to help build homeless shelters every year. Money comes from housing goes back to housing. That is before you collect the GET and the TAT and the income tax on the profits AND a reasonable increase in property taxes..... OR shut it all down, have an underground cash economy and no money to enforce bylaws.

Many City Planning Departments in many cities got caught up in taking in development fees for new construction, that they took their eye off what was happening with the people. Got google eyed with developer money. NO RENTAL Apartments were build for 20 years = wasn't profitable for developers, no incentive. What should be done is give incentives to build rental buildings, better price on city owned land, NO GET, government loans at reduced rates for 5 years. Developer owns the building not the city, ALL units to be only rentals for the 5 year period before they can go back on the market as resales units.

Recognize where the problem was created, who dragged their feet with the NCU program, for 20 years, and try to work with these home owners.

Bob Starr

2440 Kuhio Ave.

Honolulu 96815 bob@bobstarr.ca

-----Original Message-----

From: Ken Kribel [mailto:kkribel2@aol.com]
Sent: Thursday, September 02, 2021 9:41 PM
To: Takara, Gloria C
Subject: ** SPAM ** STR draft

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

I oppose the new proposed ordinances. It is unfair to home owners and renters.
We get many locals who rent 1-3 weeks for staycations. They do not want to leave the Island but want to get away. Not only will it hurt homeowners but locals who cannot afford to leave the Island and are looking for an affordable, safe location.
They will not stay in a hotel. They want to cook at home and spend quality family time.
The hotels should not control where people stay.
Do not allow these new proposals to move forward.
Ken Kribel

From: sanziana elena sighiartau [<mailto:suzzyruns@yahoo.com>]

Sent: Saturday, September 4, 2021 1:50 PM

To: info@honoluluudpp.org

Subject: Registering to Speak for the 9/8 Hearing

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Thank you all for being here and opened to learning about your Hawaiian residents who are making an income from short term rentals and not by hotel lobbyists.

I beg the counsel to consider

Short term rentals as part of the evolution of the economy for the past 10-20 years and survival in these challenging times for individuals and not corporations.

This is how we can afford a humble living. A change of the current bill in place, would simply put us out of business. We cannot afford it!

The economy of hawaii relies on tourism

The tourism being one of the main business revenues we small business owners must have access to this pool of income. 30 day rentals provide no competition to hotel industry.

I have been an Airbnb property management host for 10 years and I have hosted thousands of families coming to the islands or moving here. A lot of my clients mentioned that without this possibility they would not be able to visit hawaii. Local businesses depend on their business.

Miss Martin mentioned "easy money" and I would just like to remind the community that we are locals trying to make ends meet just like everyone else. We are not fit to work for hotels and they use a nationwide pool of personnel not particularly locals to Hawaii. We make ends meet and pay our mortgages.

It's interesting how it has been mentioned by a paid hotel lobbyist speaking earlier, that the neighborhoods are littered with illegal visitors while at a hotel they would be called trusted visitor guests, honored for their visit.

Again hotel owners are offshore based, multinationals who are making a profit here in Hawaii and employing local staff. We are arguing about local small businesses existence which is our local community-rights to practice small business here at home and survive the continuing world inflation we live in.

Our profession in 2021 is called short term rental hosts and it needs to be respected as much as the nurse that may save your life. It's an equal opportunity employment opportunity we need to consider even though it is very new and hard to accept but it's part of surviving the changing world we live in.

With that being said, I would be happy to provide more transparency and ask for support when it comes to disrespecting tenants and try to form a loving, friendly community instead of a hate towards owners who have the constitutional right to do what they need to do with their own property in order to meet their mortgage needs and taxes.

It really looks like the passing of these laws are made for hotel lobbyists to call us illegal and turn the community against us.

They are paid for this opposition. And if we paid them, they would use their knowledge and education to help our cause. This creates an unequal competing opportunity even in this concession.

It is time to accept that Hotels are not and should not be the only entity allowed to host tourists or small or large families with pets and intention of spending time away from home. There is a place for both to exist and not oppose each other. We are richer as a culture together with the diversity and options.

It is our constitutional right as citizens to choose between the two.

There is a different place for different businesses. And we should not oppose the existence of others.

Finally, but not least, I come from a communist country that is unlivable because of laws like these and the monopoly imposed by the state.

Please reconsider!

Sincerely,

Sinziana Sighiartau

[Sent from Yahoo Mail for iPhone](#)

September 4, 2021

Via Email (info@honoluludpp.org) and Facsimile Transmittal (768-6743)

Brian Lee
Chairman of the Planning Commission
650 South King Street, 7th Floor
Honolulu, Hawaii 96813

Re: Proposed Amendments to Chapter 21 (Land Use Ordinance), Revised Ordinances of Honolulu 1990, as Amended Relating to Transient Accommodations ("Amendments")

Dear Chairman Lee:

Thank you for the opportunity to present written testimony in connection with the Amendments. By way of background, I am the President and Founder of Ho'ola Na Pua (www.hoolanapua.org), a Hawaii nonprofit corporation which is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. Ho'ola Na Pua, which means "New Life for Our Children," was established to shine light into dark voids of violation and place the health and security of Hawai'i's youth at the center of its mission vision for Hawai'i. Ho'ola Na Pua's mission is to prevent child sex trafficking and provide care for the children who have been exploited. My written testimony is sent in my personal capacity and not as President of HNP, and such testimony should not be construed as necessarily representing the views of HNP.

Ho'ola Na Pua, like many other nonprofit organizations in Hawaii and across the nation, rely on the generosity of donors who not only make cash donations but also in-kind donations to supplement other sources of funding and support programs, services, and staffing of nonprofit organizations. As you may be aware, one of the more popular in-kind donations to nonprofit organizations are short-term stays at beautiful residences which are either donated as silent or live auction items or all of the proceeds of such short-term stays are donated to the nonprofit organizations. However, there are instances where some nonprofit organizations do not have the opportunities to hold silent or live auctions or the resources to market the short-term donations and contract with the short-term stay occupants, and in those cases, nonprofit organizations appreciate the support and initiative of donors who do not mind taking on the responsibility of marketing the short-term stays and dealing with the short-term stay occupants. All of the proceeds from such short-term stays go directly to the nonprofit organizations.

I understand that the Planning Commission of the City and County of Honolulu ("Planning Commission") will be meeting on September 8, 2021 to consider the Amendments from the Department of Planning and Permitting of the City and County of Honolulu ("DPP"). I was surprised to learn that neither the current short-term rental regulations under Chapter 21 of

the Revised Ordinances of Honolulu (the "LUO") nor the Amendments expressly address and exempt short-term stays which are donated either as silent or live auctions to nonprofit, tax-exempt organizations or the proceeds therefrom which go solely to nonprofit, tax-exempt organizations. In fact, I understand that the Amendments may further impede such donations of short-term stays in light of the proposed amendment which requires a transient vacation unit to be of a minimum duration of 180 days.

I hope that the DPP and the Planning Commission do not interpret the LUO and the Amendments to cover the advertising and renting of property of less than thirty (30) days or in the event the Amendments are passed, less than one hundred eighty (180) days which are donated to nonprofit, tax-exempt organizations as silent or live auction items or the proceeds therefrom are donated to nonprofit, tax-exempt organizations. Such short-term stays are purely philanthropic in nature and not motivated by personal profit or gain by property owners, and accordingly, should not be regulated by the LUO. Many nonprofit organizations are unaware of the potential applicability of the LUO to such short-term stays.

To avoid any confusion and provide clear guidance to nonprofit organizations who are the beneficiaries of such short-term stays or the proceeds therefrom and donors of such short-term stays, I humbly ask that the DPP and the Planning Commission consider adopting the appropriate amendment to the LUO which expressly exempts short-term stays and all revenue generated therefrom which are donated solely to nonprofit, tax-exempt organizations from the short-term rental regulations.

If the DPP and the Planning Commission fail to adopt such an amendment and clear up any confusion or misunderstanding, there will likely be an adverse impact on charitable giving through the donations of short-term stays. And without the support of generous donors who contribute short-term stays and the proceeds derived therefrom to nonprofit organizations, it will be more difficult for Ho'ola Na Pua to sustain its integrated programming and outreach to over a thousand youth and community members and stakeholders across Hawai'i and further reach a wider audience so that Ho'ola Na Pau can continue to be a national partner and rising standard in the global effort to put an end to sex-trafficking.

I humbly ask that the DPP and Planning Commission carefully consider the ramifications of the Amendments to the nonprofit community and charitable giving.

Very truly yours,

Jessica Munoz

From: Valerie Haney [mailto:ronvalh@gmail.com]

Sent: Saturday, September 4, 2021 8:30 PM

To: Jon Gilbert <jgilbert572@yahoo.com>

Cc: info@honoluluapp.org

Subject: Re: Short Term Rental Amendments

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Jon, your last paragraph is right on target! ~Val

On Tue, Aug 31, 2021 at 6:29 PM Jon Gilbert <jgilbert572@yahoo.com> wrote:

The DPP's August 13 "Proposed Amendments Relating to Transient Accommodations" begins with the commendable goal of better protecting Hawaii's residential neighborhoods from some of the negative effects of tourism: specifically traffic, noise, parking, crowding, and the resultant higher real estate prices when residential neighborhoods are turned into locations for small hotel businesses.

But the complicated draft ordinance quickly devolves into an exercise in government overreach, by trying to define and regulate the differences between condominiums, time share properties, condo hotels, and transient vacation units, even when they are located in traditional tourism zones such as Waikiki. *These portions of the draft ordinance do nothing to minimize the disruption from tourism to traditional residential neighborhoods.* At its worst, the draft ordinance veers into the realm of picking winners and losers in the tourism sector by exempting hotels from much of the regulatory and fee scheme being proposed to further burden private condominium owners. For example:

- Private condominium owners will only be allowed to own one resort-zoned condominium licensed as a transient vacation unit. Hotels can own hundreds or thousands of rooms without limitation - *on the same block*;
- In addition to TAT, GET and hotel/resort property taxes, a private TVU condominium must pay an initial fee of \$5,000 plus an annual fee of \$2,500; hotels *that may be located next door* are exempted from these fees;
- New occupancy limits are placed on TVU units in resort areas that essentially outlaw adults staying on a living room sofa bed; hotels *in the same zoning area* are exempt from these limits;
- Private owners in a "condo hotel" must have a single manager/operator despite condominium governing documents to the contrary;
- Condominium owners and their families staying in their privately owned condominium in a condo hotel may now have to pay the same rate as the general public to stay in their own property; hotel operators are free to extend complimentary or discounted stays to their executives or favored friends and customers without oversight or regulation.

All of the above accomplishes no legitimate public purpose. These proposed regulations that presumably will be fully applicable within the Waikiki hotel/resort zone will do nothing to control the impact of tourism in the neighborhoods where most of Oahu's residents live. Instead, these sections of the proposed ordinance seem designed to force people into more expensive and less flexible hotel rooms. What about families with young children or seniors on extended visits who prefer the convenience of a small kitchen or larger accommodations with adjacent bedrooms? What about military service personnel, students or their families on temporary assignment? Should their choices be priced

out of reach or over-regulated, even in Waikiki, so they have no viable option or availability other than to stay in a hotel?

In summary, I support any reasonable regulations designed to protect residential neighborhoods from the ill effects of entrepreneurs trying to run a hotel business in a residential neighborhood. But neither the effects of the Covid 19 pandemic, nor the wishful thinking about taking Hawaii back to the days before jet-age tourism, should be used as pretexts to prop up the hotel occupancy rates in Waikiki. Private condominium owners in legally-designated hotel zones pay precisely the same taxes, support the local economy, and deserve an even-handed approach from their government.

Respectfully Submitted,
Jon Gilbert

To: All Planning Commissioners

9/3/21

From: Georgietta K. (Parker-Carroll) Chock

SUBJECT: **Comments for consideration on STRs**

Aloha Commissioners,

As a former Planner Commissioner that served under Mayor Jeremy Harris for two (2) terms, I fully understand the challenges that you all face in finalizing your recommendations to the Planning and Permitting Department regarding this very viable and sensitive issue involving STRs.

The City Council hearings held in 2019 came about because of the major complaints voiced by various neighborhoods whereby visitors staying in **“NON-OWNER OCCUPIED”** homes which were disrupting the character and fabric of their residential neighborhoods! The simple solution to this problem has been totally blown out of proportion. Solution – eliminate the foreign investors and locals with multiple homes that are not occupied by its owners! The State and City and County have no idea how much money they will be losing if they eliminate all **“Owner-Occupied”** visitor units or homes in surrounding neighborhoods that have home exemptions and home insurance. We, as “Owner-Occupied” STRs were not responsible for the problems mentioned in 2019! My neighbors have even offered to write letters on my behalf as to how quiet my visitors have been. The city and residence talk about the lack of homes to purchase or rent. Even if more

homes were available, with individuals not going back to work due to Corvid—how are they to pay for purchasing or renting these homes or units, leaving owners like myself with no income to pay for mortgages, bills and expenses? Talk about renters – in my neighborhood, I know of several “local monthly renters” that are more abusive and totally disruptive than my Airbnb guests whereby HPD is constantly being called during all times of the night!

Yes, I could try, again, to secure long-term renters, but in this economy with Corvid and so many people not back at work, how would I secure a renter who is willing to pay \$2,400 per month, including utilities? This information comes from speaking to many realtors in the business that have informed me that there are a lot of tenants out there, but most are late payers, have poor renter history, poor recommendations from previous landlords, etc., and it is well known that renters have more rights than landlords! Being an STR host, my guests come and go and Airbnb & Vrbo has full insurance coverage should there be any damages incurred by visitors.

Originally in 2019, we were told that the City would be allowing a total of 1,700 visitor units with 150 legal existing units included in that number and the following would apply

(1) a minimum of 1,000 ft established between each home. (2) \$1,000 permit fee for the 1st year then \$2,000 thereafter. (3) Applicant would have to provide a Notary Acknowledgement signifying that an applicant was a “natural person”. (4) That an

applicant must hold a “home exemption” for two years prior to filing. (5) A floor plan must be provided covering the unit to be rented out and (6) We must show that a House Manual for guests’ review on rules and regulations are provided. All of which, I have and have been waiting patiently for the day when we can secure our permits.

Then we were all shutdown on 8/1/2019 and told that we would have to wait until 10/2020 to apply for our permits.

Then the 10/2020 was extended to 01/2021, then on 04/6/21 a hearing was held where I was present and provided testimony. We were told that all comments would be reviewed, and we would be informed of any and all changes.

On 4/15/21, I submitted a letter to Mayor Rick Blangiard regarding several items and have received follow up calls. I have also tried, unsuccessfully to reach out to my Representative, Tommy Waters, and as of this date, he nor any member of his staff have ever returned my calls.

As an 81-year-old female that became a widow in 2018, I have had to face numerous obstacles but the most criterial one has been keeping up with paying my \$411K mortgage. After my husband’s passing, my tenants graduated from the UH and moved back to Los Angeles. My Mgmt. firm tried for four (4) months unsuccessfully to secure another tenant, so I was forced to pull money from my life savings each month to help pay for my mortgage of \$2,289.78 as my only income was my social security check of \$1,615.60 which I used for the upkeep

of the home repairs, the yard, utilities, my dog, car gas, groceries, medications, etc. My family knew that I was becoming very depressed and insecure about my future, so my grandson got me involved with Airbnb which has helped me pay for my mortgage and allowed me to meet people from all over the world. My guests have come from Korea, Japan, Germany and various USA states and locals who were returning to Hawaii for a visit with their families. I'm currently a 5-Star rated Host which, in this business, is a big deal meaning your listing goes close to the top due to positive comments provided by guests. I provide a two-bedroom unit with all the comforts of a "home-away from home" including desserts, etc., for their enjoyment. Since I live on the 2nd floor of my home, I am able to monitor my guests providing House Rules to **ensure** that my neighbors are never bothered by my guests, and my taxes are paid quarterly to the State. I also pay to have the unit cleaned after each guest departs adding to the employment of two (2) residence.

Having this source of income has allowed me to keep up with my monthly mortgage payments - providing me peace of mind and the ability to sleep at night. Not having this source of income would be totally devastating for me financially and emotionally. I would have to pull from my life savings - eventually losing my home and will have to move into my daughter's already crowded home with 10 family members. I've put a lot of money, sweat and tears into caring for my home

with the hope of gifting it to my daughter & grandsons after my passing.

For my guests, paying for a 2-bedroom unit in a “**Owner-Occupied**” home, verses staying in a hotel and paying for 2 or more hotel rooms to accommodate a family plus paying for parking, eating in restaurants only is extremely costly for most visitors. Staying with an STR host allows our visitors to have more spending options to purchase tourist attractions and events such as luaus, snorkeling & surfing lessons, a rental car, buying groceries from our local markets to prepare their own meals – all of which, contributes greatly into our economy and our community. I have received so many complimentary comments from my guests as to how staying in an Airbnb home has provided them with the “true local living experience” one they would not have been able to enjoy staying in a hotel!

Now 09/1/2021, the HPC scheduled a public hearing whereby people could join in person or via computer or telephone that ran from 11:30am to 4:30pm.

The Proposed Amendments to Chapter 21 relating to Transient Accommodations under ANALYSIS which I totally disagree with are:

- (1) No new B&Bs and TVUs will be allowed or permitted in Residential Zoned areas.
- (2) Provide annually to the Department up to \$3,125,000.00 in real property taxes from registered B&Bs for the purposes of funding enforcement of STRs. **REALLY?**

- (3) The definition of “bed and breakfast home” and “transient vacation unit” are amended to increase the rental period for TVUs or B&Bs from less than 30 days to less than 180 days. **WHAT TOURIST STAYS AT ANY VACATION LOCATION FOR 180 DAYS? TOTALLY RIDICULOUS!**

These outrageous regulations and restrictions have not seriously been thought through and are all ONE-SIDED IN FAVOR OF THE HOTELS. After we have been patiently waiting for 3 years, to be exact and to see how this entire process has been made more difficult than it should be - more time-consuming - poorly thought out and absolutely ridiculous! It is very obvious why this is being done – TO TOTALLY DISCOURAGE AND DESTROY THE LIVES OF GOOD HONEST PEOPLE LIKE MYSELF FROM TRYING TO SURVIVE IN THIS WORLD! GO AFTER THE CROOKS THAT HAVE BEEN CHEATING THE GOVERNMENT BY NOT PAYING THEIR FAIR SHARE OF THEIR TAXES.

Please reconsider your rules before penalizing us Owner-Occupied STRs in various neighborhoods and allow us to continue in providing our visitors the opportunity of enjoying our local style of living instead of being bunched up in a cubicle hotel room only to spread the virus to more visitors – then to employees in these hotels – then to their families, etc., etc.! Would you like to be treated like this? Thank you.

From: F. Yang [<mailto:recycle@ocr2000.com>]

Sent: Sunday, September 5, 2021 9:24 PM

To: info@honoluludpp.org

Subject: STR testify on Sept 8th

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Aloha,

I am a tax paying resident of Oahu and property owner on the North Shore. I don't think it is acceptable to make a minimum rental period of 6 months or more.

It will not only damage the State's economy but also hurt us as a community. There is a need for less than 6 months rental for remote workers, travel nurses, temporary construction workers, film crews, and family members of military service who are deployed here. They all need temporary rentals for less than 6 months.

The city and county should not restrict the rights of our visitors to stay 1-6 months in a residential neighborhood. Temporary rentals of 1-6 months helps our communities, temporary workers to find reasonable price accommodation and friends and family to stay close to loved ones.

This bill will only benefit the hotels that operate here by forcing people to rent from them.

Best regards,

Fung Yang

808-779-1109

59-598 B Ke iki Road,

HI 96712

From: CLK Council Info
Sent: Sunday, September 5, 2021 8:19 PM
To: Yamane, Joy <jyamane1@honolulu.gov>
Cc: sktaylor37@mac.com; Chung, Vicki K. N. <vchung@honolulu.gov>; Otto, Pearlene <potto1@honolulu.gov>; Limos, Irene <irene.limos@honolulu.gov>
Subject: Council Testimony

Written Testimony

| | |
|-----------------------------|--|
| Name | Stacey Taylor |
| Phone | |
| Email | sktaylor37@mac.com |
| Meeting Date | 09-08-2021 |
| Council/PH Committee | Council |
| Agenda Item | Amendments to Ordinance 19-18 related to STRs |
| Your position on the matter | Oppose |
| Representing Organization | Self |
| | City Council, |

Written Testimony

I am submitting this testimony strongly opposing the proposed amendments to Ordinance 19-18 concerning Short Term Rentals (STR). As a middle-school teacher married to a disabled veteran with two children, we rely on the income generated from our Ohana rental to supplement our current full-time jobs to be able to afford to live and enjoy Hawaii. We are not using our Ohana unit to get rich as with most owner occupied rentals, but simply to be able to live and attempt to provide a better life for our family.

I humbly ask each of you to imagine and take into consideration those persons that are actually using this as an income supplement, are owner occupied, have house rules, and ensure that their guests are respectful. The proposed rules as written are not fair and a complete disregard of individual property rights within a free society.

I find it hard to believe that all short-term rentals cause problems, especially those that have owners on site. I would propose as a compromise to continue to allow rentals that are owner occupied and/or owned/operated by state residents that continue to abide by all

other city/county ordinances/rules/regulations. Additionally, I like many Hawaii residents, use home based vacation rentals to have affordable peaceful "staycations" await from resorts as most cannot afford staying in large resorts or hotels. These proposed rules directly benefit the large hotel business and further create a monopoly and their average workers will still not earn a wage to afford an average priced home in Oahu.

I strongly object to the proposed definition of "short-term", as less than 180 days. Our guests are typically, local residents doing home construction/remodeling, returning residents, business professionals, nurses, and teachers that stay for at least 30 days but rarely for more than 180 days. The cliental that stay for 30 days or more are not the type that disrupt neighborhoods but rather blend in and abide by local rules and customs. The proposed definition of "Short-Term" or associated to less than 180 days should not be adopted and request that the definition of "long-term" remain as stays of 30 days or more. This a reasonable compromise and allows property owners to continue to attract the right type of visitor.

These proposed Hawaii Tourism Authority, Union, and Hotel-backed short-term proposed rental regulations run counter to their efforts to provide affordable housing and as written, threaten the livelihoods of residents and small businesses owners who rely on the income from visitors staying at alternative accommodations. The income thru rentals earned typically goes towards payment for cleaning services, yard service, handyman companies, etc which provide income for other small businesses. Has there been a study with data to support the claim that STR's will actually lower housing prices and provide more affordable housing? Were these rules written with input from anyone representing Short term rentals, as it should occur when writing fair and reasonable new rules/regulations. It is evident that these were written with a one sided view. I respectfully that you honestly consider a fair and reasonable approach with input from various interests to develop fair rules that truly benefit Hawaii.

Testimony
Attachment
Accept Terms and Agreement 1

IP: 192.168.200.67



September 6, 2021

Via Email (Info@honoluludpp.org) and Facsimile Transmittal (1-808-768-6743)

Planning Commission of the City and County of Honolulu
650 South King Street, 7th Floor
Honolulu, Hawaii 96813
Attention: Chairperson Brian Lee

Re: Proposed Amendments to Short-Term Rental Regulations

Dear Chairperson Lee:

We appreciate the opportunity to present written testimony from our client, who has chosen to remain anonymous at this point in time, in connection with the proposed amendments (collectively, the "Amendments") to the short-term rental provisions of Chapter 21 of the Revised Ordinances of Honolulu ("LUO"). We understand that the Planning Commission of the City and County of Honolulu ("Planning Commission") will hold a meeting on September 8, 2020 to further discuss the Amendments proposed by the Department of Planning and Permitting of the City and County of Honolulu ("DPP").

Our client falls into a category of property owners who engage or participate in certain activities involving the advertising and renting of property for less than thirty (30) days which are purely philanthropic in nature. The short-term rental for philanthropic purposes involves property either being donated to a nonprofit organization which is tax-exempt under Section 501(c)(3) of the Internal Revenue Code, as amended, as a silent or live auction to raise money in furtherance of such organization's programs and services for the benefit of the public, or the property owner assumes the advertising responsibilities and directly markets the short-term rental through rental hosting platforms and contracts with the occupant. Some nonprofit organizations prefer the property owner advertise the property and contract with the occupant and all rental proceeds generated from the property are passed through and donated to the nonprofit organization.

The LUO currently defines a transient vacation unit ("TVU") as "any dwelling or lodging unit that is advertised, solicited, offered, or provided of any of the foregoing, for compensation to transient occupants for less than thirty days, other than a bread and breakfast home." The Amendments would revise this broad definition to increase the minimum stay to one hundred

Honolulu Office: P.O. Box 2800 • Honolulu, Hawaii 96803-2800
Five Waterfront Plaza, 4th Floor • 500 Ala Moana Boulevard • Honolulu, Hawaii 96813
Telephone (808) 529-7300 • Fax: (808) 524-8293

Kauai Office: 4357 Rice Street, Suite 102 • Lihue, Hawaii 96766
Telephone (808) 632-2267 • Fax: (808) 524-8293

424955.2

eighty (180) days. The "compensation" aspect of the TVU definition is also broadly defined to "include, but is not limited to, monetary payment, services or labor of transient occupants." Our client respectfully submits that the current broad scope and reach of the LUO and the Amendments may have the unintended consequence of regulating short-term rentals which are philanthropic in nature and not driven or motivated by the financial gain or profit of the property owner. Our client does not believe that, at the time of enacting the short-term rental legislation, the Honolulu City Council and Mayor intended for such legislation to cover philanthropic short-term rentals.

To clarify the true intent and scope of the short-term regulations under the LUO and limit the enforcement thereof to only those situations and transactions which alter the character of residential neighborhoods and where property owners derive a financial benefit from the short-term rentals, our client respectfully asks that the Planning Commission and DPP consider further amendments to the LUO which expressly exempt philanthropic short-term rentals. There is a very small group of donors who provide philanthropic short-term rentals and residences which would be marketable and appeal to silent/live auction bidders or occupants, and in light of such very small volume, there would not be any material impact to the character of residential neighborhoods which is one of the stated purposes of the LUO.

Notwithstanding the fact of the very small volume of donors and residences in connection with philanthropic short-term rentals, the proceeds generated therefrom are significant and help supplement the funding for nonprofit organizations, especially during these difficult times caused by the COVID-19 pandemic. Our client has raised approximately \$300,000.00 this year and approximately \$800,000.00 over the past several years through philanthropic short-term rentals in support of nonprofit organizations. Without an exemption for philanthropic short-term rentals in the LUO, there will continue to be confusion on the potential applicability of the LUO to such rentals, and it will likely discourage or ultimately eliminate certain popular forms of charitable giving, such as silent or live auctions, especially in the event the minimum stay for a TVU is increased from thirty (30) days to one hundred (180) days.

Planning Commission
September 6, 2021
Page 3

Our client respectfully asks that the Planning Commission carefully consider the current breadth and scope of the LUO and Amendments and the unintended, yet profound consequences they may have to charitable giving to nonprofit organizations and the potential impact to the level of services and programs offered to the people of Hawai'i through such nonprofit organizations. It should be made clear that all philanthropic short-term rentals, without regard to the number of days of such rentals, are exempt from the short-term rental regulations under the LUO.

Very truly yours,


McCORRISTON MILLER MUKAI MacKINNON LLP

cc: Client (via email)

From: paul brooks [mailto:paustinbrooks@gmail.com]
Sent: Monday, September 06, 2021 5:31 AM
To: Takara, Gloria C
Subject: Proposed Bill

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Dear Mayor,

Bill 89 passed in 2019 provides ALL the rules and procedures for cracking down on illegal vacation rentals and this proposed bill should be scrapped. If DPP can't properly enforce Bill 89, adding another layer is pointless and all these new fees on the backs of legal vacation rentals owners is not only grossly unfair but DPP would be infringing on existing ownership and property rights, hurting all of us!

Give the DPP the funding to enforce Bill 89 and Hawaii will get the funds back 10 fold in fines and leans on illegally run Vacation Rental Properties. This would be easy to track with a small staff. Tourists landing in Hawaii for vacation could be asked to list their hotel or vacation rental address. If the address is found to be not registered fine and lean follow.

This will provide huge revenue and make everyone happy. Legal rentals will be forced to get a license and start paying their fair share of taxes and illegals that are not paying anyway will be fined and shut down. Problem solved.

Paul Brooks
paustinbrooks@gmail.com
1-858-336-9197

Kuilima West **From:** KAREN TURNER [mailto:karenturnr@aol.com]

Sent: Monday, September 06, 2021 2:07 PM

To: Mayor Rick Blangiardi; Tsuneyoshi, Heidi; Takara, Gloria C

Subject: Fwd: DPP's proposal for amendments concerning TVUs

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha,

As a long-time owner and resident of Kuilima Estates West, **I am writing in enthusiastic support of the proposed new amendments concerning Short Term Vacation Rentals.**

Kuilima, East and West are zoned residential, and for years were communities of ordinary people living on the North Shore. As VRBO and AirBnB became popular, older, long time residents sold to mainly out of state investors who bought them at very high prices to short term rent even though it was illegal. Several years ago, with the help and encouragement of local politicians, this investor group hired an attorney and succeeded in having Kuilima designated a resort area. Now their short term rent were legal. The residential community has been ruined, overrun by tourists. Almost 400 units off the long term rental market. These owners are now protesting any efforts to have them pay fees to register their units and to be taxed as business. They are running hotels and should pay hotel fees. **This revenue is needed to offset the damage this over tourism creates.**

This is true for illegal rentals in neighborhoods throughout Oahu.

The greed of these mostly mainland owners is sickening. Please take action.

Sincerely,
Karen Turner

Chair Mr. Brian Lee and Members of the Planning Commission,
650 South King Street, 7th Floor
Honolulu, Hawaii, 96813.

September 6, 2021

Dear Mr. Brian Lee and Members of Planning Commission;

Re: STR at Waikiki Sunset Condominium-Hotel Units

My testimony concerns STR rules in connection with Condominium-hotel units as the Waikiki Sunset.

We first came to Hawaii in December 1974 on our honeymoon where we were greeted with flowers at the airport by a young Hawaiian couple in the spirit of Aloha. I certainly agree with Mr. Dean Uchida, DPP Director, that life on the island is not like it used to be 50 years ago. Unfortunately, we cannot live in the past and we should not attempt to do any long-range planning during a period of health crisis such as the covid19 pandemic.

After visiting Hawaii for many years, we decided to purchase a condo unit at the Waikiki Sunset in 2007. The condo unit was already in the Aston rental pool, and we were promised to continue receiving roughly the same monthly rental income. This would greatly assist us in paying for our mortgage. At no time prior or during the purchase negotiations did the Real estate agent, the Aston owner manager, the escrow agent, nor the DPP or City department tell us that the on-going monthly rental of our unit was not legal because it did not have a Non-Conforming Use (NUC) certificate. We believe that the failure to provide full disclosure was inappropriate. Obviously, it was a shock to learn from the City Department in June 2019 that our unit violated Ordinance 19-18 (Bill 89).

In 1978, Waikiki Sunset was registered as condominium hotel under Hawaii Condominium Law, Chapter 514A/514B and it complied with all building specifications and legal requirement of a condominium, 38 floors high and with 435 units. The Developer filed and recorded a condominium project of said land and improvements to be known as "Waikiki Sunset" by that Declaration of Horizontal Property Regime of the Land Court as Document No. 910922 and recorded at the Bureau of Conveyances of State of Hawaii.

The Waikiki Sunset has 257 units, (60%) with NUCs and 178, (40%) units without NUC certificates. Nevertheless, the Waikiki Sunset has operated as a condominium-hotel for the past 30 years, since 1989, without creating any negative impact on public health, safety, morals or general welfare. The record shows Aston resort management has managed 373 units (86%) without encountering any negative environment assessment impact, traffic congestion, noise concerns, illegal parking, neighbors' complaints, or DPP violation notices in the Waikiki Special District. None of the DPP and the City's alleged "concerns" apply to the Waikiki Sunset condominium-hotel.

I would like to highlight the impact of Ordinance 19-18 has had on Waikiki Sunset condo owners:

- Sold prices of Condo units without NUC is now 40.7% (or \$204,000) less compared to NUC units;
- NUC owners ultimately will receive 2.25 times higher rental income compared to non-NUC owners. Rental income for non-NUC units is \$2,000 per month vs \$4,500 for NUC owners. This results in an approximate \$30,000 difference in annual rental income within the same building, same underlying zone thus creating inequity and owner discrimination. This is neither justifiable nor sustainable! NUCs within the same condo building should be banned since it does not create a level playing field.

- Table 21-9.6(A) should be amended to have 5 distinct Precincts in the Waikiki Special District; Apartment, Condominium, Condominium-Hotel, Resort Mixed Use and Public; with 4 distinct Use or Structure: Hotel, Transient Vacation Units, *Primary Residence* and *Second home Residence*, each with their appropriate property tax rates.
- Condominium owners should have the right to the “Declaration Regarding Condominium Use”, as per Form BFS-RP-P-71 which is not currently available to all unit owners; additionally, these units should be classified according to ROH Sec. 8-7.1 (c)(3)- Evaluation.

Any reasonable person would assume that if the Waikiki Sunset condominium is located in a residential zone, then short term rental should not be permitted, regardless of whether an owner has or does not have a NUC permit, since the payment of \$200 NUC fee annually does not eliminate alleged traffic congestion, noise concerns, illegal parking, negative environment assessment impact. The implication then is that if you pay a \$200 fee, then the zoning requirement is irrelevant. This is wrong!

- We believe that Ordinance 19-18 ignores the right of property ownership and owner’s vested rights of operating their condominium unit as short-term rentals or primary residence or second home residence, as permitted under Hawaii Condominium Law, Chapter 514B.
- Under these circumstances, LUO Sec. 21-2.100 “Existing uses”, Subsections (a), (b), para. #1 to para. #7, gives us the legal right to petition the DPP director to grant us the “existing use permit”. Sect. 21-2.100 (b) (2) reads, inter alia, that: “Existing uses and structures shall meet the applicable zoning requirements at the time the uses and structures were approved. They need not meet the current underlying district regulations, nor the minimum development standards of this chapter”.
- According to Hawaii Easement Law, we can prove “prescriptive easement. The use of the property over which the easement is claimed has been adverse, continuous, open and uninterrupted for the statutory prescriptive period of 20 years, as per HRS §669-1(b) (2013) and §657-31.5, as per Gold Coast Neighborhood Association v. State of Hawaii, Supreme Court, 25 August, 2017.
- Based on June 21, 2019, U.S. Supreme Court landmark ruling, Knick v. Township of Scott, we would argue that DPP Ordinance regarding NUC requirement for our condominium unit is in violation of the U.S. Constitution’s Fifth Amendment by overregulating its use. We allege that denying our application for a Short-term Rental is not legal and prevents us from making maximum use of our property.
- The City of Honolulu and DPP has failed, refused or neglected to provide any explanation for the inequity, unfairness and owner’s discrimination of NUC and non NUC permits within the same building in the same resort zone. In spite of what the Waikiki map shows, the reality is that the Waikiki Sunset condominium is located in a resort zone and it should be classified accordingly. We suggest that any proposed Bill 89 should reflect that reality while giving consideration of its condominium status. It should be treated as a Condominium and not as a hotel and/or an apartment.
- Unless the proposed Bill 89 draft is amended to allow Waikiki Sunset condominium owners to choose how they “use” their condominium unit, Residential or Short-term or Second Home residence we will seek guidance and direction from our legal team.

Diana Panizzon,
Unit Owner(s) of Waikiki Sunset Condominium

From: Guido Panizzon [mailto:panizzon@telus.net]
Sent: Monday, September 06, 2021 3:49 PM
To: info@honoluludpp.org
Cc: Takara, Gloria C; 'Guido Panizzon'
Subject: Written Testimony- by Guido Panizzon

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha Gloria,

I am submitting my "written testimony", with supporting documentation.

Could you please confirm receipt?

Mahalo,
Guido Panizzon,
Unit Owner(s) of Waikiki Sunset Condominium

Mr. Chair Brian Lee,
and Members of Planning Commission
650 South King Street, Honolulu, Hawaii 96813
Date: September 6, 2021

Purpose:

The purpose is to reinstate my “Short term rentals” permit in Waikiki Sunset condotel. **This study will show that Waikiki Sunset meets all of the “existing use” conditions stipulated under Sec 21-2.100 (b) item #1 to #7 above**; therefore, I should be allowed to continue its operation as STR (aka TVU) in existing condominium hotel structure. The “existing use” permit for one condo unit is not considered as “significant zone change”.

The second purpose is to provide **input to the public hearing scheduled for Sept 6, 2021** regarding the proposed Amendments to Bill 89 draft on NUCs and “Short Term Rentals” pursuant to Revised Charter of Honolulu §§ 4-105.4, 6-1503 and Revised Ordinance of the City and County of Honolulu (ROH) 21-1.30 and §§ 21-5.730. They are intended to regulate the operation of transient vacation units in certain zoning district, w. limitations.

Problem:

Ordinance 19-18 has placed **178 (or 41%) Waikiki Sunset condominium unit** owners in a very precarious position by having to move out of the Aston hotel rental program, resulting in drastic decrease in unit rental income and large loss in City tax revenue. I have been very patient with the DPP process in hoping to see a reasonable resolution, without any success, so I took the initiative to provide some practical alternatives.

My understanding is that in **order to “use”** my Waikiki Sunset condominium unit as short-term rental unit (aka Transient Vacation Unit), I need to meet at least four basic requirements listed under Honolulu LUOs, ROH and Property Evaluation ordinances:

- a. Underlying Zoning requirement as defined under Land Use Ordinance (LUO),
- b. Environmental Assessment (EA) study as defined under HRS Chapter 343,
- c. Real property classification- “Residential” or “Hotel & resort” or TVU use and
- d. Nonconforming use certificate (NUC) is requirements for Transient vacation unit.

Background:

1. In 1978, Waikiki Sunset was registered as Condominium hotel under HRS Chapter 514A and it complied with all building specifications and legal requirement of a condominium, 38 floors high and with 435 units. Each unit was designed with full kitchen, resulting in all units being equal in every practical aspect.
2. October 13, 1978- the Developer filed and recorded a condominium project of said land and improvements (called “Project”) and to be known as “Waikiki Sunset” by that Declaration of Horizontal Property Regime and By-Laws in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 910922 and recorded at Bureau of Conveyances of State of Hawaii in Liber 13310.

3. October 8, 2008, Philip Lahne, Board legal counsel, files a Second Restated Declaration of Horizontal Property Regime of Waikiki Sunset in said Office as Document No. 3133878, pursuant to Chapter 514A HRS and now subject to Chapter 514B Hawaii Revised Statute. See Exhibit #1- Declaration of Horizontal Property Regime of Waikiki Sunset (Oct 8, 2008).
4. July 13, 1988, this property (condo unit #2006) was acquired by Shigeo Minamoto, Dimple Hawaii Inc for a price of \$182,000. Since this unit met “nonconforming use certificate” criteria, he complied with NUC and he placed Aston hotel rental pool.
5. November 12, 1996, City and County of Honolulu sent letter to Mr. Shigeo Minamoto informing him that the NUCs for Units # **2006, 2601, 2410, 3108 and 3201** have expired. See **Exhibit #2-** City cancels 5-NUCs Certificates of Shigeo Minamoto, Waikiki Sunset.
6. July 25, 2007, this property (condo unit #2006) was acquired by Guido Panizzon and Diana Panizzon (husband and wife) for total price of \$250,000 and it remained in the Aston hotel rental pool. See Exhibit #3(a) Real Property Tax Assessment and Unit #2006 purchase price.
7. In July 25, 2007, we (Mr. and Ms. Panizzon) kept the unit in the Aston hotel rental pool assuming it met all “hotel resort” short term rental requirements. It was also a necessary condition to qualify for \$130,000 loan with First Hawaiian Bank (FHB).
8. The year that we purchased our unit #2006, there were about 373 units in Aston rental pool. Aston data shows: July-372; Aug-369; Sept-373; Oct-377; Nov-373; **Average= 373 units**. See Exhibit #3(b) – Calculation of Number of Units in Aston hotel rental pool.
9. The year of our purchase (July 2007), **there were about 373 units (86%)** in the Aston rental pool, including 12 units owned by Board of Directors of Waikiki Sunset. Only 5 (41%) units owned by Board members had NUCs =**712, 1502, 1602, 1804, 2814** and 7 units without NUCs were= **602, 714, 1014, 1103, 1704, 3213, 3707**. They all believed it was appropriate.
10. At the time of our purchase, all 4 units surrounding my unit had NUC **except my unit**. More specifically, Waikiki Sunset units #2106, 1906, 2004 and 2008 had NUC except mine.
11. I was unaware that a NUC was required in order to keep our condo unit in the Aston hotel rental pool, until the City and County of Honolulu issued Ordinance 19-18. In fact, it was Aston management that notified us that **only 257 /435 units (59%)** had a NUC license which prohibited “short term rental” (less than 30 days) by the agency.
12. It has been a mystery why the City and DPP decided to exclude Waikiki Sunset condotel from the list of non-conforming hotels and **exempt units** from NUC permits.
13. The inconsistency and injustice were exacerbated when **Waikiki Banyan** was given a short reprieve or “stay of order” from NUC requirement while Waikiki Sunset was denied, even though they are virtually co-located, in the same zoning district!
14. The inconsistency and unfairness were aggravated to even lower point when we learned that **Hilton Hawaii Beach**, one block away, in **same Apt Precinct zone district** was allowed to operate without any impunity or DPP violation notice.
15. It has become obviously clear to me, with 35-years of Professional Engineering that Hawaii LUO regulation and HRS laws and Waikiki Special District (WSD) maps are antiquated, erroneous, prejudicial and discriminatory to owner’s property rights.

A. Underlying Zoning requirement as defined by Land Use Ordinance (LUO).

Background: On April 1, 1976, Ordinance 4573 took effect, establishing the Waikiki Special Design District (WSD), which includes the property where the Waikiki Sunset is located. Waikiki Sunset is located in the “Apartment Precinct” zoning where transient accommodation (hotels) or short-term rental property were not prohibited. In other words, it is evident that “Condominium units” and “hotel-resort” accommodation are allowed “short-term rental” and “transient vacation units”.

Regarding the underlying zoning requirement, we are now quoting relevant sections.

a. Sec. 21-5.730- Bed and breakfast homes and transient vacation units.

*(a) “Bed and breakfast homes and transient vacation units are permitted in the A-1 low-density apartment zoning district and A-2 medium-density apartment zoning district **provided:***

- (1) They are within 3,500 feet of a **resort zoning district** of greater than 50 contiguous acres; and*
- (2) The resort district and the **A-1 or A-2 district**, as applicable, were rezoned pursuant to the same zone change application as part of a master-planned resort community.”*

Our analysis of above Item (a)(1) shows that the requirement to be within 3,500 feet proximity of the Resort Mixed Use district simply does not apply to Waikiki Sunset, as per **LUO Sec 21-5.730 (a) (1)** in zoning location.

Our analysis of above Item (a) (2) shows that there is no A-1 or A-2 district in Waikiki resort zone; therefore, this requirement does not apply to Waikiki Sunset. Note that Waikiki is not a master-planned resort community and does not have A-1 low-density apartment or A-2 medium density apartment districts.

b. Section 21-9.80-9 –Tables for Permitted Uses and Structures, development Standards and project classification. Refer to **Table 21-9.6(A)** for Permitted Uses and Structures for each precinct; we would like to report that Table 21-9.6(A) contains the following errors, deficiencies and/or inconsistencies:

- 1. This Table 21-9.6(A) does not distinguish** between “Apartment buildings”, “hotels” and “Condominium unit”. “Apartment building” means a multi-family dwelling that is situated on a single parcel, which parcel is not subdivided into condominium units. “Condominium unit” is a dwelling or lodging unit that is part of a condominium property regime established pursuant to HRS Chapter 514A and/or 514B, as per **Ordinance 17-13, Section 8-7.5, January 17, 2017**.
- 2. The above Table does not recognize** that Waikiki Sunset building was registered as a condominium on October 13, 1978 under Condominium Property Regime

(Condominium Property Act), pursuant to HRS Chapter 514A. See Exhibit #1- Declaration of Horizontal Property Regime of Waikiki Sunset (October 8, 2008).

3. **The above Table** does not recognize that Waikiki Sunset building was designed and built as ‘condominium’ by meeting all the underlying zoning requirements, in including building permits, construction permits and environmental assessment.
4. **The above Table** does not list all permitted uses of Condominium units which may be very different from the “uses” of regular Apartments; therefore, the “uses” listed under “Apartment Precinct” do not apply to Waikiki Sunset.
5. **The above Table** list of “Use or Structure” does not list two common uses of Waikiki Sunset condominium: (a) “Residential” and (b) “Lodging”; therefore, the uses listed under “Apartment Precinct” do not apply to Waikiki Sunset.
6. **Yet**, Real property tax class shows Waikiki Sunset as 100% “Residential”. How can it be classified as Residential **if it allows STR by NUC owners** or **if it does not** contain the permitted uses such as “short term rental” and/or “transient vacation unit”?
7. **This Table** does not list “hotel” as one of the listed uses of Waikiki Sunset condo, by providing ‘hotel’ uses for the first ten years (1979-1989) and then continued to offer “hotel use” to **373+ unit owners at 86% occupancy rate** from 1989 until 2019, (30+ years), essentially over the entire life of the building. We would postulate **that more than 257 NUC units out of 373 units had a NUC certificate in Dec. 1989.**
8. According to the Revised Ordinances of Honolulu Section 8-7.1(c)(3), a condominium unit can **remain classified based on the underlying zoning**. In other words, any Condominium unit located on a parcel zoned ‘Apartment’ should be allowed to petition change in use from ‘Residential’ to “Hotel & Resort” class as long as the owner is willing to pay higher ‘Hotel’ property tax rate.
9. Real Property Assessment Division has indicated that a condominium unit owner can still submit request or “petition to change use” of their condominium unit via a **Form BFS-RP-P-71: “Declaration Regarding Condominium Use”**.

c. LUO Section 21-2.100 “Existing uses” application reads:

- (a) *“The purpose of this section is to recognize the hardship imposed upon uses which were legally established, but which now fall under the procedures and standards of the following permits: cluster housing, country cluster, agricultural cluster and conditional use. **Subject to the director’s approval, the existing use procedure is an option to nonconforming status for qualifying uses**”.*
- (b) “Existing use approval is subject to the following”:
 - (1) *“The existing uses and associated structures do not substantially limit, impair or preclude the use of surrounding properties for the principal uses permitted in the underlying district. This assessment may include impacts on traffic flow and control, off-street parking and loading, sewerage, drainage and flooding, refuse and service areas, utilities, screening and buffering, signs, yards and other open spaces, lot dimensions, height, bulk and location of structures, hours and manner of operation, noise, lights, dust, odor and fumes”.*

- (2) *"Existing uses and structures shall meet the applicable zoning requirements at the time the uses and structures were approved. They need not meet the current underlying district regulations, nor the minimum development standards of this chapter; however, existing uses that involve dwelling units, other than those associated with a plantation community subdivision, must conform to the requirements relating to minimum 21-15 (Honolulu Supp. No. 20, 1-2012) 21-2.100 REVISED ORDINANCES OF HONOLULU land area and maximum number of units specified in Section 21-8.50-2 for cluster housing, in Section 21-3.60-2 for country clusters, and in Section 21-3.50-2 for agricultural clusters, whichever is applicable."*
- (3) **"When granting existing use approval, the director may impose conditions consistent with the purposes of this section and the permit which would otherwise be required"**.
- (4) *"Developments existing on the site shall be considered as an approved plan after review by the director"*.
- (5) *"Minor alterations, additions or modifications may be approved by the director, provided the proposal is consistent with the intent of the respective permit otherwise required by this chapter, and does not create adverse land use impacts upon the surrounding neighborhood. Major alterations, additions or modifications shall be processed under the applicable permit"*.
- (6) *"Any previous variance, conditional use permit or similar actions granted for the particular use shall continue in effect until superseded"*.
- (7) *"An existing use application shall be processed in accordance with **Sec. 21-2.40-1**. (Added by Ord. 99-12; Am. Ord. 10-19)"*.

We believe that Waikiki Sunset meets all of the "existing use" conditions stipulated under Sec 21-2.100 (b) item #1 to #7 above; therefore, it should be approved to continue its operation as condotel. We are adding the following information to prove that it meets all of these conditions.

1. Pursuant to subsection (b)(1), Waikiki Sunset condominium has been in use for past 41 years (since 1979) without substantially limiting, impairing or precluding the use of surrounding properties for the principal uses permitted.
2. Waikiki Sunset has met all applicable zoning requirements at the time the uses and structures were approved in October 13, 1978.
3. Pursuant to subsection (b)(2), Waikiki Sunset does not need to meet the current underlying district regulations, nor the minimum development standards of this chapter.
4. Pursuant to subsection (b)(2), Waikiki Sunset meets existing uses that involve dwelling units, and it conforms to the requirements relating to minimum 21-15 (Honolulu Supp. No. 20, 1-2012) and **21-2.100 ROH** land area and maximum number of units specified in **Section 21-8.50-2** for cluster housing.
5. Pursuant to subsection (b)(5), Waikiki Sunset does not plan to undertake any alterations, additions or modifications which needs the director's approval.
6. Pursuant to subsection (b)(7), "An existing use application shall be processed in accordance with **Sec. 21-2.40-1**, including (iii) Existing use permit.

7. **Sect 21-2.40-1 - Minor permits, subsection (a)** states “the minor permit category consists of the following permits and approval:
 - i. Zoning adjustment
 - ii. Waiver,
 - iii. **Existing use permit**
 - iv. Conditional use permit (minor) and
 - v. Special district permit (minor).
8. **Sect 21-2.40-1 - Minor permits, subsection (c)** Application and Processing, states that “*An applicant seeking a minor permit shall submit the appropriate application to the director for processing. If the director determines that a public hearing is not necessary, within 45 days of the director’s acceptance of the completed application, the director shall either (a) approve the application as submitted or make modifications or deny the application and provide the applicant with a written explanation for the denial”.*
9. Please note that **Table 21-3 Master Use Table** does not apply to this building, as stated in the footnote which states: **Table 21-3 is not intended** to cover the **Waikiki Special District** and the reader should refer to Table 21-9.6(A).
10. **Table 21-9.6(A)** under Waikiki Special District Precinct, Permitted Uses and Structures, under “Use or Structure” does not contain Condominium units and “transient vacation units” column is left blank instead of **classifying as P/c** meaning “Permitted uses subject to standards in Article 5”.
11. Waikiki Sunset condotel has been operating successfully, with 435 unit owners, without any complaints or concerns from neighbors for the past 40+ years.
 - d. **The fact that** Waikiki Sunset has operated successfully for the past 40 years without any complaints from “Waikiki Neighborhood Board No 9” or any violation notices from DPP is **considered sufficient proof** that it meets all environmental assessment (EA) and community compatibility regulations.
 - e. The City and County of Honolulu and **DPP has allowed 257 (59%) unit owners** with NUCs of Waikiki Sunset to “**use**” their unit as “**short term rental**” inside the Aston hotel rental pool program, from September 1989 until (March 2021); therefore, proving the absence of any negative environmental impact.
 - f. The DPP department has allowed **178 (41%) unit owners without NUCs** of Waikiki Sunset to use their unit inside the Aston hotel rental pool program, from September 1990 until (March 2021); therefore **proving the absence** of any environmental impact on the community or on its neighborhood.
 - g. The DPP department has not issued any NUC violation notice to the 178 (41%) of non-NUC unit owners over the past 30 years (from Sept 1989 to Aug 2019). See Exhibit #4 – Aston hotel Owner Service Manager provides confirmation.

Sec. 24-2.4 Existing zoning and subdivision ordinances, approvals and applications.

(a) All existing subdivisions and zoning approved prior to June 21, 2004* for projects, including but not limited to those subject to unilateral agreements, shall continue to remain in effect following the enactment of this ordinance.

(b) Subdivision and zoning ordinances applicable to the Primary Urban Center (PUC) development plan area enacted prior to June 21, 2004* shall continue to regulate the use of land within the demarcated zones of the Primary Urban Center development plan area until such time as the subdivision and zoning ordinances may be amended to be consistent with the revised Primary Urban Center development plan.

The Declaration filed with the City and County of Honolulu shows that when Waikiki Sunset condominium was planned, designed, constructed and inspected in 1978-1979, it met all building specification and underlying zoning requirements. Therefore, any zoning ordinance enacted after June 21, 2004, shall **not apply to Waikiki Sunset**.

Sec. 24-2.7 Zoning change applications.

(a) *All zone changes applications relating to land in the **Primary Urban Center (PUC)** development plan area will be reviewed by the department of planning and permitting for consistency with the general plan, the Primary Urban Center development plan, and any applicable special area plan provisions.*

(b) *For projects which involve a **significant zone change**, an environmental assessment shall be submitted to the department of planning and permitting. Any development or phase of a development which has already been assessed under the National Environmental Policy Act, HRS Chapter 343, ROH Chapter 25 or the provisions of this article, and for which a FONSI has been filed or a required EIS has been accepted, shall **not be subject to further EA or EIS requirements under this chapter**.*

(c) *The environmental assessment will be reviewed by the department of planning and permitting. Based on review of the environmental assessment, **the director will** determine whether an environmental impact statement will be required or whether a FONSI should be issued.*

Consequently, it is clear that under “existing use” permit for one condominium unit is not considered as “significant zone change” application; therefore, this section does not apply to my request for new NUC or for “existing use” permit. Furthermore, **subject action** will not have a significant effect and, therefore, will not require the preparation of an environmental impact statement (EIS), as explained above.

B. Environmental Assessment (EA) study as defined under HRS Chapter 343.

Article 2. Primary Urban Center;

Sec. 24-2.1 Definitions;

“Environmental assessment” and “EA” mean a written evaluation prepared in compliance with the environmental quality commission’s procedural rules and regulations implementing HRS Chapter 343 to determine whether an action may have a significant environmental effect. In essence, “Environmental assessment” means a written evaluation to determine whether an action may have a significant effect.

***Action:** means any program or project to be initiated by any agency or applicant. See Hawaii Revised Statutes 343-2*

***Applicant:** means any person who, pursuant to statute, ordinance, or rule, officially requests approval for a proposed action. See Hawaii Revised Statutes 343-2*

***Discretionary consent** means a consent, sanction, or recommendation from an agency for which judgment and free will may be exercised by the issuing agency, as distinguished from a ministerial consent.*

***Significant effect:** means the sum of effects on the quality of the environment, including actions that irrevocably commit a natural resource, curtail the range of beneficial uses of the environment, are contrary to the State's environmental policies or long-term environmental goals as established by law, or adversely affect the economic welfare, social welfare, or cultural practices of the community and State. See Hawaii Revised Statutes 343-2.*

*“**Finding of no significant impact**” and “**FONSI**” mean a determination based on an environmental assessment that the subject action will not have a significant effect and, therefore, will not require the preparation of an “environmental impact statement”.*

Environmental impact statement” and “EIS” mean an informational document prepared in compliance with the environmental quality commission’s procedural rules and regulations implementing HRS Chapter 343, and which discloses the environmental effects of a proposed action, effects of a proposed action on the economic and social welfare of the community and state, effects of the economic activities arising out of the proposed action, measures proposed to minimize adverse effects, and alternatives to the action and their environmental effects.

No Need for “Environmental Assessment” (EA)

DPP claims that we need an **Environmental Assessment report** because the changes of land use ordinance requested involves “**significant zone change**” as defined below.

Sec. 24-2.1 Definitions- “**Significant zone change**” means a zone change which involves at least one of the following:

- (1) Any change in zoning of 10 or more acres to a low-density residential district from a less-intensive zoning district;*
- (2) Any change in zoning of two or more acres to a medium- or high-density residential (multifamily or apartment) district from a less-intensive zoning district;*
- (3) Any change in zoning of five or more acres to a resort, commercial, industrial or mixed use zoning district from a less-intensive zoning district; or*
- (4) Any development which would have a major social, environmental, or policy impact, or major cumulative impacts due to a series of applications in the same area.”*

In my opinion as Professional engineer, Article 2, Sec 24-2.1 (4) does not apply to a single unit owner because under my “**existing use**” permit, I am asking permission to add **only one condominium unit** to the **existing 257 units with NUC certificates**.

Using simple arithmetic, this would add 1 unit/257 units= 0.4% to current capacity. In statistical studies, with standard deviation of +/- 2%, this change is not measurable.

This request of “existing use permit” is single application for single condominium unit **and not a series of applications**; consequently, it does not fall into the category of “significant zone change”.

Thus, it is obvious that this primary action does not require any “zone change” to the existing Waikiki Sunset condominium which is located in “Waikiki Special District”.

Section 21-9.13 map called “Waikiki Special District- Zoning Precinct” shows that the said property (Waikiki Sunset condo) is located in the “Apartment Precinct” which includes Hilton Waikiki Beach hotel and Aston Waikiki Sunset hotel for past 40 years. See Exhibit #5 – Map of “Waikiki Special District- Zoning Precinct” (Exhibit 21-91.13).

Conclusion: Our engineering analysis of **adding one unit** of “short term rentals” to the **existing list of 257 NUC units** at the Waikiki Sunset will have no significant effect on the quality of the environment; therefore, **no environmental assessment is required**. The proposed action of adding another NUC unit does not have a significant effect.

No Need for “Zone Change”

ROH Section 24-2.7(b) – Zoning change applications reads “*For projects which involve a significant zone change, an environmental assessment (EA) shall be submitted to the department of planning and permitting (DPP). Any development or phase of a development which has already been assessed under the National Environmental Policy Act, HRS Chapter 343, ROH 25 or the provisions of this article, and for which a FONSI has been filed or a required EIS has been accepted, **shall not be subject to further EA or EIS requirements under this chapter**”.*

Firstly: The 1978 original filing of development permit and the building permit with the DPP would have contained the “environmental assessment” report. DPP would have reviewed and accepted the findings of this project environmental assessment impact prior to approving the construction of the Waikiki Sunset condominium in October 1978; **therefore, there is no need for another EA** because the Hawaii Environmental Policy Act (HEPA) states that “*there is no official “shelf life” for an ‘Environmental Assessment (EA) or an Environmental Impact Statement (EIS), pursuant to HAR 11-200-26”*”. The **original Environmental Assessment** of Waikiki Sunset condominium should suffice for this “existing use” permit application.

Secondly, we have established that this “primary action” (“**existing use**” permit) does **not constitute** a significant zone change; therefore, another EA study is not warranted, pursuant to **Article 2, Section 24-2.1** of the Revised Ordinance of Honolulu (ROH).

Thirdly, our application for “existing use permit” does not require any “zone change”.

The building permits shows that Waikiki Sunset condominium has been operating as a “hotel” for 10 years (September 1979 until November 1989) and then it operated under “Aston Waikiki Sunset” for about 30 years (November 1989 until August 2019) **with circa 373+ units under the Aston hotel rental pool program**, including 257 NUC units and 114 non- NUC condominium units. The peaceful “use” of 114 non-NUC units for 30 years is **proof of established code of conduct and legal precedence**.

See Exhibit #6- Building permits (5) issued to trades from 1978 to 1996 period.

Fourthly, we are asking for continuation of “short term rental use” which our previous owner (1989 to 2007) and ourselves (2007-2019) have enjoyed for the past 30 years under the Aston hotel rental program, as per **Section 21-2.100 “Existing uses”**. We are asking for continued “existing use” available under current underlying zoning law.

I am claiming that my “primary action” will have virtually **no environmental impact**. The “**Finding of no significant impact**” “**FONSI**” mean that the subject action will not have a significant effect and, therefore, will not require the preparation of an environmental impact statement, **as per chapter 343-5 Application and requirements**.

Chapter 343-5(a)(5), HRS requirement for Environmental Assessment (EA);

According to **Chapter 343-5(a)(5), HRS, Application and requirements** (a) *Except as otherwise provided, an environmental assessment shall be required for actions that:*

(1) Propose the use of state or county lands or the use of state or county funds, other than funds to be used for feasibility or planning studies for possible future programs or projects that the agency has not approved, adopted, or funded, or funds to be used for the acquisition of unimproved real property; provided that the agency shall consider environmental factors and available alternatives in its feasibility or planning studies; provided further that an environmental assessment for proposed uses under section 205-2(d)(11) or 205-4.5(a)(13) shall only be required pursuant to section 205-5(b);

(2) Propose any use within any land classified as a conservation district by the state land use commission under chapter 205;

(3) Propose any use within a shoreline area as defined in section 205A-41;

(4) Propose any use within any historic site as designated in the National Register or Hawaii Register, as provided for in the Historic Preservation Act of 1966, Public Law 89-665, or chapter 6E;

(5) Propose any use within the Waikiki area of Oahu, the boundaries of which are delineated in the land use ordinance as amended, establishing the "Waikiki Special District";

(6) Propose any amendments to existing county general plans where the amendment would result in designations other than agriculture, conservation, or preservation, except actions proposing any new county general plan or amendments to any existing county general plan initiated by a county;

(7) Propose any reclassification of any land classified as a conservation district by the state land use commission under chapter 205;

(8) Propose the construction of new or the expansion or modification of existing helicopter facilities within the State, that by way of their activities, may affect:

Regarding para (a) (5) above, we concur that this Waikiki Sunset condominium lies within the “Waikiki Special District” boundary designated as “**Apt Precinct**”;

however, we are not asking for a change in the boundaries; nor for a change in the underlying zoning; nor for any change in the land classification; and most significantly not for Apartment zoning since **Waikiki Sunset is a “condominium”**. We are asking for “**existing use permit**” allowed under **Section 21-2.100 “Existing uses”**.

See Exhibit #5- Map of Waikiki Special District Zoning Precinct (Exhibit 21-9.13).

Currently Waikiki Sunset condotel resides on **parcel of land with 49,966 square feet**, out of which $(49,966/435) = 115$ sq feet prorated area belongs to our condominium unit. We are merely asking for continuation of “existing use” permit allowable under current **Sect 21-2.100 ordinance**, same ownership’s right granted to the other 257 NUC owners.

It is a fact that this property (Waikiki Sunset condo unit #2006) is located within the Waikiki special district; however, I am not proposing any new “use” of this property. I am requesting the right to continue “using” this property, as for past 30 years which is the same property ownership right granted to the other 267 NUC unit owners; thus there is no need for another Environmental Assessment (EA) study.

In conclusion, I believe that the uninterrupted, peaceful operation of our condo unit for past 30 years and the absence of non-NUC violation notice is sufficient proof that our condominium unit did not cause or create any of the following:

1. Adverse environmental effects of the proposed action; *In fact* short term rental,
2. Effects of a proposed action on the economic and social welfare of the community and state; *In fact, economic impact to Honolulu has been positive.*
3. Effects of economic activities arising out of the proposed action; *In fact, keeping our unit in the Aston rental pool has produced positive effect for the state,*
4. Measures proposed to minimize adverse effect. *In fact, there were none, and*
5. Alternatives to the action and their environmental effects. *In fact, Waikiki Sunset hotel operation has provided additional parking, and increased protection with security guard and increased service with its 24 hours front desk service.*

We have shown mathematically that that adding one unit to the list of 257 NUC units would result in the “**Finding of no significant impact**” (FONSI) and the subject action will not have a significant effect and, therefore, it will not require an environmental assessment (EA) report nor the preparation of an environmental impact statement.

Section 343-5.5 Establishes an Exception to applicability of Chapter 343-5(a)(5).

It read that “(a) notwithstanding any other laws to the contrary, for any primary action that requires a permit or approval that is not subject to a discretionary consent, the applicant for the primary action shall submit documentation from the appropriate agency (DPP) confirming that no further discretionary approvals are required”.

Regarding Waikiki Sunset unit owner #2006, DPP director has the authority to issue a permit because my “primary action” does not require discretionary approval from an agency for which judgment and free will may be exercised by them, as **per HRS 343-2**. Further, the proposed action will most likely and most probably have no effect or any “significant effect” on the environment and community; **as defined in §343-2**.

C. Proper real property classification- “Residential” or “Hotel & resort”

City Ordinance 17-13 (Bill 8 (2017) under **Sec 8-7.5** has defined the following terms:

- a) “Apartment building” means a multi-family dwelling that is situated on a single parcel, which parcel is not subdivided into condominium units; whereas
- b) “Condominium unit” is a dwelling or lodging unit that is part of a condominium property regime established pursuant to HRS Chapter 514A and/or 514B.

During my **Appeal of 2021 Property tax assessment**, I learned the following fact.

According to Mr. Derrick Theros, Honolulu Real Property Appraiser, *“As the owner of record for the property, it is your right to utilize your property in a manner which suits your needs, whether it is to live in, rent out on a long-term or short-term basis, or to leave vacant. That choice will be your own. The City’s interest is only to appropriately tax such a property. In reviewing the property records, your property is currently classified as Residential. If you decide to rent it out on a short-term basis (less than 30 days at a time), you may do so, if it is allowed by your association and the City will want to be informed of such a use, **including the start date** of any short-term rental in order to correctly classify the property”,* as per attached email. **See Exhibit #7- Reclassification of Property- Panizzon by D. Theros; January 20, 2021.**

According to the Revised Ordinances of Honolulu Section 8-7.1(c)(3), a unit without NUC papers can still remain classified based on the underlying zoning. In **other words**, a Waikiki condo on a parcel zoned ‘Apartment’ without NUC may petition **a change in use** from ‘**Residential**’ to “**Hotel & Resort**” **classification** as long as the owner is willing to **pay higher** ‘Hotel & Resort’ property tax rate, as per email from Mr. Derrick Theros, Real Property Appraiser, City & County of Honolulu.

Ordinance Sec 8-7.1 (c)(2) states that “In assigning real property to one of the general classes, the **director shall give major consideration** to the districting established by the city in its general plan and zoning ordinance and such other factors which influence highest and best use. In other words, it is clear that the **Director gives high priority** to “The tax classification that you fall in is determined by the “*highest and best use*” of your property”.

We like to invoke DPP director’s **principle of “highest and best use” rule**, provided it does not violate any zoning ordinance which in our case, we have shown it does not. For further detail information and complete explanation, the Reader is referred to the preceding “**Section A**” of this engineering report.

This rule is consistent with Sec 8-7.1 (c) (3) which states “When real property is subdivided into condominium units, each unit and its appertaining common interest:

(A) Shall be deemed a parcel and assessed separately from other units; and

(B) Shall be classified as follows: **(ii) If the unit has multiple**, legally permitted uses; it shall be classified: **(aa)** Upon consideration of the **unit's highest and best use** into one of the general classes in the **same manner as real property**. In my case, the general property class with “highest and best use” is “Hotel and resort” property tax rate.

Remember that Ordinance 17-13 enacted in 2017, took away the actual use “*loophole*” bringing back the **highest and best use rule for condominium units**. The previous tax ordinances allowed condominium units to be classified based on actual use, not highest and best use. Thus, people who live in condominium units were allowed the residential rate if they said they were actually living in them, even though the underlying zoning allowed “hotel use” to 435 units of Waikiki Sunset unit owners.

According to the Revised Ordinances of Honolulu Section 8-7.1(c)(3), a condominium unit can remain classified based on the underlying zoning of Waikiki Special District. In other words, a Waikiki condo on a parcel zoned ‘Apartment Precinct’ may petition change in use from ‘Residential’ to “Hotel & Resort” classification as long as the owner is willing to pay higher ‘Hotel’ property tax rate.

If and only if, DPP director does not allow me to apply for a **NUC permit** then, pursuant to **Article 7- Valuations, Sec 8-7.1 (c)(3)**, I would like to request or petition to change use via form “Declaration Regarding Condominium Use”, as per **Form BFS-RP-P-71**, Footnote: Notice that this is one-time declaration until use changes. Owners much notify this DPP office should use change. See Exhibit #8 -Form BFS-RP-P-71; “Declaration Regarding Condominium Use”.

According to Chapter 130, Classification of Condominiums, September 29, 2007, “it clarifies the provisions of **Section 8-7.1 (c)(3) (A)** relating to the classification of condominium units upon consideration of the unit’s actual use and the effect on classification of the condominium unit which is used by occupants in a manner similar to the short-term use by transient hotel guests or which qualifies for a home exemption”.

Section 130-3 Classification of condominium (1) states that “*The determination of “actual use” as mandated by ROH Section 8-7.1 (c)(3)(A), as amended, shall require consideration of the unit’s actual use during the Assessment Year. (2) If during the Assessment Year the unit is determined to have more than one actual use occurring concurrently or at different times, the classification determination shall be based on consideration of the highest and best use of the unit from among the actual use occurring*”.

(a) *However, when a unit is used in a manner similar to short-term use by transient hotel guests, the classification shall be determined as follows:*

(i) *Except as provided in ROH Section 8-7.1(h), **when a condominium unit is used at any time during the Assessment Year as a transient vacation unit, the unit shall be classified as “Hotel and resort” as set forth in ROH Section 8-7.1(c)(1)(B) for the following tax year, regardless of whether the unit is in residential use during the Assessment Year***”.

City Ordinance 17-13 (Bill 8 (2017) **under Sec 8-7.5** has defined the following terms:

- a) “Apartment building” means a multi-family dwelling that is situated on a single parcel, which parcel is not subdivided into condominium units; whereas
- b) “Condominium unit” is a dwelling or lodging unit that is part of a condominium property regime established pursuant to HRS Chapter 514A and/or 514B.

Consequently, based on above definition, I am the owner(s) of condominium unit.

As stated under **“Background”**, I purchased the said property- condominium unit #2006 in July 25, 2007 during which time it was in the **Aston hotel rental program** and I kept it within the program because I needed the **extra income to pay for the bank loan** and AOA monthly maintenance fees. Since the said property was already in the rental program, we naturally assumed that it met all requirements of the hotel resort rental pool.

Significant here is that the question of **NUC requirement was never disclosed** by the Realtor nor by Aston hotel rental agency. Consequently, our condo unit, along with the other 178 non-NUC units (41%) have remained in Aston rental pool for past 12 years (from July 25, 2007 until August 1, 2019). **I have no personal knowledge** of how Aston management controls the renting of my unit, whether it was short term or long-term rentals or whether it was based on availability of units and the seasonal occupancy rates.

If and only if, DPP director does not allow me to apply for a NUC permit, can we invoke the DPP director’s principle of “highest and best use” rule since we met all of the required zoning requirement under WSD, after they appropriate correction is applied?

As stated above, **Ordinance 17-13, enacted in 2017**, took away the actual use *“loophole,”* bringing back the **highest and best use rule for condominium units**. The previous tax ordinances allowed condominium units to be classified based on actual use, not highest and best use. Thus, people who live in condominium units were allowed the residential rate if they said they were actually living in them, even though the underlying zoning allowed hotel use to circa 257 (59%) of unit owners.

D. Non-conforming use (NUC) is requirements for Transient vacation unit (TVU).

Sec. 21-4.110-1 Nonconforming use certificates for transient vacation units (TVU).

- a) *The purpose of this section is to permit certain transient vacation units that have **been in operation since prior to October 22, 1986, to continue to operate as nonconforming uses** subject to obtaining a **nonconforming use certificate (NUC)** as provided by this section. This section applies to any owner, operator, or proprietor of a transient vacation unit who holds a valid nonconforming use certificate issued pursuant to this section on August 1, 2019 which is the date of revised ordinance*. (Note: The **original effective date** of this ordinance was **November 30, 1989**).*
- b) *The owner, operator, or proprietor of any transient vacation unit who has obtained a nonconforming use certificate (NUC) under this section shall apply to renew the nonconforming use certificate in accordance with the following schedule:*
- (1) between September 1, 2000 and October 15, 2000; then*
 - (2) between September 1 and October 15 of every even-numbered year thereafter.*

In summary, each unit application to renew shall include proof that:

- (i) there were in effect a State of Hawaii **general excise tax (GET)** license and **transient accommodations tax (TAT)** license for the nonconforming use during each calendar year covered by the nonconforming use certificate being renewed and that there were transient occupancies (occupancies of less than 30 days apiece) for a total of at least 35 days during each such year and that*
 - (ii) there has been no period of 12 consecutive months during the period covered by the nonconforming use certificate being renewed without a transient occupancy. **Failure to meet these conditions** will result in the denial of the application for renewal of the nonconforming use certificate.*
 - (iii) The requirement for the 35 days of transient occupancies shall be **effective on January 1, 1995** and shall apply to renewal applications submitted on or after January 1, 1996.*
- (c) The owner, operator, or proprietor of any transient vacation unit who has obtained a nonconforming use certificate under this section shall display the certificate issued for the current year in a conspicuous place on the premises. In the event that a single address is associated with numerous nonconforming use certificates, a listing of all units at that address holding current certificates may be displayed in a conspicuous common area instead.*
- (d) The provisions of Section 21-5.730(c) shall apply to advertisements for transient vacation units operating under a nonconforming use certificate pursuant to this section. (Added by Ord. 99-12; Am. Ord. 19-18).*

A. General overview of Ordinance 19-18:

*The purpose of Ordinance 19-18 is to “balance competing views associated with short-term rentals” by **updating the outdated and antiquated LUO. Ordinance 19-18 was intended to address concerns** regarding, inter alia, escalating real property values, increased noise, illegal parking and increased traffic. None of these alleged “concerns” apply to the Waikiki Sunset condominium. **Where is the evidence?***

The irrefutable evidence is that during the past 30 years (1989 to 2019), there has been no complaints from any neighbors and no violation notices from the City and DPP regarding any of these “concerns”. Furthermore, there has been no complaints filed by the Waikiki Neighborhood Board No 9 from the neighbors or residences regarding the small additional numbers of non-NUC unit owners about 178 units (178/435= 41%) at the Waikiki Sunset during the past 40 years (1979 -2019). **That is sufficient proof.**

As a matter of fact, Ordinance 19-18 has and will continue to have the **opposite effect on the economy of Honolulu**. The **practical effect has led to financial crises**, in terms of loss of property (real estate turnovers), loss of jobs, decrease in property values (which will reduce real property taxes), business closures (which reduces business tax), loss of tourists & guests and multiple lawsuits expected in the foreseeable future.

Pursuant to Sec 21-9.20 Special Districts. *“The purpose of a special district is to provide a means by which certain areas in the **community in need of restoration**, preservation, redevelopment or rejuvenation may be designated as special districts to guide development to protect and/or enhance the physical and visual aspects of an area for the benefit of the community as a whole”. (Added by Ord 99-12). Ordinance 19-18 is creating a situation which is contrary to this purpose.*

Section 21-9.8-1 (f) Waikiki special district – Objectives which states following:

*“The objectives of the **Waikiki Special District** are to:*

*(f) Provide for the ability to renovate and redevelop existing structures which otherwise might experience deterioration. Waikiki is a mature, concentrated urban area with a large number of nonconforming uses and structures. **The zoning requirement** of this special district **should not, therefore, function as barriers to desirable restoration** and redevelopment lest the physical decline of structures in Waikiki jeopardize the desire to have a healthy, vibrant, attractive and well-designed visitor destination”. City’s Ordinance 19-18 is also **contrary and inconsistent** to these stated objectives of Waikiki Special District (WSD).*

After 40 years of service, Waikiki Sunset is in the desperate need to renovate and rebuild its infrastructure including its new plumbing DWV (Drain, waist and venting), replace electrical system, Fire Head sprinkler system, new Air conditioning (A/C) system and renovation of Aston hotel lobby system, which will require multi-million capital investment from all Waikiki Sunset owners. The **Waikiki Sunset 2021 Capital budget** has identified that these “emergency renovation” projects will **cost about \$40 Million**, in addition to existing **\$10 million capital reserve**. The significance to the City of these **large expenditure projects** by Waikiki Sunset unit owners is three-fold:

- a) City should support these projects/initiatives since they are consistent with their objective to keep this building attractive for new visitors to Hawaii beach, and
- b) The support of 100% of unit owners (435 owners) is **mandatory** in order to keep the cost per owner at manageable level by having all owners share the cost equally. The sharing of the total cost by 435 owners is **not possible** if only 257 NUC owners would benefit from these projects, especially from Aston hotel lobby renovation.
- c) The Board of directors of Waikiki Sunset will need 68% majority vote from its Association members (owners) in order to obtain bank loan and the financial approval of all these projects; however, since only 59% of unit owners have NUC certificate, the **Board will not be able to get the required owners’ approval**.

Pursuant to PUC Dev. Plan, Section 3.4.1.2 Visitor Industry: states “*The visitor industry is expected to continue to be the primary income generator through the year 2025. Directly or indirectly, the visitor industry influences the lives of nearly all Oahu residents. Policies affecting the industry must take into consideration the needs of residents as well as the quality of the visitor’s experience”.*

Furthermore, this section states that the “Issues currently affecting the industry and facilities in the PUC include: The need to upgrade Waikiki. Waikiki is competing in the global marketplace and, as a mature destination, needs to be refurbished and improved.”

PUC Dev. Plan Sec 3.4.1.2- Under Existing zoning allows hotel uses in the following part of the PUC (Primary Urban Center Development Plan), May 4, 2004 by DPP and Mayor:

- *The Resort Mixed Use Precinct of the Waikiki Special District- generally, the **makai** portions of the District. In addition, the **mauka** portions of the District have numerous older hotel and resort condominium units in use as visitor accommodations.*

This PUC development plan appears to recognize the need to refurbish and improve **older hotel** and **resort condominium units in use** like the **Waikiki Sunset condotel**. Based on this policy statement, DPP director should approve my “existing use permit”.

B. Ordinance 19-18- Analysis from Owner Perspective

The significant loss of rental income from 178 (41%) of unit owners of the Waikiki Sunset condominium has already been measured and realized over past 2 years. The sale of units without NUC certificate is about **\$200,000 less** compared to **NUC units**; furthermore, the monthly rental income is **\$2,000 per month vs \$4,500 per month** for those owners with NUC certificate. **As we will show later**, this results in a reduction of **capitalization rate (cap rate) from 3.2% to 1.45%** which translates into **reduction of capital investment returns**. Is this economic disparity justifiable within same building?

I would like to identify a number of shortcomings, inequality and discriminations with the Section 21-4.110-1 and City Ordinance 19-18 as they relate to our condo unit #2006 of the Waikiki Sunset condominium. I will now explain in more detail the **reasons why this antiquated ordinance should be amended to reflect reality.**

1. As Waikiki Sunset condominium unit owner, I maintain the following position:
 - a. The 30 years of open and obvious operation as condotel without any interruption or objection from the City or DPP departments, as per Hawaii **Prescriptive easement rights**, HRS § 669-1 (2013)- Object of action law.
 - b. Public recognition of the project as a “condotel” for past 40 years and,
 - c. Reliance by renters, guests and ourselves on the **continued use** of the condo unit as “short-term vacation rentals” for the past 30 years. We normally live there for 3 months and we place it in Aston hotel rental pool for 9 months.
 - d. **Aston hotel rental program** has been renting our unit for past 31 years, first while it was owned by my predecessor, Mr. Shigeo Minamoto, then by myself without the opportunity to obtain the nonconforming use certificate (NUC).
 - e. (July 1, 1988 until July 25, 2007) and subsequently by myself (July 2007 until August 2019) for a total of 31 consecutive years, without any complaints or violation notice and without any negative environmental assessment impact.

Record shows that “Short-term rentals” were offered at the Waikiki Sunset condotel since 1979, while short-term rentals were not regulated in the Apartment Precinct until 1986, Ordinance 19-18 should not apply to the Waikiki Sunset condominium. We (Mr. and Ms. Panizzon) should be allowed to maintain its status quo, ie., the current owners of unit #2006 should be permitted to **“continue to use”** their unit as “short-term rentals”, regardless of whether the unit owner has a “non-conforming use certificate” (NUC), in compliance with **Section 21-2.100 “Existing uses” permit**.

C. **Regarding Sec. 21-4.110-1** Nonconforming use certificates for transient vacation units, there are a number of contradictions which I would like to underscore, such as:

1. Sec 21-4.110-1 (b) **Each application for NUC shall include proof of following:**

- (1) There were GET license and TAT license during the calendar year-
- (2) There were transient occupancies for a total of at least 35 days/year
- (3) There has been no period of 12 months without transient occupancy
- (4) Requirement for 35 days of transient occupancies is effective Jan. 1995.

However,

I would like to accentuate the following **inequities and prejudices** in these criteria:

- i) There is no maximum number of units which could request for NUCs. As of today, there are only 257-unit owners (~60%) which have NUC license but this number could easily be as high as 300 (70%) or even higher 400 (92%).
 - ii) There is no environmental assessment (EA) that justifies the maximum number of NUC unit owners to 257 (59%) as “short term rentals”. In fact, Aston hotel rental program has been operating with 373 (85%) capacity for the past 30 years, without any complaints or negative environmental impact.
 - ii) This is inconsistent with property evaluation rule which classifies property on the basis of “the highest and best use of condominium units”. There is no adjustment to the Real property tax assessment in view of NUC units having the benefits of charging higher daily rates and earning higher rental income.
 - iii) This unit NUC fees contradicts the Real Property Assessment classification which states that “short-term rentals” should be classified as “hotel-resort” at higher 1.39% tax rate rather than the lower 0.35% “Residential” rate. Eg. Assuming \$500,000 assessment, tax difference would be 1.04% = \$5,200/yr.
 - iv) There is no reason for restricting the NUC to the original unit owners (pre-1990). One could reasonably argue that this practice is **preferential and discriminatory to new owners** (post-1990). All 435-unit owners should be given a choice to have a NUC, especially during a change of ownership.
 - v) New unit owners may want to “use” this property as “short term rentals” for “primary residence”, “second home vacation” or business. Eg. We use it for personal use for 3 months and Aston hotel rental pool for 9 months per year.
2. Why is the NUC criteria limited to transient vacation units prior to December 1989 and not to all unit owners who acquired their condo property thereafter? One could argue that this criterion is arbitrary, capricious, unreasonable and discriminatory.

3. We would expect that if the “existing use” of Waikiki Sunset presented any negative influences, then DPP would have prohibited the existing 257 NUC units to operate as “hotel resort” under the Aston hotel rental program.
4. If the 257 NUC owners (59%) are allowed to operate as “short term rentals” in the same building as the other 178 (41%) non-NUC unit owners, then the question of meeting the “underlying zoning requirement” is irrelevant and immaterial issue. If this Waikiki Sunset condominium did not meet the “zoning requirement”, then all 435-unit owners (100%) should be denied “short-term rentals”.
5. One could reasonably argue that there is no valid justification for allowing all four (4) units surrounding my unit to have a NUC license, **except my unit**. In fact, 2 units above/below (2106 and 2906) and 2 units left / right (2004 and 2008) have NUC license **except** the center unit (my unit #2006).
6. The significance of all four units surrounding having a NUC license means that they can earn a rental income of \$54,000 versus \$20,400 (+2.6 times) by simply spending an extra \$200 NUC fee per year. How is this justifiable?
7. From 1979 to 1989 period, Waikiki Sunset operated **exclusively as a hotel**. Significance is that no other buildings can make this claim, (unless they are already exempt). Therefore, **DPP is unlikely to face any domino effect!**
8. In 1989, DPP did not properly justify the selection criteria which permitted the granting of NUC license to 257 (59%) unit owners and deny the same ownership rights of use to the remaining 178 (41%) of unit owners.
9. Neither previous owner Mr. Shigeo Minamoto, Dimple Hawaii Inc, nor ourselves have ‘Petition to Dedicate Property for Residential Use’, as per ROH **Section 8-7.5; Form BFS-RP-P-41E** (Rev 02/18); therefore, we should be given that opportunity.
10. **Sec 21-5.730 (b) (3)(I) and (J)**- “Development Plan Area Density Limit” Subsection (a) states “where there is no limit on the number of transient vacation units allowed”. Therefore, DPP can permit all Waikiki Sunset unit owners to declare the “use” of their condominium unit for the upcoming year, as per established Real property tax assessment law applicable to Waikiki Special District.
11. July 25, 2007, we purchased the Waikiki Sunset condo unit #2006. At that time, **this condo unit #2006 was in the Aston hotel rental pool**; therefore, we reasonably assumed that it met all the hotel requirements.
12. From 2007 to 2019, Aston hotel rental agency had the flexibility of renting our unit on short-term rental or long-term rental, depending on guest needs. We trusted that Aston hotel management knew and complied with City law.
13. The fact that **post-Ordinance 19-18**, DPP department continues to allow Aston hotel rental program management to **operate 257 units** as “short-term rental” under the non-conforming use certificate (**NUC**), is further evidence that the **real issue is not** “underlying zoning code” compliance.

14. It will be shown hereafter the undue discrimination that **new Ordinance 19-18** has created among Waikiki Sunset unit owners (those with NUC versus those without NUC fee) under the unjustifiable, fictitious \$200 NUC fee per year.
15. When we examine the two adjacent condo units, they should both **receive equal economic benefits since they are identical** as we compare #1906 vs #2006 below: See Exhibit #9- Property tax Assessment for 2020 for unit #1906 and unit #2006.

| Parameters: | 1906 NUC | 2006 non-NUC |
|--|------------------|----------------------|
| a. LUO zone designation | Apt Precinct | Apt Precinct |
| b. Property tax class- "Residential" | same | same |
| c. Environmental assessment impact | same | same |
| d. Waikiki Sunset condominium | 1979 | 1979 |
| e. Floor height of unit | 19 th | 20 th |
| f. Size of floor area- (sq ft) | 610 | 610 |
| g. Full kitchen | same | same |
| h. Use of common elements | same | same |
| i. Parking and 6 th Recreation deck | same | same |
| j. GET and TAT tax payment | same | same |
| k. 2020 Real property tax (0.35%) | \$1,954 | \$1,877 |
| l. 2020 Real property assessment | \$534,600 | \$536,500 |
| m. 2020 AOA maintenance fees | \$782 | \$782 |
| n. Annual NUC fee (1986-1996) | \$100 | \$100 |
| o. Annual NUC fees (1997-2019) | \$200 | Zero (Not same) |
| p. Monthly rental income (2018) | \$4,500 | \$1,750 (2.6 times) |
| q. Annual rental income (2018) | \$54,000 | \$20,400 (2.6 times) |

16. **To put all this together**, one can argue that this NUC ordinance is outdated since it permits some arbitrary number of unit owners (257) to operate their unit as a hotel (short-term rentals), in "underlying zoning district" designed for "Apartment precinct", without any negative environmental impact assessment. See Exhibit #10- DPP Property tax class of Waikiki Sunset is "Hotel and Resort".

In summary, the previous owner, Mr. Shigeo Minamoto, Dimple Hawaii Inc, and the new owners, Guido Panizzon and Diana Panizzon, have placed their Waikiki Sunset condominium unit #2006 in the **Aston hotel rental program** for the past 31 years (from 1989 to 2019) without any complaints, or concerns; and most significantly without any **Violation notices** from City or DPP department. In retrospect, this practice serves as proof that the "use" of unit #2006 as "short term rentals" did not cause any harm to the community. Aston agent can provide the unit occupancy for past 30 years. See Exhibit #4 – Aston- Owners Service Manager email provides confirmation.

D. Ordinance 19-18 ignores the right of property ownership and owner's vested rights, that have been acquired over the past 23+ years (1996-2019) of operating our unit as short-term rentals without NUC license under the Aston hotel rental program.

1. **According to Hawaii Easement Law**, “prescriptive easement” gives one party the right to use the property of another party for a specific purpose like “short-term rentals”. The requirements to prove a prescriptive easement are the same for proving adverse possession. **A claimant must prove** that his use of the property over which the easement is claimed has been adverse, continuous, and uninterrupted for the statutory **prescriptive period of 20 years**, as **per HRS §669-1(b) (2013)** and §657-31.5. **Adverse possession** requirements are met when the occupation has been: actual, hostile, open & notorious, exclusive and continuous for **minimum of 20 years**, as per Gold Coast Neighborhood Association v. State of Hawaii, Supreme Court, SCWC-14-0000472, 25 Aug. 2017.

We allege that we met the adverse possession requirements because we have held our Waikiki Sunset condo unit #2006 for more than 23 years (ie., from 1996 to 2007) by Mr. Shigeo Minamoto and by Guido Panizzon/ Diana Panizzon (from 2007 to 2019) by considering the allowable “tacking” of possessions. Tacking is defined as one possessor can tack his period of possession to the next possessor if the transfer between the two is voluntary, as it was in this case. **Mr. Minamoto 5-units NUCs expired Nov 1996**. See Exhibit #2- City cancels 5-NUCs Certificates of Shigeo Minamoto, Waikiki Sunset

2. Refer: The Waikiki Sunset condominium owners have a constitutional- vested right to continue to operate their condo unit as a “residential” and/or “short term rentals”. “*Under the United States and Hawaii Constitutions, pre-existing lawful uses of property are generally considered to be vested rights that zoning ordinances may not abrogate*”, as per Robert D. Ferris Tr. v. Panning Comm’n of City of Kauai, 138 Haw. 307, 312, 378 P.3d 1023, 1028 (Ct. App. 2106).
3. **On June 25, 2019, U.S. Supreme Court** issued a landmark ruling changing the way property rights lawsuits have been handled for the last thirty years. **In Knick v. Township of Scott**, “*The Court allowed property owners who sue to enforce their federal right to compensation because a municipal government has taken their property in violation of the U.S. Constitution’s Fifth Amendment by overregulating its use, to bring the lawsuit in federal court. The Court recognized that property rights claim as just as important as other civil and constitutional rights enshrined in the Bill of Rights, and are not “poor relations”. The (court) majority opinion was a strong recognition of the importance of property rights and of limiting the regulatory zeal of municipal officials who often regulate with such a heavy hand that owners cannot make reasonable economic use of their own property”.*

Based on the above U.S. Supreme Court ruling, we could argue that DPP regulations regarding our NUC requirement for Condominium unit #2006 is **unreasonable** because it prevents us from making maximum use of our property in Waikiki, after it has been proven that the previous owner had 5 NUC units operating as "short term rentals" for 8 years (from 1988 to 1996) and after it has been proven that there is absolutely no environmental impact on the Waikiki neighborhood. Remember we are requesting the **addition of ONLY ONE unit to existing 257 NUC units**, resulting in 258 units total.

4. **Regarding Sec. 21-4.110-1 Nonconforming use certificates for transient vacation units**, there are a number of negative economic impact which I would like to underscore, as:

5. Economic impact on the community:

As reported earlier, Ordinance 19-18 has and will continue to have the **opposite effect on the economy of Honolulu**. The **practical effect has led to financial crises**, in terms of loss of property (real estate turnovers), loss of jobs, decrease in property values (which will reduce real property taxes), business closures (which reduces business tax), loss of tourists & guests and multiple lawsuits expected in the foreseeable future.

Ordinance 19-18 may be useful in regulating "Bed and Breakfast nonconforming uses".

6. Economic impact to Condominium unit owners without NUCs.

The operation of Waikiki Sunset as condotel over the past 40 years (1979-2019) has not revealed any of these alleged "concerns" and deficiencies expressed in City Ordinance 19-18, effective August 1, 2019.

If Waikiki Sunset can operate satisfactorily with 257 (59%) NUC units for more than 40 years (1979), then **it proves** that it meets all underlying zoning district and regulatory requirements of standard hotel definition which by definition includes daily and short-term rentals (less than 30 days). One could argue that if Waikiki Sunset meets the underlying zoning requirements for 59% of owners, then it can also meet the same requirements for 100% of unit owners.

Remember that if DPP were to allow 100% units to operate as short-term rentals, with an average of 80% occupancy rate; the actual number of occupants would be only (435 x 80%=) **348 units instead of 257 units (only +26%)**. Furthermore, and most significant is that when we purchased our unit in 2007, **there were about 373+ units (86%) in the Aston hotel rental program**; consequently, we would submit that DPP has no reasons to deny "hotel use".

In order to understand the inequity and undue owner discrimination, we have calculated the capitalization rate (cap rate) of NUC unit vs non-NUC unit.

The income approach reflects the more realistic scenario of unit owners facing considerable lower rate of return (ROR) due to higher vacancy rate and much lower monthly rental income compared to unit owners with NUC license in same building.

The **Capitalization rate** (Cap Rate) indicates the **rate of return (ROR)** that is expected to be generated on real estate investment property. Using year 2018 as **baseline for unit #2006 Gross rental income** while it was operated under **Aston rental program** (hotel), we calculated the following **Net operating income (NOI)** and Cap Rate.

The Aston hotel management record shows that unit #1906 and unit #2006 were both in the Aston rental pool and earning **almost identical annual rental income**; therefore, it makes this rental income comparison very simple. **These two units are identical** in every aspect, **except** for the insignificant, symbolic \$200 NUC fee, as shown below: See Exhibit #11- Calculation of “Capitalization Rate” and Net Operating Income (NOI).

Consequently, we calculated Cap rate for 4 years using Year 2018 as baseline (prior to Bill 89) and we found the following reduction in Cap Rate (= Rate of Return (ROR)):

| 1. Years | 2018 | 2019 | 2020 | 2021 |
|---|------------------|------------------|------------------|-------------------|
| 2. Effective Gross income | \$54,360 | \$40,553 | \$18,360 | \$22,680 |
| See Exhibit #A for Form 1042S- For 2018 and 2019 Annual gross income report. | | | | |
| 3. Net operating income (NOI) | \$15,540 | \$8,360 | \$3,823 | \$7,264 |
| 4. Cap rate= | 3.20% | 1.56% | 0.71% | 1.45% |
| See Exhibit #B- for Chart #10B spreadsheet providing detail calculation. | | | | |
| 5. City assessed value | 485,500 | 536,900 | 536,500 | 499,600. |
| 6. Calculated assessed value | \$485,500 | \$261,427 | \$119,430 | \$226,935. |
| See Exhibit #C for Chart #10B Footnotes which provide explanations. | | | | |

Significant: The Cap rate (ROR) decreased from **3.2% to 1.56%** for **first year 2019** (before covid19) which represent a **decrease in assessed value** from **\$485,500 to \$261,427**. However, the Cap rate decreased from **3.2% to 1.45%** for the current year (2021) which translates into reduced assessed value from **\$499,600 to \$227,000**.

Conclusion:

Waikiki Sunset unit #1906 with NUC continues to generate a gross income of circa \$54,000 (being Aston rental pool) whereas Waikiki Sunset **non-NUC unit #2006** is generating **2.4 times less income**. Based on the preceding compo market analysis,

- 178 (41%) unit owners pay Residential tax rate and **earn \$22,680/year;**
- 257 (59%) unit owners pay Residential tax rate and **earn \$54,360/year.**

A **reasonable person** would argue that two identical units in the same zoning district, located in the same building, with equal floor area, should be treated equally by the City so that they are able to earn the same “net operating income” and not be subjected to a prejudicial, antiquated, arbitrary NUC fee of \$200 per year which is simply a “smoke screen”, symbolic gesture and **meaningless amount** compared to its impact, **because** by paying the NUC fees to the City, **it does not improve the environmental assessment nor environmental impact** on the Waikiki neighborhood or the community. **Question:** How does DPP justify NUC owners earning extra (54K-22K) = \$32,000 per year?

7. Economic impact on hotel operation

Real Estate literature states that “For a condo building to be grandfathered as a **non-conforming hotel today**, it will need to have maintained an ongoing 24-hour hotel desk operation and **must meet today’s LUO’s** (Land Use Ordinance) **definition of a hotel**, which reads as follows:

“Hotel” means a building containing lodging and/or dwelling units offering transient accommodations, and a lobby, clerk’s desk or counter with 24-hour clerk service, and facilities for registration and keeping of records relating to hotel guests.”

However, for a condo building to have been grandfathered as a non-confirming hotel and to be exempt from the NUC requirement in 1989, **the building must have also met the old LUO’s definition of a hotel**. That old definition required a *building unit mix* with **at least 50% lodging units without full kitchens**. Note that Waikiki Sunset condotel never met this old definition and yet they were allowed by City to operate as standard hotel for past 30 years!

Again, if there was such 50% LUO lodging rule, and Waikiki Sunset always had 100% of units with full kitchen, then it seems obvious that Waikiki Sunset hotel would not qualify and yet, in 1989, the City and DPP issued a minimum of **total of 257 NUC permits (257/435) = +59% to condominium unit owners**. In fact, City records shows the number of NUC issued far exceeds the current 59% since over the past 30 years, many owners have allowed NUC to expired.

8. Waikiki Sunset Declaration of “Use”:

The Waikiki Sunset building was filed and registered under the **Horizontal Property Regime of Waikiki Sunset Declaration** (dated October 13, 1978), pursuant to Chapter 514A, HRS (the condominium Property Act). Waikiki Sunset Declaration, Paragraph “E” (July 08, 2004) defines “Use” as: *“The apartments shall be occupied and used only for residential purposes permitted from time to time by applicable zoning ordinances, rules and regulations. The owners of the respective apartments (units) shall have the absolute right to lease such apartments subject to all provisions of this Declaration and the By-Laws”.*

Significant here is that over the 30 years history (1989-2019), Association Of Apartment Owners (AOAO) and the Board of Directors of Waikiki Sunset (Board) have encouraged unit owners and **Aston hotel rental agency** to operate this condotel as "short term rentals" by offering its guests the choice and the **right to "use" their unit** as "short-term rentals" and/or "long-term rentals".

9. Undue Discrimination of Condominium Unit owners.

In addition to the deficiencies in NUC criteria outlined in preceding Para D (c), we have the following list of concerns and challenges regarding this NUC rule.

According to **Section 21-4.110-1** *"Nonconforming use certificates for transient vacation units" the purpose is to permit certain transient vacation units that have been in operation since December 28, 1989 to continue to operate as nonconforming uses subject to obtaining a nonconforming use certificate as provided by this section"*. It is outdated, unfair and unduly discriminatory to property owners in Waikiki Sunset for the following reasons: Owner discrimination within building and outside the building.

a. Owner discrimination of Apartment buildings in same LUO zone district;

1. Ordinance 19-18 is offering preferential treatment to some buildings by granting them **"Parcel zoned Apartment- with hotel operation- Grandfathered** as a non-conforming hotel and exempt from NUC requirement", as seen hereafter.
2. **The list of buildings under this "Grandfathered" category are:** Aloha Surf hotel, Hawaiian Monarch, Island Colony, Palms at Waikiki, Royal Garden at Waikiki.
3. **Why does Waikiki Sunset condotel not belong to this Grandfathered building list** since it meets the **same Apt Precinct zoning requirements?**
4. The **Apt Precinct** contains a mix of Apartments, condominiums and hotels.
5. Regarding the compliance with WSD zoning LUO requirements of "Apt Precinct", **Waikiki Sunset is located in the same underlying zone as Hilton Waikiki Beach; therefore,** it should be granted the same "uses" of short-term rentals.
6. Hilton Waikiki Beach is located at 2500 Kuhio Ave, Honolulu, HI 96815 and Waikiki Sunset is located at 229 Paoakalani Ave, Honolulu, HI 96815- one block apart in same zone district, which is designated as between Kuhio Ave and Ala Wai Blvd.
7. Waikiki Sunset should be **granted a "stay of order"** as that received by Waikiki Banyan because they have similar, if not, identical characteristics and history.

b. Owner discrimination among condominium unit owners in same building.

1. There is no justification for granting NUC to some owners while denying the same “use” to other owners, when they are all located in the same building. All 435 units at Waikiki Sunset are built the on same location with the same LOU zoning designation but only 257 (59%) units are granted NUCs.
2. All 435 units have the same property tax class of ‘Residential’ and same property tax assessment; therefore, they should **pay the same property tax; however,**
 - a. 178 (41%) non-NUC units have lower Capitalization Rates.
 - b. 257 (59%) NUC units **earn 2.45 times** higher gross rental income.
 - c. **Property assessment** of NUC units is the **same value as that of non-NUC units is erroneous**, discriminatory, considering the rental income disparity.
3. This old NUC rule is inconsistent with property evaluation rule because it violates the DPP director’s golden rule of “the highest and best use rule” by preventing 178 units (41%) to “use” their unit as “short-term rentals”.
4. My four neighbors (units **#1906, 2106; 2004, 2008**) have NUCs except us, which allows “short-term rentals”; resulting in unjust economic advantage.
5. There is no justifiable reason for setting maximum number of units to 257 NUCs. One could therefore argue that it is prejudicial to prevent unit owners with identical zoning designation from having the right to use “short term rentals”.
6. Aston rental program has managed 373 units (86%) as short-term rentals for the past 30 years (1989-2019); therefore, **this is proof** that the **number of NUC** can be increased from 257 (59%) to 373 (86%) NUC, without any environmental problems.
7. There is no environmental assessment (EA) that justifies **limiting the maximum** number of NUC unit owners to 257 (59%) as “short term rentals”.
8. NUC regulation does not provide any reason for applying the four criteria to pre-1989 unit owners for lifetime and **prohibiting new unit owners (post-1989)** from applying for NUC permit, especially during change of ownerships.
9. It is a violation of owner property rights to **deny post-1989-unit owners** the same choice as the original owners since the **operating expenses** are the same for all. One could argue that these criteria is capricious, unreasonable and discriminatory.
10. In order to treat all 435-unit owners equally, one could argue that non-NUC owners should **pay retroactive NUC fees for past 30 years** to the City. This would have been a valid argument **if the non-NUC owners had not suffered the large “rental income losses” incurred over the past 3 years** (from August, 2019 to March, 2021) due to prohibition of short-term rentals.

Conclusion of this Ordinance 19-18 Study

This engineering study provides a quick analysis and brief discussion of the following four requirements as well as concrete evidence in support of my “short term rentals” request.

1. Underlying Zoning requirement as defined under Land Use Ordinance (LUO).
 - a) Table 21-9.6(A) does not distinguish between “Apartments” and “Condominiums”.
 - b) Waikiki Sunset has met all applicable zoning requirements at the time the uses and structures were approved in October 1978, as per LUO Section 21-2.100.
 - c) Zoning requirements of the special district should not function as barrier to restoration.
 - d) “Apt Precinct” zoning applies to Apartments but not to Hotels and Condominiums.
 - e) Our “existing use” request for one condo unit is not considered a “significant zone change”.
2. Environmental Assessment (EA) report as defined under HRS Chapter 343.
 - a) This “primary action” has **practically no environmental** impact, as per **Ch. 343-5 (a)(5)**.
 - b) Since primary action is not a “significant zone change”, it does not require EA impact.
 - c) Given that **257 NUC units** are operating without any negative environmental impacts.
 - d) Given that **Aston operated 373 units (86%)** without any negative environmental impact.
 - e) Adding “**one condo unit**” to existing 257 NUC units, does not require EA impact study.
3. Real property classification of “Residential” or “Hotel & resort” or “TVU” uses.
 - a) DPP director gives high priority to property classification of “**highest and best use**” rule.
 - b) **Ordinance 17-13** enacted in 2017 took away the actual use “loophole” of condo units.
 - c) Condominium unit should be classified according to **ROH Sec. 8-7.1 (c)(3)** Evaluation.
 - d) Owners have right to “**Declaration Regarding Condominium Use**”, Form BFS-RP-P-71 which is not currently being implemented or made available to all condo unit owners.
4. Non-conforming use certificate (NUC) is requirement for Transient vacation units.
 - a) **Criteria** used to give NUCs discriminates new unit owners, as per **Sec 21-4.110-1(b)**.
 - b) Why are 1989 NUC owners **allowed to transfer ownership**, without NUC expiry date?
 - c) Why are **post-1989-unit owners** not allowed to apply for NUC, if owner “use” changes?
 - d) Why is NUC permit not offered or made available **to 100%** of Waikiki Sunset owners?
 - e) Property tax of 257 NUC units is **inconsistent** with 178 non-NUC unit owner taxation.
 - f) Aston hotel rental pool **operated 373 units for 30 years**, without any DPP violation notice.
 - g) If Waikiki Sunset met zoning regulations for 373 units, 257 NUCs, we **can add one more!**

h) U.S. Supreme Court has ruled under U.S. Constitution Fifth Amendment, property owners have rights that **municipal government cannot overregulate its use** by preventing owners from “making reasonable economic use of their own property”; Knick v. Township of Scott.

I would like to offer the following practical solutions for **your consideration and actions**:

(1) Option #1:

Request approval for reinstatement of my NUC permit for Waikiki Sunset unit #2006, since our unit meets all of the NUC criteria applicable from 1988 to 1996, as per **Sec 21-4.110-1(b)**.

- (a) Previous owner paid **NUC fees for 5 units from July, 1988 until November 1996**.
- (b) I purchased **one of the 5 units in July 25, 2007**, without NUC, because we were **not given the opportunity to reapply for NUC** which had expired in November 1996.
- (c) Before the 5-unit NUCs expired in 1996, there were **(257 +5) = 262 NUC unit** operating, without any environmental impact; thus, **restoring one NUC should not be a problem**.
- (d) **The criteria for NUC permit** should be applicable to all **unit owners**, regardless of date of purchase, more specifically, it should apply to both pre-1989 and post-1989 ownerships.
- (e) Aton hotel agency has continued to manage my unit uninterrupted from 2007 to 2019.
- (f) We are ready to **pay about \$4,600 retroactive NUC fees+ 10% penalty** from 1996 to 2019; even though, I have lost over \$14,000 of rental income since August 1 2019 to March 2020. During the past 2 years, most of non-NUC owners feel that have been punished enough!.

(2) Option #2:

Make an **Amendment to Sec.21-4.110-1** Nonconforming use certificate (NUC) for TVU units, **to allow all 435 unit can apply for NUCs**; thus overcome the inequities and discriminations.

- (a) Apply existing four criteria to all 435-unit owners at Waikiki Sunset which shows GET and TAT licenses; and transient occupancies for at least 35 days per year.
- (b) Apply existing four criteria to all 435 units **regardless of purchase date** or the date of **transfer of ownership** from pre-1989 or post-1989 property purchase.
- (c) Each owner has right to choose how to “use” his condominium unit at Waikiki Sunset.
- (d) Unit owner submits ‘Declaration Regarding Condominium Use’, **Form BFS-RP-P-71**, as per **ROH Section 8-7.1 (c)(3)** which declares condominium unit usage.
- (e) Unit owner submits Petition to Dedicate Property for Residential Use, Form BFS-RP-P-41E; as per **ROH Section 8-7.5** which commits its use for five (5) years;
- (f) Each unit owner shall be taxed according to **Article 7- Valuations, Sec 8-7.1 (c)(3)**.
- (g) The tax classification shall be based on “*highest and best use rule*” of your property, which is consistent with director principle and avoids owner’s discriminations.

(3) Option #3:

Most attractive alternative is to give **each condominium unit owner** the “**choice of usage**” of their unit over the next 5 years by completing one the following standard forms:

- (a) Declaration Regarding Condominium Use, Form BFS-RP-P-71, as per **Sec 8-7.1(c)(3)** or
- (b) Petition to Dedicate Property for Residential Use, Form BFS-RP-P-41E ; as per **Sec 8-7.5**.
- (c) Each Condominium unit should be tax based on the **category of owner “use”**, normally the Residential or Hotel or New class called “Transient vacation unit”.
- (d) Condo owners who choose to **live in their own condo for up to 3 months per year**, as second home, they should be taxed at **lower rate, a blended rate**, compared to hotel rates.

(4) Option#4:

We petition to have “existing use” permit while it was operating as “**condotel**” unit from 1979 to 2019, as per **LUO Section 21-2.100 Existing uses** (a), (b), paragraphs #1 to #7.

- a) **Sec. 21-2.100 (b)** allows unit owners to request this “existing use permit”.
- b) **Sec. 21-2.100 (b)** “*recognizes the **hardship imposed upon owner “uses” which were legally established but which now falls under different standards or regulations***”.
- c) Waikiki Sunset operated as “**condotel**” from 1979 until 1989, then it continued its operation under **Aston hotel management**, without any DPP violations or complaints.
- d) Aston hotel rental program has **managed circa 373+ units** (86%) as short-term rentals for past 30 years, without any negative environmental assessment impact.
- e) This “existing use” permit is consistent with **existing 257 NUC** unit owners, given **they are all located in the same building, with the same underlying zoning district**.

(5) Option #5:

We petition changing property classification from “Residential” to “transient vacation unit” use.

- (a) Request approval of “**Declaration regarding condominium use**”, Form BFS-RP-P-71.
- (b) Have my property assessed in compliance with **Valuation, Sec. 8-7.1 (c) (3)**-(Attached).
- (c) Our request of unit assessment is consistent with the Director’s directives of taxing property using the “highest and best use rule” for condominium units.
- (d) We are also prepared to pay the higher “hotel” property tax rate or any appropriate property **tax rate applicable** to “transient vacation units”, as per **Sec. 21-10.1**.

(6) Option #6:

New DPP regulation could “**Grandfather Condominium units with hotel operation-** as a **non-conforming hotel** and exempt from NUC requirement”, as done by other buildings.

- a. We concur that this Waikiki Sunset lies within the “Waikiki Special District” (WSD) boundary designated as “**Apt Precinct**”; however,
- b. The **Apt Precinct** map contains a **mix of Apartments, Condominiums and hotels; therefore**, DPP should adopt regulations that accommodates a variety of “owner’s needs”.
- c. DPP should recognize that **Waikiki Sunset is a condotel and not a standard hotel** which means it has “residence”, second home vacation and business investment users.
- d. **The list of buildings** under this “Grandfathered” category are: Aloha Surf hotel, Hawaiian Monarch, Island Colony, Palms at Waikiki, Royal Garden at Waikiki.
- (e) Waikiki Sunset “**condotel**” could **belong** to same category as the list of Grandfathered building since it meets the **same Apt Precinct zoning requirements**.
- (f) Unit owners **should be given a choice** of how they **want to use their condo unit** which should be reflected on their **property tax assessment category**. Eg. there are about 5% **residences**, about 20% second vacation home and about 75% hotel-resort.

The City and DPP should also consider the consequences of offering NUC to all unit owners. If non-NUC unit owners should pay retroactive NUC fees for 30 years ($\$200 \times 30 = \$6,000$); **however**, non-NUC owners like myself have **lost more than \$14,000 rental income** over first five (5) months of 2019 without considering the annual rental income since January 2020.

During this 30-year period, Aston hotel rental program has managed an **average of 373 units (during 2007)**, and at least 257 (59%) of NUC units in the same zoning district. Consequently, a reasonable person could assume that environmental impact is irrelevant. See Exhibit #3(b).

The fact that DPP has allowed Aston hotel rental pool to operate 257 NUC (59%) units as “short-term rentals” in this Waikiki Sunset building, without any negative environmental impact, it clearly means two things: (a) “underlying zoning code” requirement is not an issue; and (b) environmental impact is also irrelevant and immaterial. In other words, whether an owner pays NUC fees, it has no direct relationship of the unit impact on the environment.

To be perfectly clear, the current rationale is that if **unit owner pays \$200 NUC fee**, then there is **no zoning problem**, nor any “short-term rental” problems for the 257 units. In other words, by paying \$200 NUC fees, the zoning district and environmental impact problem disappears.

This logic evades me. If there are problems, as the City alleges, then the **City should prohibit all owners** (100%) from using their unit as short-term rentals. **Conversely**, if the original 373 units and then the 267 NUC units under Aston did not demonstrate any environmental problems, then each unit owner should have the **property rights** granted under the U.S. Constitution Fifth Amendment to “use” their unit in a manner to **maximize their investment return**.

After all, **if all 435 unit** were operating under Aston rental pool at **80% occupancy rate**, it translates into **348 units** which is considerably **less than the 373 units** during the 2007 year.

As stated before, on June 25, 2019, U.S. Supreme Court issued a landmark ruling changing the way property rights lawsuits have been handled for the last thirty years. **In Knick v. Township of Scott**, *“The Court allowed property owners who sue to enforce their federal right to compensation because a municipal government has taken their property in violation of the U.S. Constitution’s Fifth Amendment by overregulating its use, to bring the lawsuit in federal court. The Court recognized that property rights claim as just as important as other civil and constitutional rights enshrined in the Bill of Rights, and are not “poor relations”. The (court) majority opinion was a strong recognition of the importance of property rights and of limiting the regulatory zeal of municipal officials who often regulate with such a heavy hand that owners cannot make reasonable economic use of their own property”.*

An owner could argue that under the outdated “Non-conforming use certificate (NUC) for Transient vacation units” ordinance, **pursuant to Sec 21-4.110-1(b)**, the **criteria used** to qualify NUC owner is unduly owner discriminatory since it prevents non-NUC unit owners from obtaining a reasonable economic return on their investment **compared** to the majority of NUC unit owners (59%) which have profited unreasonable from this biased and prejudicial policy. **Please note** that zoning requirement has been shown to be an irrelevant issue. Further, a judge could easily **award compensation** to those condominium unit owners who have suffered damages and financial loss as a result of the violation of ownership property rights.

From a **Condominium unit owner perspective**, Ordinance 19-18 and Sec 21-4.110-1 NUCs have a number of **shortcomings, inequality and owner’s discrimination**. One could argue the criteria used is outdated, arbitrary, unreasonable **and unduly discriminatory** encroaching onto **owner property rights** which are guaranteed under U.S. Constitution Fifth Amendment. Relying on Ordinances issued in 1989 can be compared to **obsolete ordinances** passed when “smoking was allowed” and “seat belt was optional” and “covid vaccine was optional”.

Remember, we are not asking for a change in the boundaries; nor for a change in the zoning; nor for any change in the land classification; and most significantly not for Apartment zoning since **Waikiki Sunset is a “condominium”**. We are asking for the right to use my condominium unit as “short term rentals” under a reinstatement of our expired 1996 NUC application or under the “**existing use permit**” allowed under **Section 21-2.100 “Existing uses”**.

This **engineering study** shows that our request for “short term rentals” meets all four legal requirements outlined under LUO and HRS ordinances. It has **proven that LUO zoning** is not an issue, it is irrelevant and immaterial, since Aston hotel rental pool has managed 373 units for past 30 years (1989-2019) without encountering any negative environment assessment impact. Given that there are now 257 NUC units (**5 less than 1996**), our request to **restore one NUC unit** would increase the **NUC number from 257 to 258** which **will not cause any problems**.

The engineering analysis of **adding one unit** of “short term rentals” to the **existing list of 257 NUC units** at the Waikiki Sunset will have no significant effect on the quality of life or on the environment or on the community; therefore, an **environmental assessment is not required**. The proposed action of adding another NUC unit does not have any significant effect in reality.

Recommendations:

Based on my engineering analysis, I would recommend **Option #3**; since it recognizes condo owners property rights and is practically viable options with minimum administrative work.

If and only if, DPP director does not allow us to **renew our STR permit**, then we would like to request the “Declaration Regarding Condominium Use”, as per **Form BFS-RP-P-71**.

The Author appreciates the opportunity to provide this contribution to Planning Commission.

Guido Panizzon, P.E., BSEE, MEng, IEEE.

United States Patent #4,219,700 for Invention P.S.I.C. device.
Gold medal- Alberta Professional Engineers Association (APEGA).
Bachelor of Science in Electrical Engineering- 1st Class Standing
Master of Engineering at University of Alberta- With Distinction.
Assistant Professor at University of Alberta.
Civil Engineering Surveyor from Government of Alberta
CEO and Owner of Rico Roma Homes
Director of International Soccer Club, Edmonton, Alberta.
Strategic Network Architecture Consultant, TELUS Corporation.
Employer of foreign Caregivers for his parents.

Email address: panizzon@telus.net
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My secondary Cell phone: 1+780-454-8387.

See Attachments:

Attachments:

List of Exhibits #1 to Exhibit #13 is available upon request by the author of this study.

List of Exhibits

1. Exhibit #1- Declaration of Horizontal Property Regime of Waikiki Sunset (Oct 8, 2008)
2. Exhibit #2- City cancels 5-NUCs Certificates of Shigeo Minamoto, Waikiki Sunset
3. Exhibit #3(a) - Real Property Tax Assessment and Unit #2006 Purchase price.
4. Exhibit #3(b) – Calculation of number of units in Aston rental pool (2nd half of 2007).
5. Exhibit #4 – Letter from Aston hotel Service Owner manager, Ms. Julie Todd.
6. Exhibit #5 – Map of “Waikiki Special District- Zoning Precinct” (Ex 21-9.13).
7. Exhibit #6- Building permits (5) issued to trades from 1978 to 1996 period.
8. Exhibit #7- Reclassification of Property- Panizzon from D. Theros; Jan. 20, 2021;
9. Exhibit #8 -Form BFS-RP-P-71; “Declaration Regarding Condominium Use”.
10. Exhibit #9- Property tax Assessment for 2020 for unit #1906 and unit #2006
11. Exhibit #10- DPP Property tax class of Waikiki Sunset is “Hotel and Resort”.
12. Exhibit #11- Calculation of “Capitalization Rate” and Net Operating Income (NOI).
13. Other references and relevant documentation is available upon request.

From: desiree [<mailto:bdnckm@gmail.com>]

Sent: Monday, September 6, 2021 7:26 PM

To: info@honoluluudpp.org

Subject: Proposed Bill 89 Revision

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha,

I am in full support of this proposed bill addressing both legal and illegal vacation rentals for the following reasons:

- Drives up the cost of housing
- Creates housing shortage
- Native Hawaiians and locals having to relocate to the mainland to sustain a living and survive
- Traffic problem with too many tourists adding to already congested roads
- Too many disruptive tourists (noise at all hours of the night) not only in “residential neighborhoods” but “resort zoned” residential neighborhoods as well
- Hotels lose business as tourists look for cheaper vacation rental options
- Attracting tourists that prefer to spend less money while vacationing in Hawaii

Mahalo

From: Joan Rose [<mailto:vwjoan@aol.com>]
Sent: Monday, September 6, 2021 5:38 PM
To: info@honoluludpp.org
Subject: Short term rental ordinance

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

To Chair Lee,

Aloha. I am writing to strongly oppose the Draft Bill with proposed amendments to the Short-Term Rental Ordinance.

As the grandparents of a young family living in Kailua, we like to spend a month in Kailua at least twice a year. Our son's in laws do the same, and we coordinate our visits so that we can each be there to help out and have a close relationship with our grandchildren.

Both our son and his wife have full time jobs that require them to be gone from home most days. We are able help with child care as well as taking the oldest to nursery school.

Since the birth of their second child, there is no longer room in their house for us to stay. Kailua has no hotels, motels, short term rental condos or any other place for us to stay locally. If we had to stay in a hotel in Honolulu it would be far too expensive, not to mention inconvenient to get to Kailua by 6:30 in the morning.

This would only increase traffic between Waikiki or downtown to the more remote parts of the island specifically Kailua and Lanikai.

When our son and his wife bought their home, they were only able to qualify for a mortgage with the understanding that they would have rental income from their Transient Vacation Unit. When we stay it is only for 2 or 4 months throughout the year. What do they do the other 8 months? If they are forced to rent for a minimum of 180 days, we would not have a place to stay.

They have registered their Transit Accommodation and have paid the appropriate TAT and GE taxes for their unit, which they rent out for the legal 30 day minimum.

I appeal to you as a parent or grandparent to allow our family to gather and enjoy each other's company, staying on the same piece of property and developing family ties and memories.

Joan Rose

-----Original Message-----

From: Susan Snyder [<mailto:susanksnyder@me.com>]

Sent: Monday, September 6, 2021 11:10 AM

To: info@honoluluudpp.org

Subject: Short Term Rentals

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

Dear Planning Commission,

Please put a stop to all Short Term Rentals in Kailua and on all of Oahu.

I support having a minimum stay of 180 days and strict enforcement of this.

STR's have made it virtually impossible to find affordable housing in Kailua, contributing greatly to the house less situation and to residents being forced to move to the mainland.

We have lived in Kailua for over 35 years for one of us, 23 years for the other. We chose to live here because it is a residential community, it is not zoned for STR's. Many people in Kailua are operating STR's illegally and have found ways to stay one step ahead of inspectors from the Department of Planning and Permitting.

Allowing tourists to stay in residential areas adds to the degradation of our precious and fragile natural environment and harm to the animals and marine life here. Tourists do not pay taxes for the upkeep of our infrastructure which they use and wears out more quickly because of them.

Please do not allow for any new Bed and Breakfasts or Vacation homes either. There are plenty of them already for people to stay in, or they can stay in hotels in Waikiki.

Please confirm you have received this email, and you have our permission to read it at the meeting.

Mahalo,

Susan Snyder and Gregory Thomas

Sent from my iPhone

From: Kittie Raskowsky [<mailto:kkaskowsky@gmail.com>]

Sent: Monday, September 6, 2021 9:57 AM

To: info@honoluluodpp.org

Subject: Reject STR Draft Bill

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha,

I'm against the DPP's proposed draft bill regarding short term rentals in it's entirety. This proposal takes away the rights of property owners. I'd urge you to continue to administer the rule-making process to implement the in place ordinance 19-18. DPP would better serve both sides by establishing a working group of key stakeholders on rule-making. This would provide a more rounded view. DPP has caused many divisive issues and having key stakeholders would help ease some of this.

Thank you for your time!

Kathleen Raskowsky
Kailua

- DPP's proposal takes away your property rights!
- Reject the proposed bill in its entirety
- Urge DPP to withdraw this proposed bill and continue its administrative rule-making process to implement Ordinance 19-18
- Encourage DPP to establish a working group comprised of key stakeholders on rule-making recommendations
-

Sent from my iPhone

From: ba4 [<mailto:ba4bsinyc@aol.com>]
Sent: Monday, September 6, 2021 9:12 AM
To: info@honoluludpp.org
Subject: Written Testimony

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha,

Bernie Ardia
Steve Jopson

Owners of one unit at:

Aloha Surf Hotel
444 Kanekapoli Street
Honolulu, Hawaii 96815

We have enjoyed vacationing in Waikiki for many years with thoughts of one day retiring there

Approximately two and a half years ago we learned of such properties as Condotels. Living in the Palm Springs California area, we are fully aware and sensitive of residential neighborhoods that deal with unwanted rentals and issues these can bring.

We carefully shopped for a 100% legal property that we could rent while away and enjoy ourselves from time to time.

The purchase of our sole unit at Aloha Surf was to provide a supplement income to our Social Security should we be lucky enough to actually move to an Island in Hawaii in the future.

Upon purchase of our rental - we incorporated it for liability reasons alone. As we only have our one residence, it was recommended to do so. It was an extra expense but we did this.

It happened that our local realtor - also managed a few units in Aloha Surf and we found her quite professional, wise and kind. We knew that we had a choice of renting through the hotel pool or through outside management - or even ourselves.

To be a part of the hotel pool - we would not have been able to alter the look of the unit. Peeling wallpaper and dated bath were not how we wanted to stay in Waikiki. So we chose to remodel. The new Lilia was coming in a few years and we wanted to feel as new as the Lilia look. We spent upwards of \$25K remodeling. We hired a supervisor a contractor and furnishings that were all local to Honolulu. Many vendors and people made money on this.

We reopened for bookings and were getting stunning reviews.

Then the pandemic shut us down - Halted 100%

Our extra high taxes that allowed us to STR remained! NO break from the city there!

We sat dormant - unrentable and still costing us money that went directly to the City and State as well as locally owned insurance companies.

Finally we could reopen!! Slowly we began to get bookings at a reduced rate. Something is better than nothing.

Quickly, we were doing well again!

We even thought of purchasing another one day!

Next - The Governor ask people to not come....

Immediately we began getting cancellations!

Now we have this proposed Bill by The City Council of Honolulu to contend with.

We are 100% opposed to SECTION 21-5.360.1 Condominium Hotels.

WHY should we be forced to be operated by the Hotel?

Now operated by - Aqua-Aston - *but could be dropped if forced to choose as a HOA Group.*

HOW does a Condo Hotel that was built in a Resort Zone in 1968 as a hotel and always a hotel have ANY impact on residences on Oahu? By nuisances or affordable housing?

The Aloha Surf Hotel has been operating since 1968 and has zero impact on residential homes on Oahu. It is a hotel property without space for full time living for most.

WHY should we have to pay a \$5000 fee for a permit after all we already pay to operate ?

Robbery!

This Bill is an outright theft of peoples rights as property owners. It is half baked at best and would face many lawsuits.

Replace the author of it and separate what you are really after here.

And please leave the hotel lobbyists away from this!

This proposed Bill as left us angry, confused and disappointed in the local government that we adhered to in our purchase.

Like Elvis, ALOHA has left the building!

Please toss this Bill as is in the trash.

Thank you

To: Members of the Planning Commission

Subject: Public Comment Regarding Bill Relating to Transient Accommodations

Dear Planning Commission Members,

I am very concerned about your bill relating to transient accommodations. According to this bill, "The purpose of this Ordinance is to better protect the City's residential neighborhoods and housing stock from the negative impacts of short-term rentals..."

One of the primary goals is to reduce impacts on residential neighborhoods and that is my foremost concern. Short-term vacation rentals destroy the fabric of the community. At first you may not even notice, then you look out from your lanai and it's in your face, in your ears, in your yard and in your parking space!

Short term vacation rentals do not belong in residential areas period. We live in an older neighborhood where there are no sidewalks, up on a hillside. In my home surroundings, my neighborhood slowly started to change subtly, for example, the owners/ neighbors who live next door were consistently washing linens and towels and drying them after 10 at night, our parking space in front of our house was becoming more and more filled with rental cars and noise increased from their very frequent pool parties. Soon, the next-door neighbor on the other side cut over through our yard one afternoon and started cutting down our areca palms without asking! We confronted them and they said the palms blocked the view of their shed turned cottage turned Airbnb's view of Kaneohe Bay! Another VRBO rental owner a few houses down, swears online that the mainland visitors prefer to stay in residential areas because there are less covid cases. What about protecting your neighbors, kupuna and community? They are only concerned with their personal property rights and investments. That's the problem, they only see their self-serving objectives being attacked while they infringe on OUR community and OUR Hawai'i and collecting revenue along the way.

The first neighbor halted their STVR business suddenly after receiving a call from the tax office and was audited. She did not possess at all a GE nor TAT license while conducting this business for a few years. The second neighbor was cited again for violating the housing code by renting out the shed/cottage and advertising less than 30 days with Airbnb. The third neighbor pulled her advertising off VRBO and is now hosting Sprinter/Camper van tourists because the DPP has no jurisdiction on vehicles and the "new camper van industry" is not regulated. She has two rooms for rent but advertises only one on AIRBNB now and the second one is offered under the table to the camper van people. She knows how to work the system and gets around the rules! I have come to the assumption that they purchased their house in recent years with the intent of renting as a STVR knowing their mortgage depended on it. Purchase house above their means, then ask for a review to lower the assessment. Boom! Start advertising on Airbnb and VRBO etc. Lucky, they moved to Hawaii!

In conclusion, to suggest that these owners who live on property can better control their renters and allow them to operate their homes as bed and breakfasts is contentious. My neighbors who are owners and live on property behave worse than their guests, so crush that myth.

What strikes me most when reading about and speaking to these people who own these illegal operations is their entitlement to their personal property rights, no one else's. My ohana longs for our right of quiet enjoyment and our neighborhood restored. As kama'aina, we want to live in a neighborhood where people know their neighbors and thrive in a caring community.

Do the right thing, ban all STVRs in residential neighborhoods and allow them and grandfathered NUC only within the resort zoned areas period.

We are concerned about the cause and effect of our real estate values but that is up discussion another time. Mahalo nui loa!

Lisa Enoka

Kane'ohe, Hawaii

808-294-8969

From: Kathleen Pahinui [<mailto:pahinuik001@hawaii.rr.com>]

Sent: Monday, September 6, 2021 8:47 AM

To: info@honoluludpp.org

Subject: Testimony in Support of DPP Amendments to Ord 19-18

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Sending on behalf of Marvin Pactol:

My name is Marvin Pactol. Waialua is where my grandfather and my father grew up. Over the years I have seen what Airbnb have done to our neighborhoods. They have made our neighborhoods unrecognizable and have taken away the home town feel. Tourist come into the neighborhoods not having respect for the families that have long lived there and disrespect them by parking all over and not leaving parking for the residents. They also turn our little neighborhoods into late night party spots even on weekdays when people work the next day. Therefore I fully support the amendments to ordinance 19-18
Mahalo

From: M.Florencia Arias-Nordstrom [<mailto:alohaflor@gmail.com>]

Sent: Monday, September 6, 2021 8:19 AM

To: info@honoluludpp.org

Subject: DPP/hearing on Transient units

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha,

My name is Maria Arias, I am a licensed real estate agent with REMAX Honolulu. I am writing this email in objection to the proposed DPP bill that will destroy the vacation rental industry in Honolulu and will leave many hard working people unemployed. This bill will benefit the hotel industry (big corporations) ONLY, giving them the monopoly on the tourist industry.

I manage about 30 small units in the resort zoning Waikiki, most of them studios with no kitchen, just a small sink and mini fridge, clearly these units could only be used for short stays since it does not have the comfort and necessities for someone to live a long period of time. These units were built in the 60's for short term stays purposes. The average square footage is 250 square feet and during the beginning of the pandemic when we were only allowed to do 30 days minimum rental we noticed that the only people that have wanted to live in our units for longer terms are drug dealers and prostitutes. This bill will do more harm than good, it will facilitate a lot of illegal business, so many workers will be out of jobs, the State will lose out on all of the extra taxes that my clients and many other owners pay, which is 4 times the regular property tax of a residentially zoned property.

I am myself a single mom that works as a property manager for these 30 units and saved my entire life to buy 2 small resort zoned units in Waikiki as an investment property to help generate income to be able to support my family of 2 young kids. Many other owners like me will be affected and out of income and only Hotels will be profiting from this bill.

Please at least give your 2019 rules a chance, that bill was well thought out to keep illegal rentals out and control residential zones to protect our community, this new bill you are proposing now will only harm our community, by monopolizing the vacation rental and tourism since all areas will be affected, not only hospitality. There are not enough hotel rooms to support Waikiki Tourism and the rates are not affordable for all visitors

PLEASE SAVE YOUR TAX MONEY AND OUR JOBS

Sincerely,

Florencia Arias-Nordstrom RA

RS-79988

808-384-9039

alohaflor@gmail.com

2250 Kalakaua Ave suite 330

Honolulu, HI 96815

RB-20389

RE/MAX[®]

TO: Members of the Honolulu Planning Commission

FROM: Natalie Iwasa
808-395-3233

DATE: Wednesday, September 8, 2021

SUBJECT: Chapter 21, LUO, ROH Change in Definition and Proposed Restricted Areas - **OPPOSED**

Aloha Chair and Commissioners,

Thank you for allowing testimony for your meeting. I oppose the change in definition for short-term rentals from 30 days to 180 as well as the proposed limited areas. Such changes will end up hurting residents who have legitimate reasons for renting short term.

Under the proposed changes, a family member who needs to be closer to another family member for several months would be relegated to living in one of the proposed areas. In addition, the rental fee would likely be higher, due to higher real property taxes.

Examples of other people that would face negative consequences of these changes are students who rent by semester, homeowners who need a temporary home while their home is being refurbished and residents who want to be closer to a temporary job.

Please vote "no" on these two changes.

On future agendas, please list all commissioners.

From: mschreiber718@gmail.com [<mailto:mschreiber718@gmail.com>]

Sent: Tuesday, September 7, 2021 1:51 AM

To: info@honoluludpp.org

Subject: Rev - Draft #2 - Proposed STR Regulations

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha,

I am writing in favor of fair and reasonable regulations for the vacation rental industry. While I fully support the DPP's goals to 1) reduce impacts on residential neighborhoods; and 2) regulate STRs [short-term rentals], the proposed bill and implementation is problematic as it takes away individual property rights while drastically expanding hotels interests.

- I implore the DPP to reject the proposed bill in its entirety and focus on enforcing the current regulations that took almost 3 years to create as opposed to proposing a new bill that ignores all the work and to continue the administrative rule-making process to implement Ordinance 19-18.
- This bill seeks to take away long-established property rights from condotel owners does nothing to reduce impact on residential neighborhoods. Under the proposed bill, condo-hotel owners will lose control over their units and will be deprived of the free use of their own property. Continue to allow TVU operators in or adjacent to existing resort areas.
- Those who have chosen to operate short-term rentals in or adjacent to existing resort areas have done so in a good-faith effort to comply with existing laws and related tax payments to the city, county and/or state of Hawaii.
- This bill drastically expands hotels interests while choking out individual property rights. The bill imposes ownership, operations, and financial hurdles and restrictions on TVU operators while at the same time giving corporate hotels unfettered right to operate without the same restrictions and siphon tourism revenue outside the state of Hawaii. Continue to allow TVU operators in or adjacent to existing resort areas.
- Owners of the short-term rentals provide employment and financial opportunities for local Property Management companies, cleaning, maintenance, and repair staff, and related services like laundry services, etc.
- Short-term rentals not only offer accommodations for visitors, but also provide decent and affordable opportunities to others such as traveling medical staff, families arriving to care for

their loved ones, contract workers, relocated military families, local residents in need of temporary housing, and others, etc.

- In order to come up with effective and fair solutions for our entire community, we ask DPP to establish a working group comprised of key stakeholders on rule-making recommendations and sit down with vacation rental owners and operators, who can help provide insights and solutions it may not otherwise uncover.

Please do not limit our ability to use our private property in a reasonable and responsible manner. Please reject the proposed bill in its entirety and continue the administrative rule-making process to implement Ordinance 19-18 and allow ALL local stakeholders a voice in the decision-making process.

Mahalo,

Mo

Mo Schreiber

Waikiki Banyan

201 Ohua Avenue

Mauka Tower 1, 1703

Honolulu, HI 96185

From: mschreiber718@gmail.com [<mailto:mschreiber718@gmail.com>]
Sent: Tuesday, September 7, 2021 1:49 AM
To: info@honoluludpp.org
Cc: Mo Schreiber <mschreiber718@gmail.com>; brett.hulme@pigottnet.com
Subject: Rev - Draft #2 - Proposed STR Regulations

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha,

I am writing in favor of fair and reasonable regulations for the vacation rental industry. While I fully support the DPP's goals to 1) reduce impacts on residential neighborhoods; and 2) regulate STRs [short-term rentals], the proposed bill and implementation is problematic as it takes away individual property rights while drastically expanding hotels interests.

- I implore the DPP to reject the proposed bill in its entirety and focus on enforcing the current regulations that took almost 3 years to create as opposed to proposing a new bill that ignores all the work and to continue the administrative rule-making process to implement Ordinance 19-18.
- This bill seeks to take away long-established property rights from condotel owners does nothing to reduce impact on residential neighborhoods. Under the proposed bill, condo-hotel owners will lose control over their units and will be deprived of the free use of their own property. Continue to allow TVU operators in or adjacent to existing resort areas.
- Those who have chosen to operate short-term rentals in or adjacent to existing resort areas have done so in a good-faith effort to comply with existing laws and related tax payments to the city, county and/or state of Hawaii.
- This bill drastically expands hotels interests while choking out individual property rights. The bill imposes ownership, operations, and financial hurdles and restrictions on TVU operators while at the same time giving corporate hotels unfettered right to operate without the same restrictions and siphon tourism revenue outside the state of Hawaii. Continue to allow TVU operators in or adjacent to existing resort areas.
- Owners of the short-term rentals provide employment and financial opportunities for local Property Management companies, cleaning, maintenance, and repair staff, and related services like laundry services, etc.
- Short-term rentals not only offer accommodations for visitors, but also provide decent and affordable opportunities to others such as traveling medical staff, families arriving to care for

their loved ones, contract workers, relocated military families, local residents in need of temporary housing, and others, etc.

- In order to come up with effective and fair solutions for our entire community, we ask DPP to establish a working group comprised of key stakeholders on rule-making recommendations and sit down with vacation rental owners and operators, who can help provide insights and solutions it may not otherwise uncover.

Please do not limit our ability to use our private property in a reasonable and responsible manner. Please reject the proposed bill in its entirety and continue the administrative rule-making process to implement Ordinance 19-18 and allow ALL local stakeholders a voice in the decision-making process.

Mahalo,

Brett

Brett Hulme

Waikiki Banyan

201 Ohua Avenue

Mauka Tower 2, 1602

Honolulu, HI 96185

From: Maria Heh [<mailto:mariaheh@gmail.com>]
Sent: Tuesday, September 7, 2021 5:34 AM
To: info@honoluludpp.org
Subject: Testimony to oppose the STR Ordinance

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha DPP

We hope you heard loud and clear during the first round of discussions on the DPP proposed LUO amendments, the vast majority of people vehemently opposed it. The DPP Director even stated no community input was considered and the Mayor publicly stated they worked closely with the hotels in drafting this, so it's clear it's written for the hotel industry benefit. It imposes ownership, operations, financial hurdles and restrictions on legal vacation rental operators while at the same time giving corporate hotels unfettered right to operate without the same restrictions and siphoning tourism revenue to the mainland.

The requirement for many legal vacation rental owners to pay an outrageous \$5,000 registration fee and \$2,500 annual fee to operate, forcing many legal vacation rental owners to go under a central hotel reservation system, taking away the rights of property owners to rent less than 180 days which could put island based property management companies out of business.

Bill 89 passed in 2019 provides ALL the Rules and Procedures for cracking down on illegal vacation rentals and this ordinance should be scrapped. If DPP can't properly enforce Bill 89, adding another layer is pointless and all these new fees on the backs of legal vacation rentals owners is not only grossly unfair but DPP would be infringing on existing ownership and property rights that would mire the City with lawsuits for years to come.

PLEASE accept my written testimony and scrap this proposal, enforce Bill 89 better and work with the "Vacation Rental Platforms" like you've been doing to weed out the ***remaining illegal vacation rentals*** who are using the 30 day rental to skirt Bill 89.

Maria Heh, Owner of a "Legal Vacation Rental"
TAT #: 155-111-0144-01



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From: Kimo Jamila [<mailto:kimojamila10@gmail.com>]
Sent: Tuesday, September 7, 2021 5:53 AM
To: info@honoluluodpp.org
Cc: Mayor Rick Blangiardi <mayor@honolulu.gov>
Subject: A MUCH BETTER IDEA, than the STR Ordinance

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

On Tue, Sep 7, 2021 at 8:39 AM Kimo Jamila <kimojamila10@gmail.com> wrote:
Dear DPP

I retitled my Subject Title, please use this as my testimony
Bill 89 passed in 2019 provides ALL the rules and procedures for cracking down on illegal vacation rentals and this proposed bill should be scrapped. If DPP can't properly enforce Bill 89, adding another layer is pointless and all these new fees on the backs of legal vacation rentals owners is not only grossly unfair but DPP would be infringing on existing ownership and property rights, hurting all of us!
Give the DPP the funding to enforce Bill 89 and Hawaii will get the funds back 10 fold in fines and leans on illegally run Vacation Rental Properties. This would be easy to track with a small staff.
Tourists landing in Hawaii for vacation could be asked to list their hotel or vacation rental address. If the address is found to be not registered fine and lean follow.
This will provide huge revenue and make everyone happy. Legal rentals will be forced to get a license and start paying their fair share of taxes and illegals that are not paying anyway will be fined and shut down. Problem solved!

Andrew Jamila
N. Shore Cleaning Business Owner
CC Mr. Mayor



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From: coachcooz@aol.com [<mailto:coachcooz@aol.com>]

Sent: Tuesday, September 7, 2021 6:41 AM

To: info@honoluludpp.org

Subject: Short-Term Rentals on Oahu

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha and I hope this email finds you well. My family has been coming to Oahu for the last 8 years. Our daughter graduated from Chaminade Univ and we stayed at the Hilton Hawaiian Village for the first 2 years. We then tried a short term rental and fell in love with the entire experience. This is not to degrade the Hilton but staying in a rental was the true Hawaiian experience my entire family was looking for. To be able to walk in the small communities and buy at the local shops. To walk to the beach and have quality time with my family and the community is priceless. We felt part of the culture and closer to the locals. We shopped at Costco and did karaoke at a local dinner.

Now when the 19-18 ordinance was passed, we adjusted and even though we couldn't travel to the island as many times as we would of liked too, we adjusted and stayed a month. Now with the new ordinance being purposed, we will not be able to travel to paradise anymore. I understand some of the concerns about traffic but that traffic is on the hotels also. We went snorkeling at Shark Cove and the majority of the tourists we spoke with drove over from Honolulu to swim. Not the local renters. Realistically, who do you think can afford 6 months rental vacations?? If I could afford that, I'd buy a home there. This is a power play to do away with fair competition. I truly believe and have spoken to a lawyer that this new ordinance is an attack at fair business practice. This goes beyond boundaries and zoning. It's about Fair Practice Laws and allowing locals to run a business in fair competition with Hotels. How can you explain that a short-term rental must rent for 180 days yet 15 miles away, a hotel can do 3 nights. My group of friends are prepared to bring a class action lawsuit against the parties that would pass such an unfair and bias ordinance. I have reached out to others and their also onboard. This will not end with a vote.

In closing, have you taken a moment to think how many Hawaiian born families this will effect? How this will effect the economy? I've read how locals said it was so nice when the Covid lockdown was in place and so quite in their respective neighborhoods and they wish it could be like that forever. But they haven't and you have too, look at the fact that the stimulus checks people were receiving are no longer coming. How will they survive without income? What about Airlines. Less people traveling do to less opportunities to stay, means less money. I truly believe that the 19-18 ordinance , if it is enforced will work. You haven't given it a chance. It's not broken just unproven. I'll look forward to watching the hiring Wednesday and hope sanity prevails over Hotel greed. Do what's right for Hawaii. Do what's right for everyone who loves Oahu. Give 1918 a chance to work. Mahalo, Brian A. Couso and friends

From: Sharee Lee [<mailto:shareej@ilc-inter.com>]

Sent: Tuesday, September 7, 2021 7:00 AM

To: info@honoluludpp.org

Subject: hutting down short-term vacation rentals not the answer

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

- Reject the proposed bill in its entirety;
- Urge DPP to withdraw this proposed bill and continue its administrative rule-making process to implement Ordinance 19-18;
- Encourage DPP to establish a working group comprised of key stakeholders on rule-making recommendations.



Thank you ☺

Sharee Lee (RS-46508)

ILC & Swell Realty LLC

1441 Kapiolani Blvd., #1915

Honolulu, HI 96814

Direct: 808-777-3117

Fax: 808-951-4180

Cell: 808-285-5996 If I miss your call, text or leave me a message

Email: shareej@ilc-inter.com



Due to COVID-19, in order to protect our clients and employees, ILC & Swell Realty LLC will continue to work remotely. We will continue to be available during regular office hours. You may contact me directly via email or on my cell phone at 808-285-5996

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-----Original Message-----

From: Lois Crozer [<mailto:lbc628@gmail.com>]

Sent: Tuesday, September 7, 2021 7:01 AM

To: info@honoluludpp.org

Subject: short term rental legislation

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

I am disgusted with the proposed legislation taking away the right for residents to rent monthly. You say your three main reasons for doing this are:

1. to remove visitors from neighborhoods because they are a disruptive force, 2. you want to support the hotels, 3. you want to provide long term rentals to locals.

First off, the majority of visitors in neighborhoods don't cause problems. Prove that they do with police reports or verified complaints. There are more complaints against long-term renters.

The hotel lobby is very strong, and they skew perspective. People who stay at B&B's will NOT switch back to staying at hotels. All the hotels are doing are stopping us from making a living, they will NOT lure those visitors if they ban us, they will go to other destinations!! You must understand this.

Many people renting monthly are doing this for neighborhood friends, family.... these people will all be hugely inconvenienced if they can't stay nearby. I'm fairly sure if you pass this law then the hotel lobby will push for a hotel in our local neighborhood next. There is a need which must be met.

Many people renting monthly will not switch to renting to locals, and they will find a way to get out of state people to work remotely.

You are going to lose a huge amount in income tax, GE and TA taxes. Our State and C&C sorely need this now. How are we going to pay for the sewage upgrades, rail and climate change mitigation!?

In your press release your reason for doing this is that you spoke with local business owners and those who have a stake in this. You said UHERO supports your decision. They do NOT. In all their articles they lambast you for not regulating the industry and instead just blocking it. If you were indeed to speak with those who have a stake in this like people like me, you would understand the real situation. The hotel industry has your ear, and they are skewing the facts. It's the big business interests that you are listening to, not the residents.

If you did a REAL honest survey you would find most of the population are in favor of OWNER OCCUPIED vacation rentals! Like I've said before DPP head Kathy Sukagawa said she had nothing against owner occupied vacation rentals, and Cynthia Thielen said that she doesn't either and she stays in them when she travels. The "Keep it Kailua" people use the legal rentals in their neighborhoods for their friends. If they were so inherently evil, why are they using them? They and their friends should stay in hotels! We are trying to get more LEGAL rentals but you keep blocking it.

Your attempt at banning monthly rentals is just another hastily thought up unsubstantiated biased plan.

From: Karl Baker [<mailto:kvebaker@gmail.com>]

Sent: Tuesday, September 7, 2021 7:06 AM

To: info@honoluluudpp.org

Subject: Short Term Rentals

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I agree we should not have any short term rentals in ower local communities.

I agree to keep transient rentals in tourist areas.

Thank you,

A concerned Neighbor

From: Jeffrey Kleintop [<mailto:jeffrey.kleintop@gmail.com>]

Sent: Tuesday, September 7, 2021 7:55 AM

To: info@honoluludpp.org

Subject: Department of Planning and Permitting

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Dear Chair of the Planning Committee and Director of the Department of Planning and Permitting:

The proposed bill making sweeping changes to Ordinance 19-18 creates two huge problems for my family with the condo at the Turtle Bay Resort we just purchased this year.

First, we cannot stay in our own condo without paying the hotel according to this proposal. This seems crazy since we own the property and intend to stay there often.

Second, the proposal grants the hotel a monopoly on renting out our condo. Monopolies aren't good for anyone.

Wouldn't it be better to simply enforce Ordinance 19-18?

Thank you for reconsidering or amending the proposal to eliminate these unnecessary and negative impacts that do nothing to achieve the goals of better managing the impact of tourism.

Best,

-Jeffrey Kleintop

52-020 Kuiliima Drive

Kuhuku, HI 96731

From: Jason Shelton [<mailto:js107340@gmail.com>]
Sent: Tuesday, September 7, 2021 7:45 AM
To: info@honoluluodpp.org
Subject: REJECT the new proposed Bill to increase short term rentals to 180 days

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Dear Chair of the Planning Commission, please read my following letter,

As a proud homeowner (finally) in Kailua for the past 5 years, I am writing to express **my strong opposition to DPP's newly proposed bill to increase the short term rental limits from 30 to 180 days**. This is a ridiculously unconstitutional attempt at restricting private property rights and harming homeowners in an immoral and reckless way. It is so **DISRESPECTFUL** to current homeowners in Oahu that the new Mayor should be ashamed to put this new bill forward. Someone has to speak up for our rights!

Some of us worked hard for years to save up and eventually achieve the dream of owning a home in Hawai'i. Approving this bill would make owning a home even more impossible for many families who help cover their monthly home bills by occasionally and **LEGALLY** renting out their own single family home for a month or so. Homeowners are not big hotel/resort operators. We're just people trying to earn a living, own a home of our own, and hopefully pass along more to our kids than we had. **Using our home as we choose is the only thing that allows many of us to continue to own a home in Hawai'i**. We're not harming anyone and we have rights too as property owners and taxpayers. This new bill goes way too far to violate our rights by raising the minimum number of nights rental to 180 days! In fact, it's just outrageous. **YOU HAVE NO RIGHT TO TAKE OUR ABILITY TO RENT OUR HOMES FOR 30 DAYS**. This whole thing is just an alliance between the big resorts and the (quietly republican) "independent" Mayor to shut out the little guys and keep the money in the pockets of the big corporations instead of individual families and small businesses who benefit from tourism outside of the resort zone. (By the way, the resort zone sucks and more and more people know it.)

Years were spent coming up with Bill 89. That's enough! Just enforce that rule through ordinance 19-18. This new proposed bill is a lazy overreach and is totally unethical to not only people who own homes in Oahu, but also to people who rely on the tourism industry to operate and work in small businesses.

YOU MUST REJECT THE NEW PROPOSED BILL IN ITS ENTIRETY!

Sincerely,
Jason Shelton

Kailua, Hawaii proud homeowner

From: Scott Bolt [<mailto:swbolt@gmail.com>]
Sent: Tuesday, September 7, 2021 7:45 AM
To: info@honoluludpp.org
Subject: Rejection of Proposed Short Term Rental Bill

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

I am writing to request DPP to reject the new proposed bill on short term rentals in its' entirety. Also to urge DPP to continue its administrative rule-making process to implement Ordinance 19-18 and to establish a working group comprised of key stakeholders on rule-making recommendations.

Sincerely,
Scott W. Bolt
453 Portlock Road
Honolulu, HI 96825

From: Troy Krill [<mailto:717krlst8@gmail.com>]

Sent: Tuesday, September 7, 2021 7:42 AM

To: info@honoluluodpp.org

Subject: To the Chair of the Planning Commission and the Director of the Department of Planning and Permitting

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

- Reject the proposed bill in its entirety;
- Urge DPP to withdraw this proposed bill and continue its administrative rule-making process to implement Ordinance 19-18;
- Encourage DPP to establish a working group comprised of key stakeholders on rule-making recommendations.

Thank you!

Troy D. Krill, Realtor Associate
Kawaguchi Group
eXp Realty | Luxury Collection Team
808.426.8104
RS-79028

From: Dennis Dingler [<mailto:dennisdingler1@gmail.com>]

Sent: Tuesday, September 7, 2021 7:35 AM

To: info@honoluludpp.org

Subject: Ordinance 19-18

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Dear Chair of Planning Commission Sir/Madam/Them:

Shutting down and/or curtailing short-term vacation rentals is not the answer. Please note this letter is to:

- Reject the proposed bill in its entirety.
- Urge DPP to withdraw this proposed bill and continue its administrative rule-making process to implement Ordinance 19-18
- Ask/encourage the DPP to establish a working group comprised of key stakeholders on rule-making recommendations

Thank you,

--

Dennis Dingler RN, BSN

Cell 310-709-6379

Office 323-656-9875

DennisDingler1@gmail.com

Lois Crozer
Kailua

From: Larry E. Oldfield [<mailto:larry@olaproperties.com>]

Sent: Tuesday, September 7, 2021 8:04 AM

To: info@honoluluodpp.org

Subject: Proposed Rentals Bill from DPP

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Aloha,

As a Real Estate Broker and Property Manager for Legal Vacation Rentals on Oahu, I am writing to voice my opposition to the latest proposed bill from the DPP regarding Vacation Rentals. I would ask the Planning Commission,

- 1.Reject this bill in its entirety
- 2.Urge the DPP to withdraw the proposal and continue working on its administrative rules to implement Ordinance 19-18
- 3.Enforce the rules and laws that are already in place
- 4.Encourage DPP to establish a working group comprised of key stakeholders on rule-making recommendations

Larry E. Oldfield, R
Principal Broker
Ola Properties, Inc.
Tel: 808-726-2871

www.OlaProperties.com

License # RB-19820

From: Kim Miller [<mailto:hawrealty@gmail.com>]
Sent: Tuesday, September 7, 2021 8:11 AM
To: info@honoluluodpp.org
Cc: hawrealty@gmail.com
Subject: Reject proposed bill on short term rentals

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I respectfully request that you:

- Reject the proposed bill in its entirety;
- Urge DPP to withdraw this proposed bill and continue its administrative rule-making process to implement Ordinance 19-18;
- Encourage DPP to establish a working group comprised of key stakeholders on rule-making recommendations.

Short term rentals can be helpful to island residents wishing to remain in their home as they age or seeking a stream of income to assist them in the aging process. I believe there are many voices on this topic and all community stakeholders need to be heard. Thank you very much.

With aloha , Kim Miller , RB

Kim Miller Realtor

88-395-0230

From: jerry chan [<mailto:jchan808realtor@gmail.com>]

Sent: Tuesday, September 7, 2021 8:12 AM

To: info@honoluludpp.org

Subject: Reject new restrictions on vacation rentals

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Hi DPP,

I Reject the proposed bill in its entirety;. Urge DPP to withdraw this proposed bill and continue its administrative rule-making process to implement Ordinance 19-18; I Encourage DPP to establish a working group comprised of key stakeholders on rule-making recommendations.

Jerry Chan
(808)783-8889

-----Original Message-----

From: jessthompson808@gmail.com [mailto:jessthompson808@gmail.com]

Sent: Tuesday, September 7, 2021 8:27 AM

To: info@honoluludpp.org

Subject: Reject short term rental bill

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

Aloha,

I manage several units in Waikiki. Waikiki was supposed to be a safe place for vacation rentals. We had no idea this bill was even coming. Please please please don't stop allowing us to rent out our properties as vacation rentals. My income and each of their income relies on it.

There are enough struggles we face already please don't make this another one. Plus the tax income is so helpful to the state I don't understand why this makes sense at all?!

Thanks
Jessica Thompson

From: Brett Hulme [<mailto:Brett.Hulme@pigottnet.com>]

Sent: Tuesday, September 7, 2021 9:31 AM

To: info@honoluluodpp.org

Cc: bhulme87@gmail.com

Subject: Proposed Bill regarding STR Regulations

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Aloha Honolulu Department of Planning & Permitting,

I am writing in favor of fair and reasonable regulations for the vacation rental industry. While I fully support the DPP's goals to 1) reduce impacts on residential neighborhoods; and 2) regulate STRs (short-term rentals), the proposed bill and implementation is problematic as it takes away individual property rights while drastically expanding hotels interests.

- I implore the DPP to reject the proposed bill in its entirety and focus on enforcing the current regulations that took almost 3 years to create as opposed to proposing a new bill that ignores all the work and to continue the administrative rule-making process to implement Ordinance 19-18.
- This bill seeks to take away long-established property rights from condotel owners does nothing to reduce impact on residential neighborhoods. Under the proposed bill, condo-hotel owners will lose control over their units and will be deprived of the free use of their own property. Continue to allow TVU operators in or adjacent to existing resort areas.
- Those who have chosen to operate short-term rentals in or adjacent to existing resort areas have done so in a good-faith effort to comply with existing laws and related tax payments to the city, county and/or state of Hawaii.
- This bill drastically expands hotels interests while choking out individual property rights. The bill imposes ownership, operations, and financial hurdles and restrictions on TVU operators while at the same time giving corporate hotels unfettered right to operate without the same restrictions and siphon tourism revenue outside the state of Hawaii.
- Owners of the short-term rentals provide employment and financial opportunities for local Property Management companies, cleaning, maintenance, and repair staff, and related services like laundry services, etc.
- Short-term rentals not only offer accommodations for visitors, but also provide decent and affordable opportunities to others such as traveling medical staff, families arriving to care for

their loved ones, contract workers, relocated military families, local residents in need of temporary housing, and others, etc.

- In order to come up with effective and fair solutions for our entire community, we ask DPP to establish a working group comprised of key stakeholders on rule-making recommendations and sit down with vacation rental owners and operators, who can help provide insights and solutions it may not otherwise uncover.

Please do not limit our ability to use our private property in a reasonable and responsible manner. Please reject the proposed bill in its entirety and continue the administrative rule-making process to implement Ordinance 19-18 and allow ALL local stakeholders a voice in the decision-making process.

Mahalo,

Brett

Brett Hulme

Waikiki Banyan

201 Ohua Avenue

Mauka Tower 2, 1602

Honolulu, HI 96185

From: Shelby Redinger [mailto:ShelbyRedinger@protonmail.com]
Sent: Tuesday, September 7, 2021 9:27 AM
To: info@honoluluodpp.org
Subject: 6 Month STR Ord Will Greatly Reduce Available Housing Stock

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Dear Chair of the Planning Commission, kindly consider my following letter,

As a home owner in Kailua, I would like you to know that **I AM STRONGLY OPPOSED TO DPP'S PROPOSAL TO INCREASE THE MINIMUM RENTAL LIMIT FROM 30 DAYS TO 180 DAYS!** This extreme and draconian proposal will greatly reduce the amount of housing stock available overall, and specifically limit housing to people who are:

Seasonal workers who are on island part of the year such as

- traveling nurses
- visiting professors and other educational professionals
- seasonal construction workers
- grad students doing field research in Hawaii
- specialty and research medical doctors
- mainland engineers working on large public projects
- biologists doing research
- many, many more

Additionally, it will limit the ability of people who are in between housing to arrange an affordable in between solution to issues that arise from:

- doing home remodeling
- getting kicked out of a shared lease with a room mate or by a family member in a home
- military families looking for housing
- people who get quickly transferred to Hawaii and need time to look for suitable housing for their families
- having a month or two between closing dates when buying and selling a home
- unable to find an acceptable long term rental option within a given time period

I am familiar because I have rented to lots of people in the above situations during the part of the year that I am not on island. There are a lot of these folks in Hawaii who get stuck between a rock and a hard place with housing during difficult times! You guys are going to make a challenging housing situation and blow it up into a CRISIS. I honestly cannot, for the life of me, understand why you would do something this ill advised in such a rushed manner. For something this bad, I imagine somebody must stand to make a lot of money! Is it our "Independent" Mayor and his big hotel donors? Seriously shameful.

Question: Have you done an economic impact study to ascertain the effects of this policy on our housing stock? If not, please do so because I think you are going to be shocked at the findings and recommendations. You are going to hurt a lot of people struggling close to the economic and social margins. If I am unable to rent for less than a 6 month lease at a time, my house will sit empty when I'm not there. Many homes already sit empty but this ordinance will multiply stock of dark, empty furnished houses in Honolulu. If you do pass this ordinance, make

sure you budget for all the Porta Johns required for all the folks sleeping in their cars at the Target and Home Depot parking lots!

This proposal is immoral and the people of Honolulu will not stand for it. I think the Mayor will get recalled over it. I really do. You are hitting a lot of people right where they hurt and people are fed up with the callousness and out of touch policies from the people that are supposed to look out for our interests. OUR interests. Not the JW Marriot's interests. Ours. If you want to reduce tourism, why don't you shut down The Outrigger? The Ala Moana? You could eliminate about 1000 tourists per week with a quick flick of the pen if you shutter the Hilton Hawaiian Village Waikiki. Why not?

Bill 89 with ordinance 19-18 was the product of a lot of work over many years to come up with a solution that works well across many competing interests. It has leveled off the AirBnB mania and has resulted in a happy compromise that allows the many semi-utilized private homes to be added into the housing stock on an as-needed basis. Please don't mess that up. **PLEASE REJECT THE DPP'S PROPOSAL TO INCREASE THE MINIMUM RENTAL LIMIT FROM 30 DAYS TO 180 DAYS.**

Sincerely,
Shel

Sent with [ProtonMail](#) Secure Email.

From: Riley Bloom [<mailto:riley.bloom@elitepacific.com>]

Sent: Tuesday, September 7, 2021 9:16 AM

To: info@honoluluodpp.org

Subject: Riley Bloom Testimony

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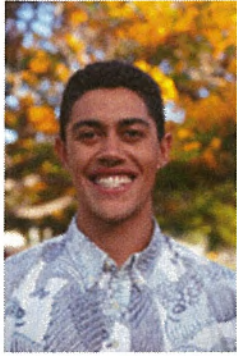
Aloha,

I did not get a chance to speak in the meeting last week due to technical difficulties.

Please use the following points as my testimony:

- 1.
2. We fully support enforcement actions against illegal Short-Term Rental operators. There is no need to change the definition from 30 days to 180 days. We just need to properly enforce the 30 day rule.
2. As licensed real estate professionals, we frequently encounter people on Oahu who need rentals of less than 180 days. These uses include:
 - a. Families from out of State that are taking care of loved ones
 - b. People moving to Oahu and looking to buy a home
 - c. Families who are waiting for their new home to complete construction
 - d. Government contract workers
 - e. Traveling nurses
 - f. Military PCS while looking for a home to buy
 - g. Home Sellers who need to rent until they find a new property
 - h. Film and TV crews while on a shoot
3. It is overly broad to include all rentals 30 days or greater as Short-Term Rentals and will harm many local property owners as well as the Tenants that stay in their homes.

Mahalo,



Riley Bloom, RS-82422
Property Manager, Corcoran Pacific Properties
808.349.1118 riley.bloom@elitepacific.com www.elitepacific.com

CORCORAN

PACIFIC PROPERTIES

f in @

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From: Mike Jackson [<mailto:mikejacksonatlarge@gmail.com>]
Sent: Tuesday, September 7, 2021 9:09 AM
To: info@honoluluodpp.org
Subject: NO to all of the proposed changes under consideration

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Please withdraw this entire proposed bill, and continue to implement Ord. 19-18 which in itself is restrictive and onerous.

The proposed changes under consideration have very negative effects on Oahu's economy, property rights, and tourism. It will mean the closing of many small businesses, loss of jobs and revenue for the state, city, county. It also sends a "do not come here, you are not wanted" message to tourists, temporary workers, those needing temporary accommodations, military relocations, etc.

The proposed 180-day minimum stay requirement is another horrible idea.

No doubt the hotel industry, along with their large number of employees, is the BIG winner here. Is their political clout so powerful that you will engineer a set of rules to eliminate all their competition?! For various legitimate reasons, tourists, business visitors and temporary workers are very interested in finding alternate accommodations to hotels. These proposals will effectively remove that desirable choice from a very large segment of travelers.

When I came to Hawaii nearly 40 years ago, there was much talk on Oahu about finding other industries to replace tourism, alternatives to sugarcane and pineapples, etc. Well, our "leaders" have not been able to do that but they have managed to make some poor judgments about many other issues on Oahu.

Let's not allow poor decisions to wreck our visitor industry only to discover later, it was a terrible mistake.

Thank you for the opportunity to have input. Unfortunately, it appears that the DPP and Mayor have made up their collective minds to totally shut-down every short-term rental on Oahu. Certainly, the hotel industry is heavily in favor of that too.

Thank you,
Mike

From: Elgine Onaka [<mailto:elgineonaka@legacylivingnow.com>]

Sent: Tuesday, September 7, 2021 9:05 AM

To: info@honoluludpp.org

Subject: Reject - Draft Bill with proposed amendments to the Short-Term Rental Ordinance

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Aloha!

We are asking the Chair of the Planning Commission and the Director of the Department of Planning and Permitting to:

- Reject the proposed bill in its entirety;
- We urge DPP to withdraw this proposed bill and continue its administrative rule-making process to implement Ordinance 19-18;
- DPP should establish a working group comprised of key stakeholders on rule-making recommendations.

With Gratitude - Mahalo Nui Loa!

Elgine Onaka



Elgine Onaka RS-83456

Legacy Living Team Member

brokered by eXp Realty RB-21841

Direct Mobile: (808)348-2486

500 Ala Moana Blvd. Suite 400

Honolulu, Hawaii 96813

Email: elgineonaka@legacylivingnow.com

Website: <https://www.legacylivingnow.com/elgine-onaka/>

Instagram: <https://www.instagram.com/elgineonakalegacylivingnow>

Facebook: <https://fb.me/ElgineOnakaLegacyLivingNow>

eXp: <https://elgineonaka.exprealty.careers/>

From: Peter Prose [<mailto:peter.prose@gmail.com>]
Sent: Tuesday, September 7, 2021 8:36 AM
To: info@honoluluodpp.org
Subject: Shutting down short-term vacation rentals is not the answer

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

To the Department of Planning and Permitting:

This is the second letter I'm writing to your organization. I'm a former resident of Oahu and own a home in Hawaii Kai that is being offered as a legal vacation rental professional managed by Elite Pacific Properties. It has been brought to my attention that there is a proposal to change the minimum stay from 30 days to 180 days, which would essentially destroy a cottage industry that provides tax income to the state and professional income to various contractors for maintenance and management. I have copied an editorial by Milo Spindt below, my opinions echo those that he eloquently outlines. Please reconsider this measure and focus on creating the framework for enforcement of the existing provisions instead of making a new law that is unnecessarily restrictive.

Regards,
Peter Prose
(808) 259-1703

By Milo Spindt | Sept. 2, 2021

Milo Spindt is executive director of the Hawaii Legal Short-Term Rental Alliance (HILSTRA).

Acting under the idea that reducing the number of tourists will resolve traffic, overcrowded beaches and affordable housing problems, the city Department of Planning and Permitting (DPP) is introducing a revised vacation rental bill that will close many small businesses who serve our communities. While the bill is well-intentioned, it would have tremendous long-term negative impacts.

The Caldwell administration spent over two years working with the short-term rental industry to find a compromise between tourism and the residents' concerns. In 2019, the result was Bill 89 and the resulting City Ordinance 19-18. It is not perfect, but it is a balanced approach to limit legal short-term rentals with 30-day rentals and create an enforcement framework to shut down illegal operators.

As a part of Ordinance 19-18, the DPP was required to create a set of enforcement rules through a public process. The resulting rules would become the legal administrative process that DPP would have to follow to shut down illegal operators. After one public hearing, the new administration gave up trying to create administrative rules and has instead decided to take a much more drastic approach.

On Wednesday, the Planning Commission heard a new proposed bill from the DPP. The bill is severe and draconian in its methodology. Some of the highlights include requirements such as:

>> If you own a legal TVU (transient vacation unit) in a condominium hotel, you cannot manage it yourself or have a professional property manager, you must rent it through a hotel operator.

>> You cannot receive a discount for using your own rental property, not for yourself, your family or your friends.

>> Month-to-month rentals anywhere outside of Waikiki, Ko Olina and Kuilima would be illegal, requiring that all rentals be 180 days (six months) or greater. This would not work for neighbor island residents who require accommodations for family members needing medical treatment; traveling nurses and government contractors on assignments; or military families and those needing month-to-month leases while looking to purchase a home.

The results of this bill would kill small businesses who are essential to the tourism and alternative accommodation eco-cycle. It would also financially injure all the homeowners who have been operating in good faith under Ordinance 19-18.

If this bill passes, it will not make any progress in DPP's enforcement efforts as DPP would still need to go through the administrative rule process.

As an organization that supports legal short-term rentals, the Hawaii Legal Short-Term Rental Alliance (HILSTRA) fully supports DPP's efforts to shut down illegal operators. They give everyone in the industry a bad name. Our members are willing to participate in the creation of the administrative rules that are necessary to enforce Ordinance 19-18. We have offered our assistance as an industry to help create the process to validate legal uses and to help catch illegal operators.

We are not asking for free rein, and we certainly do not want to throw out years of hard work that resulted in a balanced compromise. We are supporting small businesses and are offering to help our community by working together to find sustainable solutions for our employees, contractors, and guests.

Hawaii's future should not be based on more unenforceable government rules but should have a solid foundation based on a balanced approach of businesses, government and the community working together.

From: Carol Kimball [mailto:carolkimball808@yahoo.com]

Sent: Tuesday, September 07, 2021 12:05 PM

To: info@honoluludpp.org

Subject: Changing short term occupancy rules

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Not everyone who comes to Hawaii wants to or can afford to stay in hotels in Waikiki. There are people who come here for work or school assignments, are moving in or out of Hawaii, are visiting family, awaiting the birth of a grandchild, are looking to purchase a home and dozens of other legitimate reasons. If here for less than 30 days, a hotel can work well for them. If here for any of the above reasons, but with no intention or ability to stay for 6 months, these people will have very limited options under the proposed new rules. These visitors and new residents usually do not have any adverse impacts on beaches and other tourist attractions because they are working, going to school, helping in our hospitals or searching for permanent housing. Local people benefit by having jobs in this industry such as cleaning, landscaping, plumbing, building, remodeling, etc that generally pay a living wage and keep the properties in good condition. The owners of these 30 day rentals usually do not want a permanent tenant living in their homes as those areas are sometimes used by their own family and friends. Therefore, this law would not add to the available housing stock for local residents. These units are furnished and most local renters have their own furniture and personal items that cannot easily be moved into someone else's home. Beside the financial benefit to the homeowner, local restaurants, furniture stores and many others benefit from these small, local operations. There is a real need for this kind of furnished 30 day rental in Hawaii. Please do not ignore this need by changing the law again.

Carol Kimball

Oahu

Sent from Yahoo Mail on Android

-----Original Message-----

From: Jerry Chan [mailto:jk2250@icloud.com]

Sent: Tuesday, September 07, 2021 11:47 AM

To: info@honoluludpp.org

Subject: I reject the new bill further limiting legal vacation rentals here in hawaii.

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Dear Chair of the Planning Commission and the Director of the Department of Planning and Permitting:

I respectfully request that proposed amendments to the land use ordinance relating to short-term rentals be:

- Rejected in its entirety;
- The city continue its administrative rule-making process to implement Ordinance 19-18; and
- Establish a working group comprised of key stakeholders on rule-making recommendations.

I am a local resident who is legally renting my units in a resort zoned building. I have remitted all relevant taxes and merely attempting to support myself and my family. The limitations recommended in the amendment would severely curtail my ability to provide for my family and sustainably live in Hawaii. There are many local families supported by vacation rentals from property managers, cleaners, and owners. Thank you for your consideration.

Jerry W. Chan
(808)457-6768

From: Pamela Maiava [mailto:pammaiava@yahoo.com]
Sent: Tuesday, September 07, 2021 12:02 PM
To: info@honoluludpp.org
Subject: Shutting down short-term vacation rentals not the answer

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Aloha DPP,

Per Shutting down short-term vacation rentals not the answer

- Reject the proposed bill in its entirety;
- Urge DPP to withdraw this proposed bill and continue its administrative rule-making process to implement Ordinance 19-18;
- Encourage DPP to establish a working group comprised of key stakeholders on rule-making recommendations.

Thank you,
Pam

-----Original Message-----

From: Raymond Chan [mailto:ray.chan888@icloud.com]

Sent: Tuesday, September 07, 2021 11:53 AM

To: info@honoluludpp.org

Subject:

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

Dear Chair of the Planning Commission and the Director of the Department of Planning and Permitting:

I respectfully request that proposed amendments to the land use ordinance relating to short-term rentals be:

- Rejected in its entirety;
- The city continue its administrative rule-making process to implement Ordinance 19-18; and
- Establish a working group comprised of key stakeholders on rule-making recommendations.

I am a local resident who is legally renting my units in a resort zoned building. I have remitted all relevant taxes and merely attempting to support myself and my family. The limitations recommended in the amendment would severely curtail my ability to provide for my family and sustainably live in Hawaii. There are many local families supported by vacation rentals from property managers, cleaners, and owners. Thank you for your consideration.

Sent from my iPhone

From: Bob Griffith [mailto:lagosbob@yahoo.com]
Sent: Tuesday, September 07, 2021 11:33 AM
To: info@honoluludpp.org
Subject: To: Brian Lee, Dean Uchida - Revised Ordinances of Honolulu (ROH) 1990

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

7 Sept 2021

Re: Revised Ordinances of Honolulu (ROH) 1990

To: Brian Lee the Chair of the Planning Commission

Dean Uchida the Director of DPP

As in my earlier submission, I strongly request that you:

- Reject the proposed bill in its entirety
- Withdraw the bill
- Continue its administrative rule-making process to implement Ordinance 19-18
- Establish a working group comprised of key stakeholders on rule-making recommendations

My earlier submission is below, for your reference.

Sincerely,

Robert Griffith

2140 Kuhio #2402

Honolulu

=====
Regarding the proposed Amendments to Chapter 21 (Land Use Ordinance), Revised Ordinances of Honolulu (ROH)1990, as Amended, Relating to Transient Accommodations, I hereby submit my comments and testimony in opposition.

I fully support enforcement actions against illegal Short-Term Rental operators. There is no need to change the definition from 30-days to 180-days, and I support every effort to properly enforce the 30-day minimum. This is where any potential legislation should be targeted, not with methods such as being proposed, which would have significant economic impact on both the local economy and property values in Waikiki.

The draft Bill plans to ban the legal 30-day minimum vacation rentals in Apartment Precincts in Waikiki. I oppose this Bill for the following reasons:

1. There are people on Oahu who need rentals of less than 180-days. I have had a number of renters who were on work contracts of less than 180 days, were moving/renovating their house and needed an interim place to stay, family/military connections needs, etc. These people didn't need or want or couldn't afford to stay at hotels for the period of time they needed accommodation. Hotel accommodations do not provide 'home' amenities that are available in a condo rental. There should be an option for them to stay at condos less than 180 days with affordable rates. This benefits Hawaii's economy.
2. There are many people who want to 'snowbird' for 1-3 months in warm places like Waikiki. Such people are NOT 'vacation' renters. They would stop coming to Hawaii if their only choice was a hotel. As they are 'living' in Waikiki for this period of time they need the additional amenities for such a length of stay and the hotel costs for such a period of stay would be prohibitive. These people also bring substantial benefits to Hawaii's economy.
3. If the purpose of this Bill is to protect neighbors, why not let Owners Associations decide by allowing their input? In my building, 30 day rentals are allowed. We do, however, have excellent controls on any residents' access that limit potential violations of truly short-term vacation rentals. We act on any potential violations by notifying the owner and the authorities.

I do not believe the DPP should override those owners' rights and implement such a one-sided standardized rule ignoring each building's owners' opinion and right to decide.

While it is understandable banning illegal vacation rentals in more quiet "residential" neighborhoods such as Kailua or Hawaii Kai, it makes no sense for Waikiki. Waikiki is unique as a successful tourism destination, with many local businesses, restaurants, and shops that depend on tourists, both week stay 'vacation' ones and month+ stay 'visitor' ones.

Healthy successful tourism needs a variety of accommodations that provide options to visitors. With this proposed Bill it is narrowing accommodations to only local residents with long term 180-day leases, who will not contribute to the special businesses aimed at tourism and income for business owners and the state of Hawaii.

It is obvious that this Bill is aimed to help the Hotel Industry in Waikiki. It does not benefit Oahu by providing healthy competition as it only promotes the vested interest of the Hotel industry and its revenue.

This bill will significantly affect both my current day income and the market value of my property. It completely oversteps the market conditions that existed when I purchased my property.

There should be other ways to stop illegal vacation rentals or solve the issue of the shortage of housing for local residents.

Letting the Hotel Industry monopolize the Oahu's accommodation options will result in a ruined economy.

Sincerely,

From: Susan Lee [mailto:jeunglee.susan@gmail.com]
Sent: Tuesday, September 07, 2021 11:00 AM
To: info@honoluludpp.org
Subject: [EMAIL SUBJECT: TESTIMONY TO OPPOSE AMENDMENTS TO CHAPTER 21 - SEPT 1, 2021 PLANNING COMM. HEARING]

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Dear Members of the Planning Commission and Chair Lee:

I am writing to express my **opposition to proposed amendments to Chapter 21** (Land Use Ordinance [LUO]), Revised Ordinances of Honolulu (ROH) 1990, as Amended relating to Transient Accommodations. I am a property owner in Waikiki and have been coming to the islands for over five decades. My mother and aunt lived in public housing in Honolulu on King Street in the 1940s, and part of our family moved to California after several years on the islands. However, we continue to visit and pay homage to our relatives who built roots here in Hawaii. In order to do that, my family purchased a condo in Waikiki so that we could visit family and also rent the property while we are back on the mainland. During Covid, we have spent many months on Oahu visiting family while staying in our condo. The proposed change to update definitions of B&Bs and TVUs from a minimum duration of 30 days to 180 days would be a huge detriment to myself, my family, and Oahu's economy. If the proposed change went into effect, I would not be able to stay in my own home while visiting family because it would likely be rented out on a long-term basis of at least 6 months. This is untenable as a property owner who has invested in the island and who has ties to the communities here. Instead, I would have to rent a hotel or burden family with staying with them if I wanted to visit for several weeks or months. During Covid, this is especially difficult. Financially, this also makes it incredibly difficult for me to continue to make frequent trips to the islands as currently I plan my trips around the 30 day rentals we have. I try to visit my family in Hawaii 4-5 times a year. **No changes need to be made to existing law except to step up enforcement actions against those who are violating the short-term rental laws.** The law-abiding owners should not be penalized for the actions of a few. I strongly urge you to step back and reconsider the proposed amendments and keep the 30 day minimum duration for B&Bs and TVUs.

Mahalo,
Susan Jeung

Sent from my iPhone

-----Original Message-----

From: Ernest Schenk [mailto:ernestschenk@yahoo.com]

Sent: Tuesday, September 07, 2021 10:40 AM

To: info@honoluludpp.org

Subject: Vacation Rentals

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

Again I very strongly object this bill as I consider it most unfair to property owners in Hawaii.
Regards, Ernest Schenk, owner Waikiki Beach Tower, unit 2302.

Sent from my iPad

From: Charles Cohn [mailto:cohnsc2@gmail.com]
Sent: Tuesday, September 07, 2021 10:31 AM
To: info@honoluludpp.org
Subject: ...draft vacation rentals suppression bill

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Dean Uchida, Director, DPP
Brian Lee, Chair, Planning Commission

Sirs:

This email is a follow on to the three page letter I sent by email pdf before last week's hearing. In brief, I'm writing to ask again, that:

- DPP NOT take away my property rights.
- Reject the draft bill in its entirety.
- Withdraw this proposed bill, but continue your administrative rule-making process to implement Ordinance 19-18.
- DPP establish a working group comprised of key stakeholders on rule-making recommendations.

Respectfully,

Charles S. Cohn,
Owner of Colony Surf #409, and Colony Surf #870
2895 Kalakaua Avenue
Honolulu, HI

From: wendy@rustlersrooste.com [mailto:wendy@rustlersrooste.com]
Sent: Tuesday, September 07, 2021 11:21 AM
To: info@honoluludpp.org
Subject: Short-Term Rentals on Oahu

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My husband and I have visited Oahu together over a dozen times since our first trip in 2005, sometimes just the two of us, and sometimes with big groups of friends and family. We almost always stay in the Kailua/Lanikai area, although we have also stayed on the North Shore. Never once have we chosen to stay in Waikiki or Honolulu – we live our daily lives in a busy, crowded city, so to visit another while on vacation is not appealing to us. We have also never stayed in a hotel or condominium – we prefer short-term home rentals which allow us to cook our own meals and relax with family and friends in a way that hotels cannot provide. Evening cocktails together on the lanai, breakfast around a table together while planning the day's activities, multi-generations of a family cooking dinner together ... hotels simply cannot create the same experience or memories.

When Ordinance 19-18 was passed in 2019, we weren't sure if we would be able to visit Oahu anymore – our previous stays had usually been around 10 days. We love Oahu and have always chosen it over the other Hawaiian Islands, so we found a way to make it work. We have been fortunate enough to make two trips since the 30-day minimum rental went into effect. To learn that the DPP is considering extending the minimum rental period to 180 days is devastating, for not only us, because we would never again return to Oahu, but for so many owners of short-term rentals. Our favorite rental in Kailua is owned by a man who lives on the other side of the home, so we get to know him a little better each time we stay. His livelihood would be devastated. The people who clean his home will lose income. We spend money at many businesses in Kailua, both small and large. Twin Islands, Boots & Kimo's, Aaron's Dive Shop, the Kailua Farmer's Market – without the dollars brought to these businesses by tourism and short-term rentals in the area, how will they survive?

We encourage you to reject the proposed bill in its entirety, and would urge you to work with the key stakeholders involved to create rules that will make it possible to enforce Ordinance 19-18.

Thank you for your consideration. We hope to return to Oahu one day soon!

Wendy & David Locher
Phoenix, Arizona

Wendy Locher
Controller/HR Director | 602-659-6368
[Aunt Chilada's](#) | 7330 N Dreamy Draw Dr, Phoenix AZ 85020
[Rustler's Rooste](#) | 8383 S 48th St, Phoenix AZ 85044

-----Original Message-----

From: Barbara Sanderson [mailto:waikikicondo@hotmail.com]

Sent: Tuesday, September 07, 2021 10:46 AM

To: info@honoluludpp.org

Subject: Do not take away our property rights!

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From: Mary Lavoie [mailto:marylavoieolson@gmail.com]

Sent: Tuesday, September 07, 2021 10:38 AM

To: info@honoluludpp.org

Cc: Rick Blangiardi

Subject: 30 days rentals are needed. Enforce the 30 day rules that just was passes with Bill 89

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This is a Real Estate Industry must have.... We have sold thousands of homes with this as property owners rights to do.

We also write contracts every day of the week with, month to month rent backs. All lease agreements have a 30 day option to to rent month to month for so many reasons the list would be endless.

Home purchase, job change, family emergencies, visiting family, health professionals, business professionals, the movie industry, sick family members, kids and grandkids coming back to the islands to visit, collage interns that work with our non profits. For lots of reasons owners don't want to lease for 6 months or longer. It would add to a greater shortage of properties. I know many homeowners that wouldn't take the chance of renting for a long period of time, just in case they would get stuck with a bad tenant.

For many reasons renters need only 30 days or month to month.

What the City of Honolulu needs to do is look around at the real problems HOMELESS CRAZY NUTS on drugs walking the streets using the city bathrooms, parks and facilities bringing have it to our communities and property owners. The danger spreading COVID among this group is growing. Its actually getting worst. I walked through Waikiki and Diamondhead yesterday and it was absolutely disgusting.

Sent from my iPhone

Please help

Mary Lavoie

Real Estate Professional

From: Faruq [mailto:fa27sf@gmail.com]
Sent: Tuesday, September 07, 2021 10:25 AM
To: info@honoluludpp.org
Subject: Re: Submission for 91/ Planning Commission meeting

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To: Brian Lee, Chair of the Planning Commission
Dean Uchida, Director of DPP

Aloha,

I am planning on attending the continuation of the hearing tomorrow. I am forwarding my comments, submitted earlier.

I was frankly shocked at how little thought had been given to the issues in the proposed bill. I would urge you to reject it, and to convene all stakeholders in a working group to make practical recommendations.

The focus should clearly be illegal operators, and not legal ones. And, in implementing existing laws. If the Commission interferes with Property Rights without further thought this runs the risk of litigation, which will distract further from the stated goals and laudable intentions.

Mahalo, Faruq Ahmad

On Mon, Aug 30, 2021 at 1:16 PM Faruq <fa27sf@gmail.com> wrote:

To: Honolulu Department of Planning and Permitting (DPP), for consideration for September 1, 2021 meeting to discuss Proposed Amendments to Chapter 21 (Land use Ordinance [LUO]), Revised Ordinances of Honolulu (ROH) 1990, as Amended, Relating to Transient Accommodations

From: Faruq Ahmad, owner of a condotel unit at Ilikai Marina (signed copy attached)

Dated: 28 August, 2021

I have reviewed the Memo dated August 13, 2021 which summarizes Proposed Amendments to Transient Accommodations. I have owned a condotel at the Ilikai Marina for almost 20 years. I support the motivations as described in the Background section of the Staff Report. However, I request the Commission to reconsider certain key Recommendations.

I visit Hawaii as a respectful member of the community, and have been active in initiatives designed to enhance Hawaii welfare and employment, especially in the high-tech sector. I have mentored and advised companies, and also participated at UofH initiatives and events. I intend for this to continue.

1. I urge the Commission to crackdown on illegal Short-Term Rental operators. They deprive the State of tax receipts, and because they are unregulated are ultimately "disruptive

to the character and fabric of our residential neighborhoods”, and the Staff Report correctly points out.

Legal Renters like myself however already pay Hotel Taxes for the privilege, and should not be made subject to increased fees or restrictions.

2. Changing the definition of Short Term Rental to less than 180 days is unnecessary and would defeat the definition and purpose of the Committee. There are numerous categories of travelers who need accommodations for less than 30 days, a need which the Ilikai Marina helps provide and has done so for decades, from its Resort location. Such Travelers do not need the extra services Hotels provide, but do need the flexibility of short-term accommodations as they help the economy.

The Ilikai Marina is in Waikiki, which is already a tourist area. A condotel like Ilikai Marina supplements and complements conventional hotels, pays the same tax rates, and should continue to be allowed to offer less than 30 days the way hotels do.

3. The Proposal seems to suggest that all units should be centrally rented, as in a Hotel. I use a third-party rental agent, and would like to continue to do so. I am happy with their service, and do not think it appropriate for the Commission to force me to do otherwise. The Commission should not appear to be favoring hotels.

4. There are residents at the Ilikai Marina who use their units as primary residence. I may well also choose to do so in the future, if I move to Hawaii. The Commissions’ proposal to disallow this is an unreasonable and improper limitation. It will also result in the loss of homes to individuals who currently use it as primary residence.

5. The actions recommended will potentially reduce cash flow for me, and cause the value of my unit to fall.

From: Traci Lee [mailto:trace125@gmail.com]

Sent: Tuesday, September 07, 2021 10:14 AM

To: info@honoluludpp.org

Subject: Opposition Testimony for 9/8 DPP Hearing on Chapter 21 Amendments

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha Chair Lee and Mr Dean Uchida,

I oppose the amendments you're considering for Short Term Rentals and TVUs. As an owner of a TVU, this ordinance severely infringes upon my rights as a property owner and will significantly depress my property value. I purchased a home several years ago in Waikiki to be closer to my family that lives in Manoa, and because I travel between the mainland and Honolulu for work, I purchased in Waikiki so that my home could easily rent to others for 30 days+ while I was away. As a realtor myself, this rushed regulation will significantly hurt Oahu's real estate economy. Buyers will not want to invest in property that has so many restrictions tied to the property, such as limits on the freedom to rent in a resort area. There is no need to expand the minimum rental period from 30 days to 180 days. 180 days would decimate the rental industry, leaving tenants, landlords, property managers, and house cleaners without recourse. It is excessive and ignores the rights of local property owners who pay taxes into the Hawaii economy. Additionally, any increases in taxes or fees should be put to the will of the voters, not hastily decided without a proper opportunity for stakeholder input. I strongly urge DPP to withdraw this proposed bill and continue its administrative rule-making process to implement Ordinance 19-18.

Please reject the proposed amendments. I strongly oppose any of these changes.

--

Traci Lee

From: NANA ISONO [mailto:nanaisono.hawaii@gmail.com]

Sent: Tuesday, September 07, 2021 10:09 AM

To: info@honoluludpp.org

Subject: Short-term vacation rentals

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Hi,

We are concerning below:

- Reject the proposed bill in its entirety;
- Urge DPP to withdraw this proposed bill and continue its administrative rule-making process to implement Ordinance 19-18;
- Encourage DPP to establish a working group comprised of key stakeholders on rule-making recommendations.

*With Warmest Aloha,
-Nana*



NANA ISONO, RS-75329

RI, CLHMS, E-PRO

English Japanese Speaking | Realtor Associate

Corcoran Pacific Properties | Kahala Office

2111 Waialae Ave Suite 106, Honolulu HI 96816

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Email: nanaisono.hawaii@gmail.com OR

nana.isono@corcoranpacific.com

Website

corcoranpacific.com, nanaisonoalohalife.com Blog: nanalohablog.me

*Aloha Aina REALTOR Awards Program Nominee 2015-2020*Honolulu Board of Realtors*

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いそのなな (RA) | ハワイ州公認不動産取引士 | 日本語でどうぞ!

メール: nanaisono.hawaii@gmail.com

いそのななウェブサイト: www.nanaisonoalohalife.com

ハワイの物件検索はいそのななの公式ページの物件検索サイトから~
物件検索サイトはこちらをクリック!

From: Spencer Lee [mailto:spence.slee@gmail.com]
Sent: Tuesday, September 07, 2021 10:12 AM
To: Info@honoluluudpp.org
Subject: TESTIMONY TO OPPOSE AMENDMENTS TO CHAPTER 21

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Aloha Planning Commission and Chair Lee,

I am opposing the amendments the Commission is considering relating to short term rentals and transient vacation units. I support harsher actions against people who are operating short term rentals illegally. But for the majority of people like me who operate legally, there is no need to change the 30 day rules. I often rent to those in our armed forces, families who are moving to Hawaii but renting while they find a permanent home, people who are visiting family and kupuna on Oahu, and college students. The rules to include all rentals 30 days or greater as short term rentals and will harm many local property owners as well as the tenants, who will now be unable to find shorter term housing or will be forced to stay in expensive hotels. Building HOAs already have rules in place to limit short term rentals, so this new regulation by the Planning Commission would be duplicative. Furthermore, this potential rule change will significantly depress property values in the Waikiki area and resort zone. Many owners like me have pride of ownership and use our rental income to help upkeep the property and our rental units. Many of the building HOAs are already very expensive (mine is over \$900 a month!) and this rule change will make it even more difficult to earn income to help cover my mortgage and other related property payments. Please do not take out your few frustrations on the majority of property owners who are adhering to laws, doing the right thing, and contributing to Oahu's economy. ***Please reject the potential amendments related to STRs and TVUs.***

Thank you.

-Spencer Lee

--

Spencer Lee
B.A. Economics
spence.slee@gmail.com

From: Amy Shimer [mailto:amygshimer@gmail.com]
Sent: Tuesday, September 07, 2021 9:43 AM
To: info@honoluludpp.org
Subject: OPPOSE RAISING Short Term Rental Lease to Six Months

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Dear Chair of the Planning Commission, please read my following letter,

I would like to inform the Chair and the Commission at large, that **I am opposed to the proposal to raise the short term rental limits from 30 to 180 days.** I am a homeowner that is only on-island part of the year and when I am not, I rent on a month to month basis to many different kinds of people. Over the past several years, I have rented to a wide array of people that needed a short term, furnished solution to a housing challenge that they were facing - doctors, Navy seals, yoga instructors, nurses, extended members of local families, just to name a few. I use local managers, plumbers, electricians, window washers, coconut climbers, handymen, landscapers, carpet cleaners, regular cleaners and recommend and promote exclusively local businesses to all of my renters. I pay all my taxes. I am a good neighbor and have contributed to maintaining and improving the shared median and private lane in my neighborhood.

Ordinance 19-18 took a long time to get done and was a healthy compromise that allowed reasonable use by those in transitory professional or family situations of existing housing inventory. The existing ordinance allowing 30 day rentals is an efficient use of the many houses in Honolulu and Kailua that are occupied only part of the year. The DPP should not violate it's charter by further restricting housing in Honolulu!

Additionally, this radical proposal infringes on rights granted to the American People by in the Fifth and Fourteenth Amendments Due Process Clauses and, more directly, through the Fifth Amendment's Taking's Clause: "nor shall private property be taken for public use without just compensation." These two clauses protect private property owners not just from outright takings, such as via condemning the property and taking title, but additionally through regulations that take "uses" while leaving the title with the owner. The ordinance, if approved, will get vigorously challenged in court.

Please do NOT pass the proposal to raise the minimum short term rental from 30 days to 180 days.

Sincerely,
Amy Shimer
Kailua Homeowner

-----Original Message-----

From: Tatiana Berger [mailto:tberger0001@gmail.com]

Sent: Tuesday, September 07, 2021 9:55 AM

To: info@honoluludpp.org

Subject: NEW LAW RE STR

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As a former big firm lawyer on the mainland, an owner of a short term, 30 day plus, vacation rental I've bought my property under the impression that this was going to be an option for me. And to me this is an unconstitutional taking and needs to be handled on a much more transparent basis than now.

You are going to literally force people into foreclosure who can't afford to maintain some of these properties. Or create a significant underground rental market. Especially where tenants, who already engage heavily in impermissible Airbnb's, will simply continue to do the same with their friends who often work in the buildings that are being rented.

(I encourage you to follow the recommendations of other similarly situated property owners of which I am aligned. I am currently traveling in Europe)

Sent from my iPhone probably via talk text. (If it sounds nuts blame Siri)

From: Chin Lee [mailto:chinheng@chinheng.com]

Sent: Tuesday, September 07, 2021 9:34 AM

To: info@honoluludpp.org

Subject: Testimony for 9/8 Planning Commission Hearing on Short Term Rentals

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Aloha,

I am writing to strongly oppose the current version of Short Term Rental regulation proposed by DPP. The current version does not provide reasonable regulations, and seek no community input in drafting this Bill. The bill as it is currently written favors only the hotel industry and lobbyist, and takes away property rights for individual owners. Please consider engaging with multiple stakeholders to come up with a fair and effective solution for the entire community, not just the from the hotel industry's perspective.

There is already an existing Bill (Ordinance 19-18) that was enacted through many years of public input, negotiation and compromises, DPP should focus on finding ways to enforce existing regulations. Additional regulations will only make it more difficult to enforce existing rules.

The draft regulations also limits our ability to provide affordable accommodations to those wishing to visit Honolulu. There are many, including myself, who rely on vacation rental to supplement their income due to the high living expenses in Oahu, and do it legally. This bill seeks to take away long-established property rights in the resort zone that explicitly allow people to own and operate TVUs. There are many, including myself, who have chosen to operate short-term rentals in this zone and have done so in a good-faith effort to comply with existing laws.

Thanks for the opportunity to submit a testimony, Chin Lee

From: CLK Council Info
Sent: Tuesday, September 7, 2021 1:13 PM
To: Yamane, Joy <iyamane1@honolulu.gov>
Cc: Nursejem@hotmail.com; Chung, Vicki K. N. <vchung@honolulu.gov>; Otto, Pearlene <potto1@honolulu.gov>; Limos, Irene <irene.limos@honolulu.gov>
Subject: Council Testimony

Written Testimony

| | |
|-----------------------------|--|
| Name | Jennifer Macdonald |
| Phone | |
| Email | Nursejem@hotmail.com |
| Meeting Date | 09-08-2021 |
| Council/PH Committee | Council |
| Agenda Item | Amendments to Bill 89 |
| Your position on the matter | Oppose |
| Representing Organization | Self |

Written Testimony

I am a Nurse and have voluntarily worked with Covid patients. I purchased a small studio in Waikiki for vacation rental, in the vacation zoned area. I specifically bought the property as an investment to help me retire, I employ 3 employees and I have a GE and TaT license and pay my taxes. Now you're stealing my property rights and imposing fees annually for a license and high fines if you get complaints? I am sure you are violating some of my constitutional rights while you don't even fix the homeless problems, and drug problems that plague Waikiki. How corrupt does this make Hawaii look, when a tax-paying Nurse -small owner gets screwed over. Do not Amend bill 89 this law was created to weed the ilegal vacation rentals out not to punish the legal tax paying ones.

Testimony Attachment

Accept Terms and Agreement 1

IP: 192.168.200.67

To Members of the Planning Commission

Attn: Chair Brian Lee

Subject Public Comment Regarding Bill Relating to Transient Accommodations

Honorable members

I had a prepared opposing testimonial but decided to use the below testimonial I actually copied because the message is the same as mine but better written;

On Sept. 1, the Honolulu Planning Commission held the first day of hearings for the proposal by the Department of Planning and Permitting to eliminate vacation rentals on Oahu. More than 150 people signed up to give testimony and a second day of hearings needed to be added so that all the community members could be heard.

The testimony on Sept. 1 was almost unanimous. Those that showed up spoke clearly. We don't need new laws — we just need DPP to enforce the current one.

The proposal on the table negates years of effort that went into the current law, which was passed in 2019 but has never been enforced. In 2018 and 2019 the Honolulu City Council considered multiple versions of bills to address issues with illegal vacation rentals. In October of 2019, after a long and contentious debate, Ordinance 19-18 was signed into law.

To be clear, Ordinance 19-18, combined with the court order, confirmed and clarified city rules regarding rentals that had been in place ever since regulations began decades ago. Those rules defined rental periods of 30 days or longer as long-term rentals, which are perfectly legal in residential areas throughout Oahu.

It also gave extremely strong enforcement tools to the city to prevent rentals of less than 30 days unless the property had a TVU license, all but 115 of which are in the Resort Zone.

Changing Definitions

Along with the new law were requirements that DPP would create administrative rules to enact portions of the law. Unfortunately, DPP did not create the rules and go through the required public process, which is a necessary step to begin enforcement of the law.

In April of 2021, with a new mayor and DPP director, the first draft rules were finally created and put out for public comment. Unfortunately, shortly after the public hearing, DPP then decided that rather than completing the administrative rules required under Ordinance 19-18, they would start over with a completely new, more draconian bill.

The results of DPP's work were released to the public on Aug. 20. The new proposed bill is a drastic departure from Ordinance 19-18 and is a clear giveaway to the hotel industry. If the hotel lobby didn't write this bill, they certainly got their wish list fulfilled.

In addition to changing the definition of a long-term rental from 30 days to 180 days, the proposed bill is full of proposals that would strip property owners of their private property rights in what appears to be an effort to benefit the hotel industry and its multinational corporate owners in every possible way.

The DPP is now trying to head down the same road that we just travelled in 2018 and 2019. **But we don't need to go through the tumultuous, expensive, and exhausting process of crafting and passing a new law. We just need to enforce the one that was passed after much time, effort, and community input in 2019, and which, if enforced, would fully eliminate illegal vacation rentals.**

Based on the overwhelming testimony from Sept. 1, the community is clear on what they would like to see. They would like to see the current law enforced. The City and County of Honolulu has agreements in place with Airbnb and Expedia Group (VRBO) for reporting and enforcement.

Thank you for listening

Helena von Sydow

From: Veronica Willkie [mailto:veronicawillkie@gmail.com]

Sent: Tuesday, September 07, 2021 1:58 PM

To: info@honoluludpp.org

Subject: Airbnb 's on Oahu

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Aloha,

Not sure if this is the correct way to submit written testimony concerning Airbnb's on Oahu. Also not sure that if it is, that anyone on the planning committee really gives a darn.

Hosting Airbnb's may not fit within the mindset of the hotel lobbist or big government, but for families trying to survive in Hawaii it has been Godsend.

Regulation of this practice is fine, but the dishonest way this has been approached is sickening. Okay the city / county has limited the stay of guest by requiring at least 30 days. Fine, not a major problem. Next in order to have shorter stay people had to register for a non-existent lottery.

(great way to find out who was hosting rentals, very devious)

Now comes the real bite in the butt...a fee of \$5000.00 and the possible fines if not done..or the ridiculous 180 day stay. If you want to band Airbnb's be adult enough to just say so. Stop all of the crap about peoples voices being heard and how much you care about neighborhoods and community. Your actions are effectively driving long established neighbors out of communities. The cost of living in Hawaii is high and we people find a solution to offset the cost...the city wants to destroy that option. Spirit of Aloha seems to only apply to the wealthy who will find away around your regulations anyway.

Veronica Willkie

Very frustrated former Airbnb host.

From: Nuzback [mailto:atnuzback@twc.com]
Sent: Tuesday, September 07, 2021 1:51 PM
To: info@honoluludpp.org
Subject: Short-Term Rentals on Oahu

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha,

I am writing concerning the newly proposed bill that will extend the 30-day rental requirement to 180 days. As a renter on next year's list, this is extremely disappointing. My family and I have been waiting for this opportunity for more than 2 years (before the world had to deal with the covid-19 crisis). We postponed our trip in 2021 to allow restrictions to lift and vaccination to be more prevalent.

I have been fortunate enough to travel to Hawaii on 4 separate occasions and have always dreamed of the chance to rent a house for my family. I really hoped to immerse myself in the culture and share in the true spirit of the islands. I am not going to pretend that the 30 day commitment wasn't a stretch for us and I may not get another chance to make a trip like this until I retire, but that is why our family picked Oahu for our home away from home vacation – to make it special.

I have stayed on Waikiki a few times and have also done a short term rental. I would encourage people who can to try both. I love the glamour of the large resorts, but there is something special about renting from someone local. I feel that more of the money I spend stays in the local economy. The profits aren't pulled off the island. The owner is a part of the community and invests back into it. He helped me avoid some "mainlander mistakes" and through his acts showed me a few things about the Hawaiian culture. I hope you can find that there is a place for the short-term rental market on Oahu. The 30 day rental requirement is already a tough hurdle for renters.

I humbly submit these comments not to pretend that I know all the issues your state is facing, but to speak up for a local owner who has shown our family kindness and has always treated us like a friend. I hope to visit next year as planned.

Mahalo,

Tom Nuzback

City & County of Honolulu's Department of Planning and Permitting

To All Concerned:

Allow me to introduce myself. As a prior corporate officer and developer of three major resorts (Mobil Four Star & Five Star resorts), I understand the advantages and disadvantages of resorts verses a home rental. Resorts are excellent for individual travelers and large group travel. What they lack is the home like atmosphere that family travel needs for family retreats. If you pass an ordinance that changes the one month requirement to a six month requirement; the family home market would be eliminated for landlords and renters who follow the rules. If the island didn't get the result from eliminating short term rentals to one month: it's logical that many people are cheating on the length of their leases. Then by increasing the term to six months, only the law abiding renters will be hurt.

I request you enforce the current ordinance before we crush the people following your prior changes.

Thanks in advance for your consideration.

Kenneth E. Nagel & Family

From: Peter Hwu [mailto:realtorpeter@praisegodteam.com]
Sent: Tuesday, September 07, 2021 1:42 PM
To: info@honoluludpp.org
Subject: Short-term rental is a vital part of our island economy and survival

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Dear Chair of the Planning Commission and the Director of the Department of Planning and Permitting,

I am writing to urge the City and County of Honolulu to

- Reject the proposed bill in its entirety;
- Urge DPP to withdraw this proposed bill and continue its administrative rule-making process to implement Ordinance 19-18;
- Encourage DPP to establish a working group comprised of key stakeholders on rule-making recommendations.

We cannot allow the hotel industry and the travel industry to dictate how we live our lives. Short-term vacation rental is a vital part of the economy in every part of the world. Hawaii is not different. Maybe the hotel and the travel industries need to work harder to provide better and more equitable services to its patrons than to killing its competitors. The CEOs are making way too much money.

Peter Hwu
Realtor Broker
eXp Realty

From: Kate Schwoyer [mailto:kate.schwoyer@gmail.com]

Sent: Tuesday, September 07, 2021 1:37 PM

To: info@honoluludpp.org

Subject: Bill - Ordinance 19-18

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Hello,

Please take into consideration.

- DPP please do NOT take away my property rights!
- I Reject the proposed bill in its entirety
- withdraw this proposed bill and continue its administrative rule-making process to implement Ordinance 19-18
- establish a working group comprised of key stakeholders on rule-

Thanks
Kate

Sent from my iPhone

From: Mary Farkash [mailto:Mary.Farkash@corcoranpacific.com]
Sent: Tuesday, September 07, 2021 1:36 PM
To: info@honoluludpp.org
Subject: Enforce existing Bill 89

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha,

I strongly urge you to reject this newly proposed bill in its entirety. I urge you to continue the administrative rule-making process to implement Ordinance 19-18.

Please consider and include all persons that these new rulings effect and join them in the conversation before making such heavy handed recommendations that are clearly in the interest of the hotels and without consideration of all the applications of rentals that are less than 180 days.

I am in support of shutting down those vacation rental properties that have not complied with Bill 89 and in support of DPP doing their job to enforce said bill that much time, energy and focus went into creating.

Thank you.

Mary Farkash,Realtor_Associate

Mary Farkash, RS-37708

Realtor Associate, Corcoran Pacific Properties

808.225.4550Mary.Farkash@CorcoranPacific.comwww.corcoranpacific.com

corcoran

PACIFIC PROPERTIES

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KAILUA NEIGHBORHOOD BOARD NO. 31

WILLIAM M. HICKS, CHAIRMAN • 923 AKUMU STREET • KAILUA, HAWAII, 96734-4004
PHONE (808) 230-2293 • E-MAIL billhicksknb@gmail.com

September 7, 2021

Mr. Brian Lee
Chairman, Honolulu Planning Commission
Department of Planning and Permitting
650 South King Street, 7th Floor
Honolulu, HI 96813

Subject: Department of Planning and Permitting's Proposal to Amend Sections of the ROH Relating to Transient Vacation Units and the Enforcement of Ordinances on Short-Term Rentals

Aloha Mr. Lee,

I am writing in strong support of the Department of Planning and Permitting's (DPP's) proposal to amend specific sections of the ROH (Chapters 8 and 21) relating to transient vacation units (TVU), bed and breakfast (B&B) homes, and the enforcement of ordinances.

The public hearing agenda states "The purpose of this Ordinance is to better protect the City's residential neighborhoods and housing stock from the negative impacts of short-term rentals (STRs) by providing a more comprehensive and controlled approach to the regulation of STRs within the City and creating additional sources of funding for the administration and enforcement of the City's B&B and TVU laws. The DPP believes that this Ordinance responds to the community needs that have shifted significantly under the pandemic. It takes into account the concerns of residential neighborhoods, as well as the visitor industry, and should result in more long-term housing stock being made available for residents by eliminating and prohibiting STRs. Finally, it provides better enforcement tools to address illegal STRs and an independent source of revenue to support the necessary enforcement actions to rein in illegal STRs on Oahu." This is very well stated.

The Kailua Neighborhood Board (KNB) has established clear positions on the need for enforcement of ordinances on Short-Term Rentals (STRs).

The KNB convened a Special Meeting on STRs on September 4, 2018 which lasted nearly 3 hours and included a presentation "Update on Short-Term Rental Regulations to Kailua Neighborhood Board" by Kathy Sokugawa, DPP Acting Director. The KNB was concerned that the City cannot enforce current laws on STRs, yet the City was proposing regulation aimed at increasing the number of STRs with no true provisions to increase the budget for enforcement.

On September 4, 2018, the KNB passed the following resolutions:

"The Kailua Neighborhood Board opposes the omnibus bill regarding short term rentals."

"The Kailua Neighborhood Board supports City Council Resolution 17-52 CD1."

"Should the City and County of Honolulu implement Short-Term Rental enforcement software, it should be tested and vetted before any new Short-Term Rental law is enacted."

On April 4, 2019, the KNB passed the following resolutions:

"The Kailua Neighborhood Board supports Bill 85 enforcement of TVU laws."

"The Kailua Neighborhood Board opposes Bill 89, which permits B&Bs and TVUs in residential and apartment zoned districts."

A consistent theme was there are more than 10,000 illegal STRs flourishing on Oahu, contributing to the shortage of long-term housing, and creating a nuisance in certain residential neighborhoods, and that effective enforcement of existing ordinances is an obvious mandatory first step before the City should ever consider any plan to increase legal STR inventory.

An article in the Honolulu Star-Advertiser on May 17, 2021 provided a measure of transparency regarding the effectiveness of the City's STR enforcement actions.

<https://www.staradvertiser.com/2021/05/17/hawaii-news/state-tax-crackdown-garners-millions-in-unpaid-vacation-rental-taxes/>

- In 2019, the city issued 264 STR notices of violation and 64% of the notices of violation were corrected, with 42 advancing to notices of order. The city assessed \$136,200 in fines, of which \$2,100 was paid.
- In 2020, the city issued 325 STR notices of violation and 59% of the notices of violation were corrected, with 51 advancing to notices of order. The city assessed more than \$3.4 million worth of fines, of which \$31,000 was paid.
- So far in 2021, the city has issued 42 STR notices of violation and none of the notices of violation have been corrected so far, with 9 advancing to notices of order.

Putting the results of STR enforcement into perspective: With an estimated 10,000 illegal STR units operating on Oahu, and a total of \$33,100 in fines paid over the past 2.3 years, illegal STRs have paid an average of \$1.44 in fines per year. There is zero deterrent value in this.

Enforcement actions only averaged 47 per year, or about 0.5% of the 10,000 illegal operators. Only \$33,100 of \$3.5 million in assessed fines (0.9%) were paid.

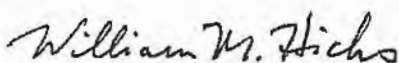
With 18 DPP inspectors involved in vacation rental enforcement, but only 47 enforcement actions per year, that's 2.6 enforcement actions per inspector per year.

About 10,000 illegal STR units that could be long-term rentals are missing from our long-term rental inventory, thus contributing to our 20,000-unit long-term housing shortage.

The same article noted that STRs, almost all of which are illegal, were operating at more than 62% occupancy in March 2021, compared with just 43% for Hawaii's hotels, thus depriving many residents of jobs at hotels. How is it that we can accurately pinpoint that STR occupancy is 62%, yet somehow almost none of the illegal STRs can be pinpointed for enforcement action?

The DPP is to be commended for recognizing the long-standing deficiencies in STR enforcement and developing these proposed amendments in response.

Aloha,



William M. Hicks
Chairman, Kailua Neighborhood Board

-----Original Message-----

From: Raymond Chan [mailto:raymond.chan18@yahoo.com]

Sent: Tuesday, September 07, 2021 1:28 PM

To: info@honoluludpp.org

Subject:

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

Dear Chair of the Planning Commission and the Director of the Department of Planning and Permitting:

I respectfully request that:

- The proposed amendments to the land use ordinance relating to short-term rentals be rejected in their entirety;
- The city continue its administrative rule-making process to implement Ordinance 19-18; and
- Establish a working group comprised of key stakeholders on rule-making recommendations.

I am making this request because the proposed rules perhaps violate the constitution and other laws, including: 1) the 180 day rental minimums, 2) the limitation on units that may be owned and 3) an individual cannot obtain the required general liability insurance.

I am a local resident who is legally renting my units in a resort zoned building. I have remitted all relevant taxes and am merely attempting to support myself and my family. The limitations recommended in the amendment would severely curtail my ability to provide for my family and sustainably live in Hawaii. There are many local families supported by vacation rentals from property managers, cleaners, and owners. Thank you for your consideration.

Sent from my iPhone

From: Nancy Nagamine [mailto:alohanan@me.com]
Sent: Tuesday, September 07, 2021 11:08 AM
To: info@honoluluapp.org
Subject: Testify on Wednesday

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I would like to Testify on Wednesday regarding the new proposed 180 day minimum for rentals. Please advise as to the time I would be testifying. Here is my written testimony should I not be able to be on the call:

I am very much opposed to the new proposal that requires all rentals on Oahu other than those in selected areas that are to be managed by hotels, and a few grandfathered in properties be rented for a minimum of 180 days.

I have a unit on my property that I have ALWAYS rented for 1-4 months at a time, even before bill 89 as it has always been the zoning law. I have always paid GET and TAT taxes. I live on the property and have never once had anyone who disturbs the neighborhood. The people I rent to are extremely grateful to have place they can call home while they are visiting, relocating, here to care for family members, returning residents, or working, or yes, getting away from the cold. A sampling of the folks who have stayed in the unit over the past several years, always for more than 30 days:

- Grandmothers here to help care for a newborn. The parents of the newborn live in small quarters and have no room. Grandma cannot be driving back and forth to Waikiki from Kailua several times a day.
- Parents whose grown children live and work here and the grown children have no room for the parents. They don't want to have to pay a fortune and drive to Waikiki every day for a month or more.
- People who used to live in Hawaii and have family and friends here on the windward side, but need a place to stay as family and friends have no room. Again they cannot be driving to and from Waikiki every day for a month or more.
- Siblings of folks who live here in Kailua. They don't want to have to drive to Waikiki every day for a month.
- Children of aging parents home for a visit, no room where parents live such as in a care home.
- Military between assignments.
- People who are relocating either to Hawaii or back to the mainland
- Snowbirds who want to escape the cold for several months (not 6 months though!)
- I leave the unit open much of the year for my family and friends who visit. Where are they to stay if I am forced to rent it for 6 months at a time?

And what about traveling healthcare workers? Here is the first sentence that was posted on the State of Hawaii website on August 18, 2021: "More than 500 experienced healthcare professionals from out of state will be deployed to 19 hospitals statewide in the coming weeks with funds from the Federal Emergency Management Agency (FEMA)."

Where would the DPP suggest these workers stay should the new proposed vacation rental ban making it illegal to rent anything (other than the handful of previously legal spaces) for less than 180 days? The article that followed this headline states that the average stay for these health care workers is 8 weeks.

I have heard discussion about making exceptions, exactly how do you do this? I need to be able to advertise or how will people find me? How do you vet the exceptions? Most of my guests find me through VRBO where I have always advertised as a 30 day rental.

The whole thing makes absolutely no sense to me. Taking away private property rights, changing the zoning laws years and years after they were created. If someone lives on the property, rents a unit for 30 days or more as is the current zoning away, why can't that be allowed? You will certainly loose much revenue as people like me will not rent for 6 months at a time, we will simply leave the unit open and let family and friends stay in it as needed.

It makes sense to crack down on illegal short term rentals, but the 180 day minimum that is being proposed is cruel and unusual punishment for locals who have family visiting, locals who used to live here, traveling healthcare workers, families who are relocating, and more as outlined above. . The 30 day minimum has been the law for years and is just fine. Just enforce that!

The hotel lobby is obviously busy at work.

Nancy Nagamine
(808)286-3285

From: Andrew Kendall [mailto:andkend@hotmail.com]
Sent: Tuesday, September 07, 2021 1:14 PM
To: info@honoluluodpp.org
Subject: ** SPAM ** Please reject 180 day minimum rental Bill

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

To the: Chair of the Planning Commission and Director of the Department of Planning and Permitting.

Please reject the bill that would not allow homeowners to rent their homes under 180 days. Please continue to implement Ordinance 19-18. Please establish a working group on rule-making recommendations. We have received no complaints from neighbors. We operate under all City and State laws and pay all our taxes automatically.

Respectfully,

Andrew Kendall
59-395 Makana Rd.

Sent from [Mail](#) for Windows

From: Nicole Bleidistel [mailto:nkbleid@gmail.com]
Sent: Tuesday, September 07, 2021 1:05 PM
To: info@honoluludpp.org
Subject: OPPOSITION Testimony to STR

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha, I am a licensed property manager. I am a small business owner. I am a wife, a mother, a community member and a friend. My husband and I own and operate a fully licensed, insured, Bill-89-complying, Tax paying, law-abiding business that manages legally zoned condo-hotel vacation rentals in Waikiki.

We followed the rules through COVID-19. We were forced to take out a six figure SBA loan to stay in business as wave after wave prolonged this pandemic to even today. Our owners, too, faced the threat of foreclosure and monumental loss of the investment properties they purchased. The extra income from their legally zoned vacation rentals paid for their kids college or private school tuition, paid their IRA for their retirement, or helped supplement their mortgage on their personal homes. Our owners chose to work with us because we charge far less than the multi-national corporate hotel operations do. We employed local people, and sent money each month to mostly local families.

After us and our owners survived the last 18 months, we are collectively faced with this shameful, offensive, and outrageous bill. This bill that aims to take the private property of local families and investment owners and force them to go through hotel operations, forbid them from renting to local workers or families, and even disallow them from living in the private property they own. This bill also targets small businesses like mine, which has taken out a six figure sba loan to keep the lights on during the worst economic event in human history. And for what purpose?

To make the DPPs job easier? To make the hotels more money? To make it financially impossible for local families that have been forced out of living here full time to even afford a visit back home?

I do not understand why the DPP is championing a bill that gives the hotel companies a virtual monopoly over tourist accommodations. If property owners are forced to go through the hotel pool, What's stopping a hotel pool from charging an 80% management fee? Or a 100% management fee? What is even the purpose of this bill

In the first place?

It's disheartening that the island I hoped to raise my son on is targeting small business and vacation rental owners after they've already taken a financial and logistical beating from COVID-19 for 18 months already, and is holding this hearing in the literal midst of another wave. Is this our governments priorities? To line the pockets of hotel companies when the families and cleaners and property owners and property managers and small business owners that live here are already suffering? To take away the rights of private property owners that already pay about four times higher property tax and an extra 10.25% in order to operate? That is what we're doing, as a government, as a county, as a city, as a community, as a society, as we continue to have raging case counts?

I am disappointed in Honolulu right now. I am heartbroken by the mere existence of this bill, that all of this time and energy and taxpayer money and resources be spent on handing a monopoly to hotel companies instead of schools, grants, rent assistance, Kupuna, or supporting local families.

After such a difficult year, why is the goal of the DPP to force more local people out of their homes? To have more small businesses close?

From: Aloha Harry [mailto:alohaharry@hawaii.rr.com]
Sent: Tuesday, September 07, 2021 12:50 PM
To: info@honoluludpp.org
Subject: Newly Proposed Short-Term Rental Bill

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Dear Honolulu DPP,

Please, please REJECT the subject proposed Bill for Oahu in it's entirety! The most logical solution and compromise would be to enforce the current Ordinance 19-18 regulations. Ordinance 19-18 does in fact regulate the STR industry on Oahu, by not only limiting the amount of STR's on the island, but by attracting 30-day stay visitor's that generally are very serious and dedicated traveler's that have the Aloha for our fabulous island. In addition, they often times mention that the 'local-kine' personal experience they receive when lodging in a small city like Kailua, occupying a 'local' residence, and living like a 'local', is a unique experience they will never forget. I believe strongly in this commitment to visitor's, and that is why I committed to do this personal and satisfying business.

I could never accomplish my goals working for a hotel. I believe that hotels do provide a necessary service and that works for many people. But, as a local, born and raised on Oahu, to share my island experiences with visitor's to the island is a unique service that only a 'local' kama'aina at home can provide.

If there is anything that needs improvement, it's the enforcement of the 30-day minimum stay rental. With a dedicated and civilized working group that has no personal agenda's, I strongly feel that they will make the proper recommendations.

Mahalo for your time!
Harry Nakamura
E-Mail: alohaharry@hawaii.rr.com

Sent from [Mail](#) for Windows

From: Joan Russell Price [mailto:JoanRP@cox.net]
Sent: Tuesday, September 07, 2021 12:45 PM
To: info@honoluludpp.org
Subject: ** SPAM ** Opposition to STR Ordinance

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I hope you have heard loud and clear the opposition to the proposed LUO amendments.

This is an ordinance which hurts small legal owners of short term rentals. I have been paying TOT and GET taxes for the last 16years. Individual legal owners such as myself cannot afford the \$5000 registration fee and the \$2500 annual fee as proposed.

I work with a local property manager and local cleaning crews and repair people. All of which will be hurt by this hotel proposed ordinance. My condo is in a legal resort designated area of Turtle Bay. People who choose to stay at the condos do not want to stay in the hotel. We are reaching different markets in the Tourist industry.

This law will infringe on my my rights as property owner in a legal resort area.

Please accept this written testimony and oppose this ordinance. Enforce Bill 89 and weed out illegal vacation rentals.

Sincerely,

Joan Price
Property owner
Kuilima Estates East #1

From: Paul McDonnell [mailto:mrmcd@gmail.com]
Sent: Tuesday, September 07, 2021 12:12 PM
To: info@honoluludpp.org
Subject: AirBnB and Short Vacation Rentals

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Dear Chair Lee and Members of Planning Commission:

I am writing as a long-time resident of Oahu to express my disappointment in your commission and the mayor's office in regards to the addition of vacation rental rules of the last couple of years. I own a condo in Waikiki that was a block over the "wrong line" when it was decided to only allow vacation rentals in "resort zones". Due to circumstances beyond my control, I am not able to live at my condo and have not been able to for a few years now. I rented it out as a vacation rental and it was great until you guys made it illegal. I'm still angry over what happened and ask that you reconsider, and either remove these laws, or at least make all of Waikiki a "resort zone" because that's what Waikiki really is. Or at the very least, allow me to be grandfather into being allowed to operate rental business - It's more money into your coffers via TAT taxes which I faithfully paid as well.

Sincerely,

Paul McDonnell

From: CLK Council Info

Sent: Tuesday, September 7, 2021 3:04 PM

To: Yamane, Joy <jyamane1@honolulu.gov>

Cc: 808karinasmith@gmail.com; Chung, Vicki K. N. <vchung@honolulu.gov>; Otto, Pearlene <potto1@honolulu.gov>; Limos, Irene <irene.limos@honolulu.gov>

Subject: Council Testimony

Written Testimony

| | |
|-----------------------------|--|
| Name | Karina Smith |
| Phone | |
| Email | 808karinasmith@gmail.com |
| Meeting Date | 09-08-2021 |
| Council/PH Committee | Council |
| Agenda Item | Proposal to change term 30 to 180 days |
| Your position on the matter | Oppose |
| Representing Organization | Self |
| Written Testimony | I am opposed to the proposal to change the short term minimum from 30 days to 180 days |
| Testimony Attachment | |
| Accept Terms and Agreement | 1 |

IP: 192.168.200.67

From: CLK Council Info
Sent: Tuesday, September 7, 2021 3:25 PM
To: Yamane, Joy <jyamane1@honolulu.gov>
Cc: aloha@asia.com; Chung, Vicki K. N. <vchung@honolulu.gov>; Otto, Pearlene <potto1@honolulu.gov>; Limos, Irene <irene.limos@honolulu.gov>
Subject: Council Testimony

Written Testimony

| | |
|-----------------------------|---|
| Name | Richard Smith |
| Phone | |
| Email | aloha@asia.com |
| Meeting Date | 09-07-2021 |
| Council/PH Committee | Council |
| Agenda Item | Short-Term Rental Ordinance |
| Your position on the matter | Oppose |
| Representing | Self |
| Organization | |
| Written Testimony | I oppose these amendments because it does not allow for any short term accommodations for traveling nurses, military waiting on housing and goes against the purpose-driven remote workers, especially returning kama'āina, that want to actively contribute to Hawaii. |
| Testimony Attachment | |
| Accept Terms and Agreement | 1 |

IP: 192.168.200.67

-----Original Message-----

From: Inbar [mailto:inbar@hawaii.edu]

Sent: Tuesday, September 07, 2021 3:32 PM

To: info@honoluludpp.org

Subject: Written Testimony against DPP's proposed Short-Term rental bill

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

Inbar Maor (808)351-5915

My testimony:

I am in complete opposition to the DPP's new proposed short-term rental bill. This bill must not be passed, it violates my property rights and that of many of my friends, family and people of the community of Hawaii. Many of us have worked very hard to acquire properties over the course of our lives to set ourselves up for retirement and/or support our families. We pay high property taxes, VAT tax, property insurance, interest rates, and so much more. We create jobs for people in the local community such as property managers, cleaners, realtors, landscapers, contractors, construction workers, roofers, pool cleaners, chefs, home designers and so many more! Airlines, car rental agencies, restaurants, uber/lyft, buses, shopping malls, tourist attractions, small and large business owners, supermarkets - all benefit from short term rentals. It's a beautiful ripple effect. Why are we being attacked so aggressively by the DPP yet again only two years after Bill 89 was passed? We are not felons, we purchased our properties with hard-earned, clean money and we continue to be upfront and open about our income down to the very last cent. Should this bill pass, not only will it affect Hawaii's tourism (not all tourists want to/can afford to stay in hotels) - which is the main form of income to the islands need I remind you - it will affect the livelihood of hundreds of thousands of locals (they will lose jobs), it will cut the property value of Hawaii residential homes in half (not generating income, no longer highly valued), it will definitely drain the City & County of Honolulu as well as the economy and state of a lot of its wealth. Did you even do the math of how much the City of Honolulu and the State of Hawaii generate in tax dollars alone from short term rentals per year??? Go ahead, do the math...it's in the high millions. Is Hawaii willing to lose all that income because of the DPP's new, preposterous proposal? DO NOT PASS THIS BILL.

Mahalo,

Inbar Maor

From: 808appraiser@gmail.com [mailto:808appraiser@gmail.com]

Sent: Tuesday, September 07, 2021 3:25 PM

To: info@honoluludpp.org

Subject: New Proposed Bill

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

- Reject the proposed bill in its entirety;
- Urge DPP to withdraw this proposed bill and continue its administrative rule-making process to implement Ordinance 19-18;
- Encourage DPP to establish a working group comprised of key stakeholders on rule-making recommendations.

Arnel Dimagiba

License #CRA-702

Tempest, Inc.

(808) 282-0310

www.808appraiser.com

From: Josephine "JT" Michael [mailto:Jtmichael@pm.me]
Sent: Tuesday, September 07, 2021 3:49 PM
To: info@honoluludpp.org
Subject: Would like to speak at tomorrow's meeting about vacation rentals

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha DPP,

I would like to testify at tomorrow's meeting. I would like to discuss the new regulations that could be passed. Especially on the impact that it will have on the condo market on Oahu if this passes and also the impact on owners of condotel units if it passes. It is grossly unfair to individuals and completely serves the hotel industry. And small vacation rental businesses, property owners of vacation rentals or the community were consulted when this legislation was created. Demonstrating who is behind this government overreach.

I would like to speak at tomorrow's meeting.

Mahalo,

Josephine Michael, RB-23322
(808) 798-3108

From the desk of Anonymous:

Date: 09/06/2021

Re: Vacation Rentals – B n B's:

With Much Respect to Whom Reads this Letter !!!

a). I do not own any B n B Rentals.

b). Generally persons who own real estate property tend to be responsible citizens.

c). As American Citizens and as Residents of the State of Hawaii property owners should have the freedom to rent their properties to whom they please – after all this is their property that they own and pay taxes on.

d). People should have the right to choose whether they want to stay at a Hotel or a B n B Rental.

e). Competition is a good thing – the hotels should improve their experiences for their guest !!!

f). I believe in fair taxation – but the private B n B's should pay a lower rate of taxation as do the hotels – the hotels income is far greater.

g). As a small construction and handyman company we depend greatly on the private B n B's to provide us and our sub-contractors with much needed work – as a small construction company we do not do work on the larger hotels – we would like to have the opportunity to work on the large hotels but the union companies seem to have that work.

Thank you !!!

From: Sasha Capone [mailto:sasha@elitepacific.com]
Sent: Tuesday, September 07, 2021 3:45 PM
To: info@honoluludpp.org
Subject: Reject Proposed Bill to Ordinance 19-18

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha Chair of the Planning Commission and Director of DPP!

I oppose and reject the proposed bill and urge you to withdraw the proposed bill and instead continue the administrative rule-making process to implement Ordinance 19-18. It would be more beneficial to establish a working group of key stakeholders on the rule-making recommendations.

Please reject the proposed bill!

Mahalo,

Sasha



Sasha Capone, RS-73180
Realtor-Associate, Vacation Rentals, Elite Pacific, LLC
808.294.4340 | sasha@elitepacific.com
www.HawaiiisLuxuryHomes.com



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From: Sean Armstrong [mailto:sean.usc83@yahoo.com]
Sent: Tuesday, September 07, 2021 3:36 PM
To: Sean Armstrong; info@honoluludpp.org
Cc: Des Armstrong; Judy Armstrong; Ann1des; W. Geiger
Subject: Re: Proposed Change for Short term rentals

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Slight correction. We own unit 301....apologies for the typo.

Thanks,
Sean

Sean Armstrong
310-561-3113 mobile

On Sep 7, 2021, at 5:13 PM, Sean Armstrong <sean.usc83@yahoo.com> wrote:

Hello -

We are the private owners of a unit (310) at the Ocean Villas at Turtle Bay since the project opened in 2005. I was previously served as the Chairman of the Board of the AOA Ocean Villas. We strongly oppose the Short Term Rental Bill as currently written. It is completely unfair to the Owners of units at the Ocean Villas at TBR.

I (Sean Armstrong) was part of the Turtle Bay Resort ownership team at Oaktree. Subsequently I was a board member of Turtle Bay Resort, LLC, the ownership team when the property transferred to the lender group in 2012. Our Board and Replay Resorts worked hand in hand with the City & County, the DPP and the State to craft a plan for the Turtle Bay Resort that preserved Kawela Bay, the open space and the Iwi on the eastern side of the property. We also worked with unions to ensure that good paying jobs would be available as the resort continued its development.

The Armstrong Family has owned property in Hawaii for more than 35 years, both on Oahu and Hawaii. We have long enjoyed the beauty and benefits the Islands have to offer.

The Ocean Villas were always meant to provide the flexibility to the owners to have the units participate in the rental pool as part of the hotel, and at the same time allow for full or part time use by the owners. We have been a part of the hotel's rental pool since the project's completion in 2005, and at the same time have been using the unit as owners from time to time. We have been registered as a rental

unit from the start, and have paid hundreds of thousands if not over \$1 million in GET and TAT in that time frame. We have abided by the rules since then. We get assessed at Hotel Resort rates. Currently, we are paying more than \$42,000 per year in property taxes.

Use of our unit as a nightly rental does NOT contribute to additional traffic in traditional residential neighborhoods, and it makes perfect sense that you should be writing rules to prevent the character of residential neighborhoods to be destroyed because of nightly rentals. The Ocean Villas is very obviously part of the resort, but like many other condominium projects in the islands, offers part time residents an opportunity to enjoy island life in a way that does NOT reduce or affect affordability for full time citizens of Hawaii.

However, the proposed Bill to change the rules is inflexible and does not address the realities on the ground of how our unit and others like it are used and managed. As written we would be forced to pay hotel rates to use our unit if we leave our unit in the rental pool, or suffer a massive and unjustified economic loss if we do not. Neither is a fair treatment for the owners at Ocean Villas that choose to offer their units for rent on a nightly basis through the hotel.

As i understand the Bill, the owners at the Kuilima condos would be allowed to still offer their units for nightly rental and still be able to use their units as owners without having to pay hotel rates. If i have misunderstood that, it's because the language of the bill is not clear.

We strongly oppose the bill as it is written. Owners of units at the Ocean Villas at Turtle Bay should be allowed to participate in the hotel room pool without restrictions on our ability to use the units personally and without having to pay nightly room rates. It's not clear to me whether you have provided for that kind of classification, but you should.

Also, this bill should be debated with public input, and it should absolutely not be enacted unilaterally by the Department.

Respectfully submitted,

Sean Armstrong

cc:

Desmond and Ann Armstrong

Judy Armstrong

Greg and Jackie Geiger

-----Original Message-----

From: cynthiabeachfront@gmail.com [mailto:cynthiabeachfront@gmail.com]

Sent: Tuesday, September 07, 2021 3:26 PM

To: info@honoluludpp.org

Subject: Vacation Rental Bill

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

Aloha,

Remove the stipulation from Bill 89 and enforce that bill without the stipulation and you will have gotten rid of all illegal vacation rentals. That is all you have to do. It is the verbiage in that stipulation that has again open the door the Bill 89 was trying to close.

It's time to ENFORCE.

Respectfully, With Aloha,
Cynthia Rubinstein
Cynthia Rubinstein Real Estate Inc
RB-15800

-----Original Message-----

From: Denise Bolt [mailto:denisebolt@gmail.com]

Sent: Tuesday, September 07, 2021 2:37 PM

To: info@honoluludpp.org

Subject: vacation rental bill

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I would like to ask the Director of the DPP to reject the proposed bill in its entirety. I would urge you to withdraw the proposed bill and please continue to implement Ordinance 19-18. I think we should continue to establish a working group of key players involved in the rule making process. It would benefit all parties to implement the original plan and reject this new one.

I believe intentions may be good, but this is not the answer. So many businesses and communities would suffer under the new proposed bill.

Thank you for your consideration.

Sincerely,
Denise Bolt

-----Original Message-----

From: alkinea [mailto:alkinea@gmail.com]

Sent: Tuesday, September 07, 2021 2:24 PM

To: info@honoluludpp.org

Subject: STR Hearing

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It's painful to read a proposition that will hurt everybody in Hawaii.

Hawaii has always tried to diversify its economy, but tourism remains the main job creating economy.

We depend on tourism.

We should embrace tourism, help develop it in good ways, and not try to ban it.

I have much more problems with locals (noise, driving) than with tourists. The military is also a huge problem, much bigger than tourists.

For those of us who purchased a condo in a condo hotel, and are renting it to visitors, 100% legally, it's unfair to punish us, by making it illegal. There is no valid reason for that. We follow all the rules, operate legally, redistribute our income with local work force (cleaning, repairs), and all this income stays here in Hawaii. Removing this small additional source of income, and give it to big hotels who are not based in Hawaii, doesn't make any sense.

Instead of moving backward, you should try to embrace the future, with new ways to help us live and make decent income every month.

If you are afraid that vacation rentals increase house prices in local neighborhoods, put a maximum limit on rental prices, depending on each neighborhood.

If you are afraid that Hawaii is getting less income because vacation rentals can be cheaper than hotels, then regulate these prices, forcing every vacation rental to have a minimum price depending on the surface, type of place and value (property tax) of the property.

If you think tourists make noise problems, put hefty fines (for everybody, not only tourists), and enforce them.

If there is a problem, find ways to solve it, not just ban and make things illegal.

Alki Nea

(808) 356-4616

From: biwane@aol.com [mailto:biwane@aol.com]
Sent: Tuesday, September 07, 2021 3:00 PM
To: info@honoluludpp.org
Subject: Short term rental

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Good Afternoon,

I kindly would like to share my positive experience with a short term rental in Kailua. My family and I are long time residents of Kailua. My parents bought their first home in Kailua back in 1955. My mother now 91 lives with my family and is currently renting out her Kailua home. Recently her tenant reported problems with plumbing backing up. We hired 2 different plumbing companies to figure out why and where the blockage was. In the meantime her tenants (family of 4 adults) were taking showers at their friends home and doing bathroom runs to nearby restrooms in Kailua. After 4 days of frustration we learned that the main sewer line needed to be replaced. The estimated repair time would be about a month. I knew putting them up in a hotel would require booking 2 rooms for 30 days in Honolulu. Three family members works remotely and the other rides his bike to work in Kailua. It would've been a huge inconvenience for tenants to relocate to town for a month and not to mention a whopping bill for my mother. Luckily my daughter suggested I look online for a month to month rental in Kailua. Within hours I was able to connect directly with the rental homeowner and the next day the tenants moved in within 2 miles from their place. I cannot express the weight that was lifted off me. Tenants were happy to stay in Kailua and my mother relieved that her tenants didn't end their rental contract with her. In this case a Kailua resident helping another Kailua resident. How would a 180 day minimum rental help in situations like these?

Mahalo for your time,
Stacey Iwane



THE RESORT GROUP

Department of Planning and Permitting Public Hearing
Wednesday, September 8, 2021 at 12 p.m.

Aloha Director Uchida and Planning Commission Members,

My name is Chynna Stone and I am the Vice President at The Resort Group ("TRG"). We are the master developer of Ko Olina Resort, a premier destination and community for visitors and kama'aina in Hawai'i.

The Resort Group respectfully requests that the DPP and Planning Commission amend the current DPP draft to exempt the Ko Olina Resort Zone from the unreasonably burdensome regulations designed to circumvent the short term rental industry on O'ahu.

While TRG appreciates the legislative intent of the DPP draft to reduce illegal commercial rentals, restore residential neighborhoods to their original character and create more long-term rentals, we have concerns about the application of these proposed rules to Transient Vacation Units ("TVUs") in resort zoned areas. The proposed DPP Short Term Rental rules are in direct conflict with the legislative intent of County Ordinance 19-18, adopted by the full City Council and the Mayor in 2019.

The central purpose of the legislation was to reduce or eliminate short term rentals in the residential zones of O'ahu while isolating short term rentals to resort zones only which are designated primarily for visitor accommodations and activities. This bill goes further than the legislative intent approved by the City Council and the Mayor, by imposing crippling short-term rental regulations to ALL zones, including resort zones, throughout the county.

This DPP Bill is drafted in a manner that benefits the hotel industry by reassigning power to major hotel operators by requiring that a hotel operator book the reservations, manage operations and set nightly rates for all TVU units. It also imposes a 180-day minimum, requires unreasonable occupancy limits and parking requirements and mandates arbitrary and in some cases, nonexistent, insurance coverage protections for TVUs. Finally, it does not allow buildings with TVUs to be mixed-use with long term housing options, which unnecessary impedes on the flexibility of buildings within resort areas and limits long term housing inventory.

The current bill would circumvent the entire short term rental industry in Hawai'i and negatively impact our visitor industry. The Millennial Generation prefers to stay in vacation rentals and will soon be the largest living adult generation in the United States. According to a study conducted by GfK Market Research, "Airbnb and The Rise of the Millennial Traveler," 60% of all Airbnb guests are Millennials and by 2025, 75% of all consumers and travelers will be millennials and

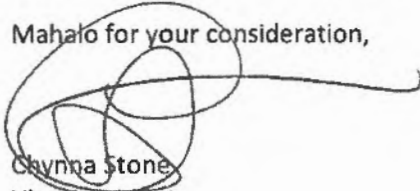


THE RESORT GROUP

younger generations. If Hawai'i is to stay competitive it must adapt and serve the demands of the millennials, the largest portion of our future visitor industry.

The Resort Zones are designed to accommodate visitors and should be allowed to operate TVUs as envisioned by the 2019 City Council Ordinance. As the COVID-19 pandemic continues to change our tourism landscape and as millennials and Generation Z age group become the largest visitor group for Hawai'i's future, we cannot afford to eliminate TVUs completely by imposing unreasonable and crippling regulations in Resort Zones. The Resort Zone at Ko Olina is specifically designed to accommodate visitors in resort communities that are separate from the traditional residential neighborhoods the bill seeks to protect. Please consider amending the bill to exclude Ko Olina Resort from these unnecessarily burdensome restrictions.

Mahalo for your consideration,



Chynna Stone
Vice President
The Resort Group

-----Original Message-----

From: mitchatbt [mailto:mitchatbt@aol.com]

Sent: Tuesday, September 07, 2021 2:17 PM

To: info@honoluluodpp.org

Subject: Short term rental proposals

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

The short term rental proposals being considered by the DPP would have disastrous effects on Oahu. We are in a very delicate economic situation right now. Covid has greatly affected tourism in both 2020, and 2021. Now inflation, and poor economic numbers nationally, threaten to make things much worse. This is the WORST time to enact new ordinances against short term rentals.

Besides the loss of tax revenue from short term rentals, Oahu will be sending a message that we don't want tourists. Sure, there will still be hotels, but many, many people simply do not want to stay in hotels these days. They want their own space, their own comforts, privacy, and their own kitchen. That makes them feel safe. I can attest to this while traveling throughout the mainland this year...it's easy to find hotel/motel rooms in many places, while it's very difficult to find rental homes, cabins, etc. It is quite clear: the customers are demanding short term rentals, NOT hotel rooms. These proposals will be a devastating mistake, and once we realize it, we may find that it's too late to walk things back. PLEASE don't change the laws on short term rentals. You'll be crushing the economy, costing jobs, and harming Oahu financially for years to come.

Mitch Winograde

Sent from my iPhone

From: Stacey Taylor [mailto:sktaylor37@me.com]
Sent: Tuesday, September 07, 2021 2:16 PM
To: info@honoluludpp.org
Subject: Strongly Oppose proposed regulations regarding short term rentals

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

City Council,

I am submitting this testimony strongly opposing the proposed amendments to Ordinance 19-18 concerning Short Term Rentals (STR). As a middle-school teacher married to a disabled veteran with two children, we rely on the income generated from our Ohana rental to supplement our current full-time jobs to be able to afford to live and enjoy Hawaii. We are not using our Ohana unit to get rich as with most owner occupied rentals, but simply to be able to live and attempt to provide a better life for our family.

I humbly ask each of you to imagine and take into consideration those persons that are actually using this as an income supplement, are owner occupied, have house rules, and ensure that their guests are respectful. The proposed rules as written are not fair and a complete disregard of individual property rights within a free society.

I find it hard to believe that all short-term rentals cause problems, especially those that have owners on site. I would propose as a compromise to continue to allow rentals that are owner occupied and/or owned/operated by state residents that continue to abide by all other city/county ordinances/rules/regulations. Additionally, I like many Hawaii residents, use home based vacation rentals to have affordable peaceful "staycations" away from resorts as most cannot afford staying in large resorts or hotels. These proposed rules directly benefit the large hotel business and further create a monopoly and their average workers will still not earn a wage to afford an average priced home in Oahu.

I strongly object to the proposed definition of "short-term", as less than 180 days. Our guests are typically, local residents doing home construction/remodeling, returning residents, business professionals, nurses, and teachers that stay for at least 30 days but rarely for more than 180 days. The clientele that stay for 30 days or more are not the type that disrupt neighborhoods but rather blend in and abide by local rules and customs. The proposed definition of "Short-Term" or associated to less than 180 days should not be adopted and request that the definition of "long-term" remain as stays of 30 days or more. This is a reasonable compromise and allows property owners to continue to attract the right type of visitor.

These proposed Hawaii Tourism Authority, Union, and Hotel-backed short-term proposed rental regulations run counter to their efforts to provide affordable housing and as written, threaten the livelihoods of residents and small businesses owners who rely on the income from visitors staying at alternative accommodations. The income thru rentals earned typically goes towards payment for cleaning services, yard service, handyman companies, etc which provide income for other small businesses. Has there been a study with data to support the claim that STR's will actually lower housing prices and provide more affordable housing? Were these rules written with input from anyone representing Short term rentals, as it should occur when writing fair and reasonable new

rules/regulations. It is evident that these were written with a one sided view. I respectfully that you honestly consider a fair and reasonable approach with input from various interests to develop fair rules that truly benefit Hawaii.

Aloha,

Stacey Taylor
808-734-0208

From: Sean Armstrong [mailto:sean.usc83@yahoo.com]
Sent: Tuesday, September 07, 2021 2:14 PM
To: info@honoluludpp.org
Cc: Des Armstrong; Judy Armstrong; Ann1des; W. Geiger
Subject: Proposed Change for Short term rentals

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Hello -

We are the private owners of a unit (310) at the Ocean Villas at Turtle Bay since the project opened in 2005. I was previously served as the Chairman of the Board of the AOA Ocean Villas. We strongly oppose the Short Term Rental Bill as currently written. It is completely unfair to the Owners of units at the Ocean Villas at TBR.

I (Sean Armstrong) was part of the Turtle Bay Resort ownership team at Oaktree. Subsequently I was a board member of Turtle Bay Resort, LLC, the ownership team when the property transferred to the lender group in 2012. Our Board and Replay Resorts worked hand in hand with the City & County, the DPP and the State to craft a plan for the Turtle Bay Resort that preserved Kawela Bay, the open space and the Iwi on the eastern side of the property. We also worked with unions to ensure that good paying jobs would be available as the resort continued its development.

The Armstrong Family has owned property in Hawaii for more than 35 years, both on Oahu and Hawaii. We have long enjoyed the beauty and benefits the Islands have to offer.

The Ocean Villas were always meant to provide the flexibility to the owners to have the units participate in the rental pool as part of the hotel, and at the same time allow for full or part time use by the owners. We have been a part of the hotel's rental pool since the project's completion in 2005, and at the same time have been using the unit as owners from time to time. We have been registered as a rental unit from the start, and have paid hundreds of thousands if not over \$1 million in GET and TAT in that time frame. We have abided by the rules since then. We get assessed at Hotel Resort rates. Currently, we are paying more than \$42,000 per year in property taxes.

Use of our unit as a nightly rental does NOT contribute to additional traffic in traditional residential neighborhoods, and it makes perfect sense that you should be writing rules to prevent the character of residential neighborhoods to be destroyed because of nightly rentals. The Ocean Villas is very obviously part of the resort, but like many other condominium projects in the islands, offers part time residents an opportunity to enjoy island life in a way that does NOT reduce or affect affordability for full time citizens of Hawaii.

However, the proposed Bill to change the rules is inflexible and does not address the realities on the ground of how our unit and others like it are used and managed. As written we would be forced to pay hotel rates to use our unit if we leave our unit in the rental pool, or suffer a massive and unjustified economic loss if we do not. Neither is a fair treatment for the owners at Ocean Villas that choose to offer their units for rent on a nightly basis through the hotel.

As i understand the Bill, the owners at the Kuilima condos would be allowed to still offer their units for nightly rental and still be able to use their units as owners without having to pay hotel rates. If i have misunderstood that, it's because the language of the bill is not clear.

We strongly oppose the bill as it is written. Owners of units at the Ocean Villas at Turtle Bay should be allowed to participate in the hotel room pool without restrictions on our ability to use the units personally and without having to pay nightly room rates. It's not clear to me whether you have provided for that kind of classification, but you should.

Also, this bill should be debated with public input, and it should absolutely not be enacted unilaterally by the Department.

Respectfully submitted,

Sean Armstrong

cc:

Desmond and Ann Armstrong

Judy Armstrong

Greg and Jackie Geiger

Jessica Smith
1364 Manu Mele Street
Kailua Hawaii 96734
jesnmarley@yahoo.com

To whom it may concern,

I am writing in regards to the public hearing on September 8, 2021, since I am unable to attend due to the fact that I have to work in the hospital on this day because of the COVID pandemic. My name is Jessica Smith and I was born and raised in Kailua, Oahu and I oppose changing the bill from 30 day's to 180 days. I am a home owner and believe it was already wrong for the city to decide what home owners can do with their property. If we are paying taxes, we should be able to decide how we rent our own property. 30 days is more than enough time for a rental. This will allow residents and locals to make some income due to the high taxes we already have to pay. Most home owners don't want to rent their property out for more than 6 months because sometimes you get the wrong tenant, they can destroy your property and you can't even get them out even if they don't pay rent. My dad had a long term renter and she destroyed the property and wouldn't move out. He ended up selling the property because of this reason. Also you cannot say its reducing the rental availability because most of the properties here in Kailua people cannot afford to rent. The city needs to implement more affordable housing units. Houses in Kailua rent for 4500 plus most families cannot afford this payment. So by enforcing what is already active, the city can crack down on illegal rentals and increase fines. Enforcement needs to be implemented in order to achieve success. This has not been done which is sad and now you want to change it so that the people who have been following the rules are affected more. This is all a ploy to lobby for the hotel industry which is already a monopoly, which is sad because all that is done is hurting local families who are already struggling. This needs to stop!!! I have so many local friends moving to the mainland because they can't afford to live here. The all have homes and are moving because of the high taxes. Please stop hurting the local communities!!!

Thank you
Jessica Smith

To Whom It May Concern:

I am writing in opposition to the proposed bill eliminating short-term rentals. I currently am employed as an assistant to a property manager. After a tough year of losing my job to COVID-19 and the consistent search in trying to find a job since then, I have been provided with an opportunity to work for a company that allows me to get back on my feet. This company follows and stands behind all the laws regarding short-term rentals and rentals as a whole

This bill will not only affect me but my family in which I provide for and the staff that my boss employs. Please understand that many of us have already been through a great deal this past year and by proposing this bill, it puts us in even greater hardship. We kindly ask that instead of eliminating short-term rentals, you take into consideration enforcing the current regulations.

Sincerely,
Kaitlyn Taketa

From: Roland Kuroda <roland@kurodaautobody.com>

Sent: Tuesday, September 7, 2021 4:28 PM

To: info@honoluludpp.org

Subject: 210823_REVISED_Draft_Bill_Relating_to_Transient_Accommodations

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Roland Kuroda 808-349-9363

Testimony related to 210823_REVISED_Draft_Bill_Relating_to_Transient_Accommodations

I am opposed to the proposed revision of the current ordinance defining short term rentals of no less than 30 calendar days. Violators of the current ordinance disregards short term rentals by renting their apartments of homes to different tenants more than once every 30 days. The current ordinance need enforcement not revision.

Potential tenants of rentals of homes or apartments once every 30 days fulfil needs of business travelers, family and friends visiting local residents, temporary workers. Many cannot afford to rent hotel rooms at the current market rental rates. The hotel market rates are kept competitive due to long term rentals of apartments and single family homes rented to unique visitors other than short term vacationers to Hawaii.

Sincerely,

Roland N. Kuroda.

Sent to Gloria @ the Planning Commission @ 5:20 p.m. on 9/7/21

Via e-mail (gtakara@honolulu.gov)

Comments/queries to the Planning Commission and C&C DPP re Draft Changes to Rules RE: STRs.

DPP

@ info@honoluludpp.org

While I agree that something has to change re: regulation of STRs and enforcement of illegal operators, I would like a definitive statement on the following:

1. There will be **NO whole-house vacation rentals** (TVUs) in residentially zoned areas. Exceptions are for those in resort areas.
2. There will be **NO 30 day or 180 day stay requirement for NCU B&Bs.**
 - a. A 30-day stay has been used as a “legal” work-around the ex. Regulations by those operating illegal STRs. Clearest way to eliminate enforcement issues: NO exceptions.
3. With regards to any exceptions of any provisions in the draft; let me note that exceptions/exemptions are the reason we have an Internal Revenue Code with almost 3000 pages with many thousand more pages in the Regulations.
 - a. Therefore, if STR units want exemptions so the owners can rent to visiting medical personnel, military personnel who are in-transition, et al, then:
 - i. The employer ought to provide this housing and/or,
 - ii. The employer of said folks can write a request to the DPP to allow said folks to reside in a **LEGAL** STR in the so-called resort area on O’ahu.
4. The DPP will step up and really start enforcing the ex. Rules. Why do we have thousands of illegal operators when the DPP

can use on-line advertising as prima facie evidence of an illegal operator if no NCU ID is listed?

- a. Why is it so 'easy' evidently for owners to evade an inspection of their property?
5. My focus is eliminating the illegal STRs from residential neighborhoods.
6. As for comments by owners of units in the 'resort areas': it is my understanding that some of the buildings that have many STRs are owner-operated units. Why is this a problem? Who decides which hotel ought to have the right to manage those units?
 - a. One of the issues I see is when STRs out-number the units that are owner-occupied.
7. As for fines/fees, keep them very high for illegal operators.
8. With regards to property taxes on STRs, as I commented in my written statement dated 9/1/21, the taxes ought to be allocated based on the sf-usage of said property.

Mahalo for the opportunity to comment.

Aloha,

B.A. Alexander
Kailua Resident

-----Original Message-----

From: Kim Stankovits [mailto:kims808closet@gmail.com]

Sent: Tuesday, September 07, 2021 4:14 PM

To: info@honoluludpp.org

Subject: Short Term Rental Oppostion

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

To whom it may concern,

I am a Hawaii resident and I would like to voice my concern about the new proposed rules to short term rentals. (180 days minimum)

I am opposed to any changes to the current real estate laws.

Please consider the following people who desire to have a place to stay for under 6 months.

1. Short term rentals provide places for extended family to live while visiting their local families.

(I had a granddaughter stay with me for a month and a half who took her grandmother to get the covid 19 vaccine and to other doctor appointments. This young gal would not have been able to afford to stay in a hotel for a month and a half)

2. Short term rentals provide a place for those in transition. Example: those who are buying a home and need a place until their escrow closes (30-45 days)

3. Short term rentals provide a chance for new young professionals to work remotely.

4. Short term rentals provide needed living accommodations when home emergencies occur.
(Flooding, plumbing, roofing issues to name a few)

5. Short term rentals provide people to live temporarily when they are remodeling or building a new home on the island.

6. Short term rentals provide a temporary place for people who are transitioning to Hawaii from the Mainland.

Thank you for your consideration.

Kim Stankovits

Hawaii Resident

Sent from my iPhone



Lauren Victoria (RS-83211)
+1.808.343.9400
lauren@pohasuites.com
pohasuites.com | @pohasuites

P O H A × PORTF  L I O

From: Lauren Victoria [mailto:lauren@pohasuites.com]
Sent: Tuesday, September 07, 2021 4:17 PM
To: info@honoluludpp.org
Subject: Written testimony for the 9/8 Hearing

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To Whom It May Concern:

The DPP's proposed short term rental bill will severely impact many small businesses.

I am a Realtor and property manager. I manage 22 units. My clients all purchased their properties in a resort-zoned district and in buildings that allow nightly vacation rentals. They purchased their properties in the resort-zoned district as they were historically compliant. We have all followed the letter of the law and GET/TAT taxes were always paid.

My business employs 10 Hawaii residents: my assistant, my team of cleaners and maintenance staff. I also employ my mother. Additionally I continually hire plumbers, appliance and AC technicians, electricians, and contractors. My property management business is my sole source of income. My family, my team and their families rely upon me for their livelihood.

The proposed short term rental bill is extremely heavy-handed and is punishing those who have complied with the current rules set in place.

It is my deepest hope that the proposed bill is rejected in its entirety. This not only affects property owners that have followed the short term rental laws but also individuals working hard to make an honest living to support their families. Myself and my team were unemployed for most of last year due to the Covid-19 lockdown and are still recovering financially as we were not able to work.

Thank you,
Lauren Victoria
lauren@pohasuites.com
808.343.9400

--

Thanks in advance,
Lauren Victoria (RS-83211)
Realtor-Associate® | Sales and Vacation Rental Management

Poha x Portfolio (RB-15238)
pohasuites.com | [@pohasuites](https://www.instagram.com/pohasuites) | [fb.me/pohasuites](https://www.facebook.com/pohasuites)

From: meleanajudd@gmail.com [mailto:meleanajudd@gmail.com]

Sent: Tuesday, September 07, 2021 4:26 PM

To: info@honoluludpp.org

Subject: Opposition to draft bill

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha Commission,

I am writing as a property manager in strong opposition to the “draft bill” relating to transient accommodations.

I also own three homes and while all of my current tenants are long term (I believe all of them will be there in five years) I had many month-month tenants before finding the right fit. In two of the other units I manage I have tenants who are very month-to-month in our current “pandemic” situation... this is most certainly not the time to be wasting resources on unsustainable planning efforts.

MeleanaJudd@gmail.com

808.551.8132

[Waihuena Farm](#)

From: Ron Shay [mailto:ronshay@telus.net]

Sent: Tuesday, September 07, 2021 4:31 PM

To: info@honoluludpp.org

Subject: To: Brian Lee, Dean Uchida - Revised Ordinances of Honolulu (ROH) 1990

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Re: Revised Ordinances of Honolulu (ROH) 1990

To: Brian Lee the Chair of the Planning Commission

Dean Uchida the Director of DPP

I own a condo in Waikiki and have been a frequent visitor to Hawaii for more than 40 years. I bought the unit primarily for family use, but do use a local agent to rent it a couple of times per year when it is not in use by my family members. When the unit is rented, it is always in full compliance with the current 30 day rule and all applicable taxes are paid. **I believe the current 30-day rule is sufficiently restrictive to ensure that condo rentals do not take away business from local hotels.** The clients that my rental agent usually rents to are medical specialists, military personnel, and retired seniors. These individuals would not stay in hotels, and if the rental period was extended to 180 days, they probably would not come to Hawaii at all.

As a result, I object to the proposal of extending the period beyond the current 30 period and ask that you:

- Reject the proposed bill in its entirety
- Withdraw the bill
- Continue its administrative rule-making process to implement Ordinance 19-18
- Establish a working group comprised of key stakeholders on rule-making recommendations

Sincerely,

Ron Shay
Owner, #2101 - 2140 Kuhio Ave
Waikiki HI 96815

From: アリーハウス [mailto:arryokano@gmail.com]
Sent: Tuesday, September 07, 2021 4:44 PM
To: info@honoluludpp.org
Subject: Please Help our Community from Big Hotel Chains

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

To: the Chair of the Planning Commission and the Director of the Department of Planning and Permitting

Recently, you admitted that they made no effort to engage the public prior to proposing this bill to the Planning Commission.

We need the 30 days or less vacation rentals on Oahu.
Hotel did not operate during the pandemic. No medical associates could stay in the hotel..

Only the vacation rental properties helped us staying in.

Big major hotels take most of the profit to the mainland.

Those vacation rentals units are paying the TA tax, right?
Please do not create the bill helping mainland people.

Mahalo!!

Arinobu Okano

From: John Riggins [mailto:John@JohnRiggins.com]

Sent: Tuesday, September 07, 2021 4:48 PM

To: info@honoluludpp.org

Cc: Tupola, Andria; Tulba, Augie; Elefante, Brandon; tmmy.waters@honolulu.gov; Say, Calvin; Fukunaga, Carol A; Tsuneyoshi, Heidi

Subject: Opposed to Proposed Ordinance 19-18

Importance: High

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha,

I am a resident and property owner in Kapolei. I have been an Oahu homeowner since 1974 when I bought my first home in Makakilo, an Oahu property investor since 1976 when I bought my first investment property in Aiea and in the residential sales business on Oahu since 1977. During that time, I have seen and heard far more than my fair share of “dumb” proposals along with “very poorly prepared legislation.”

However, the proposed bill and administrative rule-making process to implement Ordinance 19-18 takes the cake.

First of all, there are fundamental American property rights throughout US history which include the ability to own and manage property. This proposed legislation would be a “red flag” to anyone who believes in individual property rights.

Secondly, it would **discourage investors from buying and renting affordable housing** which in turn would make our severe affordable housing and homeless problem even worse. Why would any investor want to buy a property on Oahu if the investor had to deal with over regulation when the investor could easily buy in another state such as Nevada with fewer regulations, lower taxes (no GET or Nevada income tax) and get a better return on investment?

There are more immediate issues. Over the years, I have had hundreds of **buyers move into a property prior to closing** and **sellers retain occupancy following closing** in order to move out of an existing home they were selling, have children enroll in school or stay in a home in order to move into another home or for the children to finish out the school year. Buyers often need to

move in prior to closing in order to vacate and clean their existing home. Under the proposal this would be a short term rental.

Typically developers such as Castle & Cooke, Gentry and DR Horton will NOT allow a buyer early occupancy and require a new home buyer to close on their existing home and have the funds from the sale of the property BEFORE the buyer can close and move into the new home.

Since 1974, I have purchased 3 new homes. In every case, I had to arrange with the buyer of the home I was selling to retain occupancy following closing BEFORE I could close and move into a new home.

As in my case, arrangements are often made with buyers for the seller to retain occupancy following closing. Under the proposal, this would be considered a short term rental.

Most important and impacting thousands of Oahu property owners and tenants, once a long term fixed lease ends, a tenant remaining on a month to month would be considered a short term rental.

Therefore for the reasons stated above, the proposed bill and administrative rule-making process to implement Ordinance 19-18 should

- (1) Reject the bill in its entirety**
- (2) Urge DPP to withdraw this proposed bill**
- (3) Encourage DPP to establish a working group of key stakeholders including realtors, property owners and tenants on rule making recommendations.**

Sincerely,
John Riggins

John Riggins
Certified Residential Specialist Emeritus
Realtor Emeritus

John Riggins Real Estate
1003 Bishop Street, Suite 2700
Honolulu, Hawaii 96813 USA

Office 808-523-SOLD (7653)

Cell: 808-341-0737

Email: john@johnriggins.com

SKYPE.com John.riggins.hnl

www.johnriggins.com

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From: Itsuji [mailto:itsuji@captaincookresorts.com]
Sent: Tuesday, September 07, 2021 5:00 PM
To: info@honoluludpp.org
Subject: Webex meeting speech

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Aloha,
I would like to submit oral testimony on 9/8.
My name is Itsuji Hatano.
Phone 808-782-4544.
Re: new proposition of Bill 89
Mahalo,
Itsuji



Itsuji Hatano
Captain Cook Resorts
1012 Kapahulu Ave Suite 110, Honolulu, HI 96816
| m: 808782-4544
e: itsuji@captaincookresorts.com | w: www.captaincookresorts.com
  
"Your vacation home away from home!"

-----Original Message-----

From: eekadog@yahoo.com [mailto:eekadog@yahoo.com]

Sent: Tuesday, September 07, 2021 5:39 PM

To: info@honoluludpp.org

Subject: STR

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

My name is Clifford Wassman,

I am strongly opposed to increasing the STR length from 30 days to 180 days. If the hotels want to help us solve the housing crisis perhaps they should rent rooms to the homeless. As a native Hawaiian homeowner, having the ability to operate a bed and breakfast out of my home would help me to alleviate some of the pain from our high cost of living.

If we want to help our residents use our properties for revenue generation why not level the playing field? Tax short term accommodations of all kinds at the same rate.

Mahalo,
Clifford Wassman



September 8, 2021

Brian Lee
Chair, Honolulu Planning Commission
650 S. King Street
Honolulu, Hawai'i 96813

RE: Additional Testimony on Proposed Bill on TVUs -- September 8, 2021

Chair Lee:

In response to the initial public hearings held on September 1, 2021, Elite Properties respectfully submits additional testimony as follows:

OUR POSITION: Implement Ordinance 19-18 and Promulgating Rules as a More Practicable and Reasonable Approach to TVUs on Oahu

A Rinse & Repeat of Bill 89

On September 1, 2021, the Honolulu Planning Commission heard overwhelming testimony against the Department of Planning & Permitting's (DPP) new bill to limit the number of transient vacation units on Oahu. The heated and emotional arguments were an exact replay of the long and drawn out process of 2019 which resulted in the passage of Bill 89, now referred to as Ordinance 19-18.

Ordinance 19-18 is not perfect. However, the former Mayor, City Council and key stakeholders, including hotels and TVU owners, came together and agreed on an approach to better manage short-term rentals on Oahu. Now, instead of promulgating administrative rules to empower DPP to implement the new law, the Blangiardi Administration has proposed a new measure that is a far departure from the community compromise of Ordinance 19-18.

DPP Goals are Still Aligned with Ordinance 19-18

At the Commission hearing, Director Dean Uchida explained DPP's overall goals:

- The City Administration wants to "take our neighbors back" by minimizing the number of TVUs in neighborhoods;
- Provide more long-term rental housing units for residents; and
- Create a management tool to regulate the number of visitors to Hawai'i.

Those goals and more are addressed in Ordinance 19-18. A new short-term rental bill is not needed.

A Reasonable & Quicker Approach: Promulgate Administrative Rules

When laws require further clarification and a description of government agency procedures to implement the law, administrative rules are promulgated. Administrative rules, in effect, also have the force of law, and are established through a series of public hearings and approvals. The Blangiardi Administration issued draft rules in April 2021, as they should have. However, instead of completing the process to empower the agency to implement Ordinance 19-18, they stopped short and proposed a new bill.

Completing the process to promulgate rules are a more practicable approach to TVUs for the following reasons:

- Using the policy and legal framework of Ordinance 19-18, administrative rules will clarify ways to move forward and empower DPP to manage TVUs -- now;
- Promulgating administrative rules require public hearings. It is a transparent process. Additional public comments and recommendations can be solicited and integrated into the rules, without proposing a new bill;
- A new bill only rehashes the heated arguments of 2019, and would set-back addressing TVUs on Oahu another couple years. In the meantime, the industry and visitors would be in limbo, creating confusion in the marketplace on the use of short-term rentals on Oahu;
- If during the rulemaking process, amendments to Ordinance 19-18 are needed, they can be proposed. A new bill is not required.

Our Recommendation to the Commission

- Reject the proposed bill in its entirety;
- Urge DPP to continue its administrative rule-making process to implement Ordinance 19-18;
- Encourage DPP to establish a working group comprised of key stakeholders on rule-making recommendations.

For More Information

Milo Spindt
Broker-in-Charge
Elite Pacific, LLC
808-631-7602.

From: Lygia Barbosa [mailto:lclarkbarbosa@yahoo.com]
Sent: Tuesday, September 07, 2021 8:08 PM
To: info@honoluludpp.org; Lygia
Subject: Airbnb transient accommodation testimony

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Aloha to the legislature

My name is Lygia Barbosa.

Im a Hawaii resident for many decades, and a legal Airbnb host since 2017, for a 30 days minimum rental apartment.

My testimony is that the legislature is making gross mistakes in categorizing the Airbnb guesting option as the same as hotel option.

First of all, the demographics and economic power of hotels guests are not the same demographics and economic power as Airbnb / "vacation" rental guests.

Most of my guests are NOT the typical vacation hotel guests. Instead, they are:

- Professionals working on temporary assignments
(for example: COVID relief first responders, construction contractors, work training, seasonal workers like elections support etc)
- younger families visiting elderly parents, or extended family.
- middle class Retirees with limited resources
- baby boomers visiting elderly parents, or dealing with family affairs
- remote temporary workers
- younger professionals starting their careers.
- students doing some kind of course/ training
- Hawaiian born /raised people who moved away coming to Hawaii for already sparse ohana's gatherings.

Secondly, although these groups of people may not have the same level of economic power as hotel guests, for weddings, or high end salaries and luxurious vacation plans, they do add considerably to the state's economy as:

Airbnb owners do pay GET, Transiente accommodation, State, and property taxes. These taxations are high already, NOT little ammount of money NOR insignificant contributions.

Airbnb guests do spend in Hawaii's businesses, airlines/ airport fees, food/ dining, entertainment, tourism, car rentals, transportations and their contributions are NOT little NOT insignificant to the state.

Third point to consider, is that another mistake is to Increase on taxation of AIRBNBS/ "vacation" rentals as same as hotel industry. We are NOT RESORTS! It is a completely new business category blooming worldwide. The state and legislature attempts to crush it, supres it, and make it unviable is going against the world economical current.

Simply regulate it REASONABLY by licensing, and PROPER BUSINESS FOSTERING taxes and limited number/ spacing.

Finally, the owners are already struggling to make ends meet, with high expenses in taxes and high costs in Hawaii, and trying daring ways to maintain their properties without foreclosure or bankruptcy.

In addition to COVID economical crisis and residents struggling with employment, crushing vacation rentals, or even labeling 30 -180 days as "VACATION" rentals is REALLY a stretch in lobbying for tourism industry! Who VACATION for 30-180 days???

As a final reminder, we are also voters, who expect their legislators to promote residents business sustaining our lives in Hawaii.

Therefore, it is a gross mistake to
Classify 30-180 days as "vacation"

Increase taxation further

Treat vacation rentals and hotels as the same business demographics and economic level

Ignore the economic contributions of newer worldwide business models

Sincerely
Lygia Barbosa
Lclarkbarbosa@yahoo.com
808 7298237

Sent from my iPhone

-----Original Message-----

From: Raquel Dicenso [mailto:dicensos@me.com]

Sent: Tuesday, September 07, 2021 8:52 PM

To: info@honoluludpp.org

Subject: Amendments to Chapter 21 - Public Hearing

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Dear Sirs

I understand the need for regulations of STRs and TVUs, but as I follow up with the results from the last changes I can't see any good results. We do have less STRs but the home shortage remains the same. Residents of Hawaii are in more need of jobs than housing. Several houses that were previously used as STR were sold to mainland investors and now sit empty. We own a few properties in the Laie and Hauula area and a few years ago we needed to evict two tenants for non payments. Now we rent mostly to mainland students who receive financial help from student loans or family members. We were waiting for the opportunity to apply for a B&B permit, but now it seems like it won't happen at all. My cleaning crew were making \$30.00 per hour, which help them pay for housing and education, if they were to clean for a hotel, they wouldn't make enough for rent and food. The main economy in Hawaii is tourism and with the changes you are proposing only big corporations are benefiting from it. It's not fair to compare what other states regulations are regarding STR when their economy is much more diverse than here in Hawaii. The comments that I hear from DPP and the commission is about ILLEGAL STRs, I would like to hear what it's being done about the ILLEGAL housing we have all over Oahu. Our neighborhoods are full of homeless people, living on the beach, parks, bus stops, streets, and I don't hear any public hearing to resolve this much bigger problem.

Thank you for your time, I would love to hear a reply if it's possible.

Raquel Dicenso

From: Preston Cope [mailto:preston@prestoncope.com]
Sent: Tuesday, September 07, 2021 8:58 PM
To: info@honoluluodpp.org
Subject: Reject the Proposed Bill for Vacation Rentals

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha Brian Lee & Dean Uchida,

I am writing with great concern with the proposed amendments (attached for reference) regarding vacation rentals on Oahu.

This bill is drastic, irresponsible, and undermines the property rights of individuals while weighing heavily in favor of the hotel industry.

I am a property manager / realtor on the island and manage both legal vacation rentals and long term rentals so I have knowledge on both sides of the rental spectrum.

My recommendation is to scrap these amendments in its entirety, there really isn't anything of great value that will come from implementing such proposed changes.

Some examples are:

- Changing the minimum rental length from 30 days to 180 days for vacation rentals is unnecessary. Many renters are: foreign exchange students studying abroad, nurses here to help with the current COVID, family members visiting loved ones, etc..
- Requiring Legal TVU in a condotel to only be managed by the hotel undermines the property rights of an individual, lines the hotels pockets, and squeezes the owners profit margins too many times nothing or even negative with the amount the hotel pool charges (many times 30-40%).

I already have hard working small businesses such as the cleaners that clean the vacation rentals worried that they will not recover from this and will be forced to shut down their business. In a time where the pandemic has already had a massive negative impact on the local economy, further hurting small businesses is not the answer.

I hope you listen to the large majority of opposition to this proposed bill and go back to the drawing board for a more common sense solution to the problems that are trying to be solved, but these amendments are not the answer.

Best regards,

--

Preston Cope (RA-81911)



Aloha 'Āina REALTOR® Awards Program 2021 Nominee



Royal Realty, LLC, RB-20324

MAILING ADDRESS: PO Box 11297, Honolulu, HI 96828

Office (Access limited due to COVID-19): 1088 Bishop St. #1004 Honolulu, HI 96813

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-----Original Message-----

From: Laura Isola [mailto:laisola2@yahoo.com]

Sent: Tuesday, September 07, 2021 9:19 PM

To: info@honoluludpp.org

Subject: Please TOTALLY REJECT the bill against Transient Accommodations!

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

Aloha!

Please make sure on Sep 8 2021 to throw the entirety of the bill against Transient Accommodations into the garbage where it belongs. All propositions in this bill are totally unfair and it would unacceptably hugely damaging hundreds of thousands of people property values and State of Hawaii revenues with devastating disastrous consequences for ALL.

Thanks for your prompt understanding and please don't ever come up with such insanity again!

Sincerely in faith,

Laura Isola
Owner at the Hawaiian Monarch
444, Niu Street Honolulu, HI 96815

Sent from my iPhone

-----Original Message-----

From: C M [mailto:cnakmeh@icloud.com]

Sent: Tuesday, September 07, 2021 9:22 PM

To: info@honoluludpp.org

Subject: Written testimony supporting Bill 89 revisions

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Aloha,

As a Hawaiian a.k.a. Native Hawaiian, I fully support this bill.

We are suffering from a severe chronic housing crisis. Short-term rentals have had a detrimental impact on housing stock in these small islands, worsening existing problems.

Because of the high cost of living and housing shortages, many Kanaka Maoli/Kanaka Oihi (Hawaiians) are homeless or have to out migrate to the American continent. As Hawaii's only Indigenous people this is an injustice.

The extremely high cost of living in Hawaii needs to be addressed, and the proposed amendments are step in the right direction.

Mahalo,

Kalei Nakoa-Meheula

-----Original Message-----

From: Patricia Glaser [mailto:pglaser1946@icloud.com]

Sent: Wednesday, September 08, 2021 2:19 AM

To: info@honoluludpp.org

Subject: Air BnB

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

Has anyone considered the fact that cleaning air bnbs after guests leave is an ideal part time job for folks whose age, life situation or physical/mental health prevents them from working full time?

I know of several such folks who work in a Waikiki condo that houses legal air bnbs. Two are retirees who depend on the income to supplement their social security. One is a green card holder for whom English is a second language. One is a college student. And one has a disability that limits him to part time employment.

For every unit there is someone who cares for it — someone whose economic well-being will be affected if it ceases to exist.

If the aim is to limit accommodations in the islands, why not convert some of the hotels into affordable rentals for local folks.

Mahalo

Pat Glaser

Sent from my iPhone

-----Original Message-----

From: Harry Mueggenburg [mailto:opa-m@comcast.net]

Sent: Wednesday, September 08, 2021 5:16 AM

To: info@honoluludpp.org

Subject: DPP Bill Regarding STRs

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

As a citizen of the USA, I am blessed to voice my disagreement with a governmental decision. Please do not pass a Bill that takes the rights of Her people away. That is the people of Hawaii and those who live in the Mainland. Public opinion to the bill that is proposed has not been heard by the people it is supposed to serve. When It concerns the rights of those people, comments should be heard and heeded. As a owner of condos in Waikiki, I have the right of who I prefer to manage my property when I am not visiting. Residents of Hawaii should have the opportunity to rent a Short Term Rental for a minimum of 30 days. Please do not pass this Bill. Please reevaluate what you are proposing. Mahalo.

Marianne Mueggenburg, 3525 Bluff Court, Carmichael, CA 95608 Waikiki Shore, Suites 1110 and 1316

Sent from my iPad

Testimony for 9/8 DPP meeting: Margo Brower

Good Afternoon. My name is Margo Brower and I am the Principal Broker for Captain Cook Real Estate, a smaller local real estate company in business for thirty years, managing long term rentals, short term rentals and real estate sales.

I am testifying against this proposed bill. In view of time I will limit my remarks to only certain objections.

By Mr. Uchida's own admission, the only stakeholders consulted in this bill's origination were the hotel industry. The bill is a blatant attempt to wipe out the short term rental industry and cater to the hotel industry. It disregards owners' property rights. It disregards small businesses. It pretty much amounts to the taking of property without compensation.

Why should ownership of a condo be limited to a natural person only? How does a family trust owning a unit, for example, contribute to illegal rentals or deny long term housing for residents?

Who is the government to tell an owner they can only own one unit? Again, what is the justification for that?

Why should an owner's right to choose who will manage his property be denied? I believe Mr. Uchida said doing so by requiring only the hotel management to be allowed to manage would make his job easier. Do we really need to give up a basic right to make Mr. Uchida's job easier?

I would like to remind the governing authorities that in this country the government exists to serve the people, not vice versa.

Margo Brower p 2

180 days is not short term. I understand that by making it so, you push more owners into the short term rental category, thereby raising their property taxes. However, testimony has shown that there are many examples of even local people needing a rental for shorter periods of time. Had you consulted owners in the short term rental industry you would have known that. Your hasty addition of exemptions will add to your problems of enforcement and doom your intentions. The answer is to leave short term rentals at less than 30 days.

Lastly, the fees and taxes you propose are draconian, and again designed to push small owners out of business. No one could make a profit paying all that you propose. Despite what Mr. Mufi Hanneman feels is a "level playing field", there is no such thing when comparing small business and property owners to hotels. The hotels in this case are free from many of the fees small property owners would have to pay.

The existing ordinance 19-18 took three years to complete. It is a flawed, but satisfactory answer to the problems you are trying to solve. You simply have not enforced it. Putting small short term rental operators out of business and creating unemployment in their companies and their suppliers, imposing huge fees for no good reason other than to drive them out of business, and insisting that only large hotels can house visitors to your arbitrary standards, will not solve the problems you are trying to resolve.

Work with the people in the short term rental industry, put an end to your bias for hotels, and enforce the laws you have, and you may make a start to achieving your goals...

From: J grant [mailto:kjgrants2000@yahoo.com]
Sent: Wednesday, September 08, 2021 10:03 AM
To: info@honoluludpp.org
Subject: Short-term rentals

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Our family has been renting a home on Oahu for five years in a row. We've miss the last two years because of COVID but have booked for February 2022. All of our family vacations are in VRBO type properties, and we especially love our rental on Oahu as we experience island living rather than staying in a high-rise which feels like a city.

It was hard for us to go from our customary 7-10 day vacations, but we decided to bite the bullet and book for the 30 day period required by law. We would never be able to come back to the island if the 180 day bill passes. We are island people, having lived on Guam for years. And our stay on Oahu has been the highlight of the year for our children and grandchildren.

A family reunion in a high-rise hotel is not a family reunion. If this law passes we will have to remove Oahu as our preferred family destination.

We hope you vote against this proposed new law that will basically eliminate rental home vacations.

r/

Joe & Kris Grant
492 Brightwood Rd
Millersville, Md 21108

-----Original Message-----

From: Kendrick Morikawa [mailto:kalakauan311@gmail.com]

Sent: Wednesday, September 08, 2021 10:15 AM

To: info@honoluludpp.org

Subject: I oppose amendments for Bill 89

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Aloha Members of the DPP,

My name is Kendrick Morikawa, owner of 1911 Kalakaua Avenue unit 311. I run the unit as an Airbnb. My phone number is +1 (808) 344-1878.

I oppose amendments for Bill 89.

I have set up my business and pay appropriate property taxes for the income I receive. I provide income to a manager and cleaner.

We don't have a hotel management or front desk in the building. If the new amendments go into law then I will be forced to shutdown my business.

Please consider the small businesses that are following the law and paying appropriate taxes.

Said again, I oppose the amendments for Bill 89.

Please feel free to contact me if any additional information is required.

Mahalo,
Kendrick Morikawa
808-344-1878

From: Tiare Dutcher [mailto:tiaredutcher@yahoo.com]
Sent: Wednesday, September 08, 2021 10:37 AM
To: info@honoluluodpp.org
Subject: Opposition to proposed amendments to Chapter 21

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

To Whom It May Concern:

I am a small business person in Honolulu, a real estate broker. I began my business several years ago, starting with the managing of one property. Now I manage 20 properties, all for single owners who are all small business people like myself--no corporations.

Most of the properties I manage are in Waikiki on the North side of Kuhio Avenue. Before August 2019, my owners were doing well with their LEGAL short term rentals. They were paying both GET and TAT legally. And the building by-laws allowed for short term—daily, weekly, monthly.

Now, because of the Bill 89, they are only allowed to do one month minimum. Their incomes have been drastically reduced, but most of them are still limping along, hoping for a realistic change in the law. With the proposal of the new law, stipulating SIX months minimum, my business will die, and it is trickle down economy. I used to support 10-15 cleaners and a laundry service. Now I can barely support one cleaner and no laundry service as people are coming here to work for a month or two---not six months, so they don't need cleaning services so often. And yes, the owners renting less than six months are still paying GET and TAT LEGALLY.

But how can the City and County of Honolulu direct my owners to only allow six months or more rental? This is not a democratic principle.

In addition, Waikiki is supposed to be a resort area. But North of Kuhio Avenue, that is no longer true, especially if the six month rule goes into effect. We are unable to do short term rentals legally. And yet, Time Shares are exempt. This is blatantly UNFAIR. Private entities or corporations should have the same rights, yet corporations are given the green light to rent units as they see fit. Private entities and small business people are punished if they do so.

Please consider that people do not want to be in hotels. They want their own condominium unit. They want to come for one or two weeks, or three days, or whatever they can afford.

Please do NOT put the six month law into effect. Please do not kill more businesses. Please listen to the people who want to survive our economy, and do so legally.

Aloha, Tiare Dutcher

Tiare Dutcher (R, GRI)

RB-22030

DW Realty LLC

1123 11th Avenue #403

Honolulu, HI 96816

cell: 808-753-5327

From: Dolly Ozols [mailto:DOLLY.OZOLS@locationshawaii.com]
Sent: Wednesday, September 08, 2021 7:44 AM
To: info@honoluludpp.org
Subject: Ordinance 19-18

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Chair of the Planning Commission and the Director of the Department of Planning and Permitting:

I am asking that

- DPP reject the proposed bill in its entirety proposing change to make any rental under 180 days a "Short-Term Rental or Transient Vacation Unit".
- Urge DPP to withdraw this proposed bill and continue its administrative rule-making process to implement Ordinance 19-18; strict enforcement of the laws already on the books, rather than new laws is a better approach.
- There are many "snow birds" that have family and business ties, that want to live on Oahu during the colder months.
- Encourage DPP to establish a working group comprised of key stakeholders on rule-making recommendations. Enforce current laws.

Dolly Ozols

Sent from [Mail](#) for Windows

From: Aveilana Saldana [mailto:ave@elitepacific.com]
Sent: Wednesday, September 08, 2021 9:34 AM
To: info@honoluluapp.org
Subject: Opposition Testimony for New STR Regulations

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Aloha DPP,

I just wanted to take some time to express my concern over the new bill that is being pushed forward to legislation regarding Short Term Rentals and Transient Vacation Units. The current regulations outlined by Bill 89, allowing for 30-day rentals is an adequate and necessary regulation that should be strictly enforced instead of increasing the short term requirements to 180 days.

The regulations for 30-day rental periods provide an adequate buffer for non-resort zones to ensure that the properties and surrounding areas are not abused or exposed to unnecessary strain. The goal should not be to extend the rental period, but rather make efforts to enforce the current regulations in place. Legally operating STR's do not pose a threat to our communities, but rather have the opportunity to provide income for local families and offer a more affordable option for longer stays.

There are many reasons that short term rentals are beneficial for an industrial hub like Oahu, including temporary housing for local families, extended medical treatment stays for outer-island ohanas, and even transient professionals such as nurses. Please take the time to read the two experiences that I have included below so that you may gain a better understanding of why it is more important to enforce the current regulations in place rather than adding more stringent time constraints to the bill that will only detrimentally impact the STRs that are operating legally. Extending the length restrictions will not affect the illegal rentals, it will only punish the rentals that operate within regulation.

Last year, my sister and her family were building their first home. They are a young family, born and raised in Hawai'i, with three children. They worked hard and saved for years in order to be able to accomplish this feat. My brother in law spent all his free time finishing up their house, but there was still about 7 weeks between their rental lease coming to an end and when their home would be able to inhabit. They live far from a resort zone and needed a place near their children's school as well as their workplaces. Even the most affordable condos and hotels they looked at for a 7 week rental were cramped for their family of 5 and would have costed about \$15,000 for the time period they needed. They were able to find another local family that owned a 3 bedroom STR just five minutes from the kids' school and save \$7,000 that they could not afford to spare in the first place. The family that they rented from were generational Kanaka who had put their additional income into this property and they ended up becoming great friends. They have children around the same age that play sports together and it was wonderful to know that the money they paid while they waited for their home to be completed was paid to a local family and then funneled back into the local community itself instead of going to a hotel conglomerate from the Mainland.

The start of 2021 was a little rocky for my family, my papa, who lives on Kaua'i, suffered a stroke and had to be medivaced to Oahu for treatment and recovery. While he was on Oahu for stroke recovery and treatment, they discovered that a portion of his basal cell carcinoma skin cancer had returned. Even with good health insurance, he could not afford to stay in the hospital for an extended period of time. For his health, he required a quiet and easily accessible space at an affordable price. This would not have been possible without the short term unit that he and my nana were able to rent while he recovered, had another surgery, and then had to go back in for other treatments and ultimately was healthy enough to go back to Kaua'i.

These are just two stories, but I am sure I could think of many more in the past few years that are in favor of shorter term rentals. I hope you will take these things into consideration and considered removing the stringent 180 day regulation from this proposed bill. Mahalo nui loa and have a great week!



Aveilana Saldana
Operations Assistant
Elite Pacific Properties
ave@elitepacific.com
| 808.515.5995
www.elitepacific.com



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From: Dolly . [mailto:dollysdesigns@hotmail.com]
Sent: Wednesday, September 08, 2021 7:48 AM
To: info@honoluludpp.org
Subject: strict enforcement, not more regulation

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Chair of the Planning Commission and the Director of the Department of Planning and Permitting:

I am asking that

- DPP reject the proposed bill in its entirety proposing change to make any rental under 180 days a "Short-Term Rental or Transient Vacation Unit".
- DPP to withdraw this proposed bill and continue its administrative rule-making process to implement Ordinance 19-18; strict enforcement of the laws already on the books, rather than new laws is a better approach.
- DPP to establish a working group comprised of key stakeholders on rule-making recommendations. Enforce current laws.

Margaret Ozols

Sent from [Mail](#) for Windows

From: Roderick Martin [mailto:townandcountryroderick@gmail.com]
Sent: Wednesday, September 08, 2021 8:53 AM
To: info@honoluludpp.org
Subject: Rentals in Hawaii

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Hello DPP,

Trying to take away more of our freedom in Hawaii is not right. Your new bill to make any property rentals 180 days instead of 30 is completely unfair. Not being able to manage your own property is not fair. Who wrote this bill?

Did you ask the public what they thought of this before you created it? Who is paying you guys off? The hotels?

We support Ordinance 19-18. Please:

- Reject the new proposed bill in its entirety;
- Withdraw this proposed bill and continue its administrative rule-making process to implement Ordinance 19-18
- Establish a working group comprised of key stakeholders on rule-making recommendations.

Aloha,

Roderick Martin
Realtor-Associate® (RS-83664)
(808) 321-7228
TownandCountryRoderick@gmail.com

-----Original Message-----

From: Brett Lee [mailto:leebrett1@gmail.com]
Sent: Wednesday, September 08, 2021 9:15 AM
To: info@honoluludpp.org
Subject: Short term rental

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

Dear DPP,

Bill 89 passed in 2019 provides ALL the rules and procedures for cracking down on illegal vacation rentals and this proposed bill should be scrapped. If DPP can't properly enforce Bill 89, adding another layer is pointless and all these new fees on the backs of legal vacation rentals owners is not only grossly unfair but DPP would be infringing on existing ownership and property rights, hurting all of us!

Give the DPP the funding to enforce Bill 89 and Hawaii will get the funds back 10 fold in fines and leans on illegally run Vacation Rental Properties. This would be easy to track with a small staff. Tourists landing in Hawaii for vacation could be asked to list their hotel or vacation rental address. If the address is found to be not registered fine and lean follow.

This will provide huge revenue and make everyone happy. Legal rentals will be forced to get a license and start paying their fair share of taxes and illegals that are not paying anyway will be fined and shut down. Problem solved.

Brett Lee
Owner Kuilima Estates West
Cell (808) 542-5825

From: lapalika@aol.com [mailto:lapalika@aol.com]
Sent: Wednesday, September 08, 2021 11:38 AM
To: info@honoluludpp.org
Subject: Opposition to proposed new short-term rental bill

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

To Whom It May Concern,

I would like to submit my testimony in OPPOSITION to the newly proposed bill to amend current short-term rental regulations. Please focus your efforts on enforcing the current regulations instead of adding additional regulations. Most of the nuisance issues regarding short-term rentals can be address with management and community input. Also, please consider the income which the State and City receives due to short-term rental TAT and GE taxes, along with the jobs that these short-term rentals create. Now more than ever our State needs this additional income and employment opportunities.

I strongly urge you to withdraw this new proposal.

Aloha,
Doug Lock

From: Sheryl Kincaid [mailto:sherylkincaid1@gmail.com]
Sent: Wednesday, September 08, 2021 11:32 AM
To: info@honoluludpp.org
Subject: OPPOSITION to new proposed short term rental bill

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

To Whom It May Concern,

I strongly urge you to withdraw this proposed bill and continue its administrative rule-making process to implement Ordinance 19-18.

Short-term rentals not only offer accommodations for visitors, but also provide decent and affordable opportunities to others such as traveling medical staff, families arriving to care for their loved ones, contract workers, relocated military families, local residents in need of temporary housing, and others, etc. The business of short-term rentals provides employment opportunities and income for many island resident. Short-term rentals provide income for the City and State via TAT and GE tax payments. Most revenue from short-term rentals stays in the State, thus benefiting Hawaii.

Again, I strongly urge you to withdraw this proposed bill.

Aloha,

Sheryl Kincaid

-----Original Message-----

From: Loc Le <loctle@gmail.com>

Sent: Wednesday, September 8, 2021 9:51 AM

To: info@honoluludpp.org

Subject: Short term rentals bill

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

Dear Planning Commission,

I am a home owner in Waikiki, and am opposed to the proposed changes to restrict monthly rentals and only allow 6 months minimum rental period. This is an infringement on private property rights. Changing the rules for homeowners who have been operating legal monthly rentals is bad for business, is questionable in legality for property rights, and will be devastating to the Hawaiian economy. If you are concerned that illegal short term rentals <30 are still occurring, the solution is improving enforcement of the current law, not restricting rentals even further. This will not only hurt out-of-state homeowners, but local residents as well because the vast majority of property in Hawaii is still owned by local residents. I urge you to reconsider this proposal, and reject this bill.

Thank you.

Loc Le

Owner at Waikiki Skytower Condominiums
2410 Cleghorn St, #2003, Honolulu, HI 96815.

-----Original Message-----

From: Kendrick Morikawa [mailto:kalakauan311@gmail.com]

Sent: Wednesday, September 08, 2021 10:15 AM

To: info@honoluludpp.org

Subject: I oppose amendments for Bill 89

CAUTION: Email received from an EXTERNAL sender. Please confirm the content is safe prior to opening attachments or links.

Aloha Members of the DPP,

My name is Kendrick Morikawa, owner of 1911 Kalakaua Avenue unit 311. I run the unit as an Airbnb. My phone number is +1 (808) 344-1878.

I oppose amendments for Bill 89.

I have set up my business and pay appropriate property taxes for the income I receive. I provide income to a manager and cleaner.

We don't have a hotel management or front desk in the building. If the new amendments go into law then I will be forced to shutdown my business.

Please consider the small businesses that are following the law and paying appropriate taxes.

Said again, I oppose the amendments for Bill 89.

Please feel free to contact me if any additional information is required.

Mahalo,
Kendrick Morikawa
808-344-1878

From: lapalika@aol.com [mailto:lapalika@aol.com]
Sent: Wednesday, September 08, 2021 11:38 AM
To: info@honoluludpp.org
Subject: Opposition to proposed new short-term rental bill

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

To Whom It May Concern,

I would like to submit my testimony in OPPOSITION to the newly proposed bill to amend current short-term rental regulations. Please focus your efforts on enforcing the current regulations instead of adding additional regulations. Most of the nuisance issues regarding short-term rentals can be address with management and community input. Also, please consider the income which the State and City receives due to short-term rental TAT and GE taxes, along with the jobs that these short-term rentals create. Now more than ever our State needs this additional income and employment opportunities.

I strongly urge you to withdraw this new proposal.

Aloha,
Doug Lock

From: Sheryl Kincaid [mailto:sherylkincaid1@gmail.com]
Sent: Wednesday, September 08, 2021 11:32 AM
To: info@honoluludpp.org
Subject: OPPOSITION to new proposed short term rental bill

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

To Whom It May Concern,

I strongly urge you to withdraw this proposed bill and continue its administrative rule-making process to implement Ordinance 19-18.

Short-term rentals not only offer accommodations for visitors, but also provide decent and affordable opportunities to others such as traveling medical staff, families arriving to care for their loved ones, contract workers, relocated military families, local residents in need of temporary housing, and others, etc. The business of short-term rentals provides employment opportunities and income for many island resident. Short-term rentals provide income for the City and State via TAT and GE tax payments. Most revenue from short-term rentals stays in the State, thus benefiting Hawaii.

Again, I strongly urge you to withdraw this proposed bill.

Aloha,

Sheryl Kincaid

From: Christina Squires [mailto:rcenterpriseshi@gmail.com]
Sent: Wednesday, September 08, 2021 12:36 PM
To: info@honoluludpp.org
Subject: Opposition

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

I am writing to oppose the bill trying lesson/eliminate transient accommodations.

I own a unit in the Hawaiian Monarch. I am not a big hotel and I don't make a bunch of money renting my unit out short term. This is a long term goal for me. This is my children's college saving plan and hopefully part of my retirement plan. The Hawaiian monarch is not set up for long term renters. These are very small units and most have no kitchens. It was originally built as a hotel and the rooms definitely reflect that. This isn't a business for me. Like most Hawaii residents that have short term rentals, it's one of the ways I hope to be able to pay for my children's college and one day to retire here. Not to mention the countless local people you would be putting out of business. The maintenance workers, property management companies, cleaning services who the majority of cleaners are moms, women and students. This money stays here and is put back into the community. Short-term rentals not only offer accommodations for visitors who can't afford hotels, but also provide decent and affordable opportunities to others. We have had traveling medical staff, local residence, people coming to care for a sick family member, contract workers, students, relocated military, among others needing temporary housing. Those who have purchased or operated within the law have made their commitment to compliance; the County of Honolulu should uphold its end of the deal. This bill drastically expands hotels interests while choking out individual property rights. The bill imposes ownership, operations, and financial hurdles and restrictions on TVU operators while at the same time giving corporate hotels unfettered right to operate without the same restrictions.

Many people are able to afford homes here through short-term rentals. Money spent outside of resort zones tend to remain in those neighborhoods rather than flow offshore. Conversely, prohibiting short term rentals in outlying neighborhoods negatively impacts local economies. Don't pass this bill that would severely financially hurt our locals. Please support the local people.

Aloha

Christina Squires

From: Kent Whelihan [mailto:whelihankent@gmail.com]

Sent: Wednesday, September 08, 2021 12:37 PM

To: info@honoluludpp.org

Cc: Kent W

Subject: Proposed STR Bill is unfair to STR Owners!

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha,

This proposed bill is **unfair** to STR Owners that have worked so hard to save and purchase a STR property and are relying on STR income.

My wife and I own a unit in the Waikiki Hotel Zone area. As good community members, we have followed the current laws and set up our STR in an appropriately zoned area Oahu. This STR is an income source used to pay our bills. It is unfair for the lobby to push this new bill through which will enable Hotels to take an unfair share of the STR revenue and force STR Owners to use a Hotel to manage our STR unit without the option of other management companies choices as fair competition. This bill would **create a near monopoly** for STR management by Hotels only. We need only Capitalistic laws in place that are fair for both big , medium and small businesses.

Please **do not** pass this bill!

Mahalo.

-Kent & Lisa Whelihan

Ilikai Marina Owners

From: Malia Siu [mailto:malia.siu@compass.com]
Sent: Wednesday, September 08, 2021 1:17 PM
To: info@honoluluodpp.org
Subject: please reconsider shutting down short-term vacation rentals

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Dear DPP,

Hawaii is going to lose its spirit of Aloha and only the wealthy will be able to come and vacation here. Hard working families (not on Oahu) with kids will not be able to afford our island paradise. There's been times when cousins from the outer island have wanted to come to Oahu, but could not afford \$500 per night in a single hotel room. Local people need to support local people!!

It's the local people that support the mom and pop stores....these stores keep the money in our economy.

Sometimes, it is necessary to rent out a room to a university student or grad student. As our older community begins retirement, they might need to rent out a room so they can afford the mortgage. I am worried that our middle class and blue collar workers- they will migrate to the mainland in hopes of a financially secure future for their families.

- Reject the proposed bill in its entirety;
- withdraw proposed bill and continue the administrative rule-making process to implement Ordinance 19-18;
- Encourage DPP to establish a working group composed of key stakeholders on rule-making recommendations.

Together we can help Hawaii be safe and preserve the spirit of the Aloha. Oahu should be a place for all good people to visit, have a chance to experience our unique culture and enjoy the beautiful people of the island.

Aloha, Malia Siu (808)479-8418

From: Samantha Chan [mailto:samantha.m.chan@gmail.com]
Sent: Wednesday, September 08, 2021 1:14 PM
To: info@honoluluudpp.org
Subject: Testimony Against LUO amendments for Short-term Rental

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Dear Chair of the Planning Commission and the Director of the Department of Planning and Permitting:

I respectfully request that:

- The proposed amendments to the land use ordinance relating to short-term rentals be rejected in their entirety;
- The city continue its administrative rule-making process to implement Ordinance 19-18; and
- Establish a working group comprised of key stakeholders on rule-making recommendations.

I am making this request because the proposed rules perhaps violate the constitution and other laws, including: 1) the 180 day rental minimums, 2) the limitation on units that may be owned and 3) an individual cannot obtain the required general liability insurance.

I am a local resident who is legally renting my units in a resort zoned building. I have remitted all relevant taxes and am merely attempting to support myself and my family. The limitations recommended in the amendment would severely curtail my ability to provide for my family and sustainably live in Hawaii. There are many local families supported by vacation rentals from property managers, cleaners, and owners. Thank you for your consideration.

--

Sent from iPhone

From: Gina Olsen <liottagina@gmail.com>
Sent: Wednesday, September 8, 2021 5:17 PM
To: info@honoluludpp.org
Subject: Opposition to the draft bill

CAUTION: Email received from an **EXTERNAL** sender. Please confirm the content is safe prior to opening attachments or links.

Aloha Commission,

I oppose the proposed bill. Vacation rentals have already been limited with the past regulations, yet these past limitations were not strongly enforced. If you just enforced the current regulations that are already in place with hefty fines, you would have the funding you need and the overcrowding problems on the island would disappear. The illegal places are the ones causing the problems. They are the people who have already showed they don't follow rules and who aren't paying taxes. Don't punish people who are renting legally and who are following rules, paying taxes, and making sure their guests and renters are respectful when illegal places and enforcement is the problem.

I am particularly concerned with the part of the proposed bill that says homeowners with properties located on a resort will be forced to turn over their condo to hotel management. This is unfair and creates a mini-monopoly situation for hotels. Hotels already charge exorbitant management fees, but they would be unchecked to charge even higher more outrageous management rates with no possibility of competition. They could charge homeowners 75%, 80%, or whatever they want because there is no competition. The homeowners still have to pay their mortgages, but if hotel management gets too expensive, they can't manage it themselves or hire someone more reasonably priced to manage it. This seems unconstitutional. People who own the property lose control of their own properties and gives it to the hotels. Owners take all the risk and the hotels get all the benefits. It takes away jobs and money from individual owners, kamaaina, small businesses, and property management companies and gives it to large corporations and hotels. It is an overreach of government authority. Many resort zoned condo hotels have security who enforce the rules, you do not need the hotel front desk to enforce it – the hotel will leave it up to the property security anyway. Security and the associations are already doing that. This is unnecessary.

Not letting people manage their properties on their own or chose a management company will raise prices for locals who want to stay on another part of the island because they will be forced to pay hotel resort fees. I get lots of kamaaina who rent my property on the North Shore, they like renting from me so they don't have to pay the resort fees.

Making all properties be held in the person's name instead of a business name like an LLC or Trust takes away protections that LLC's and Trusts provide for owners and affects people's ability to be able to easily pass their property down to their grandchildren when they pass.

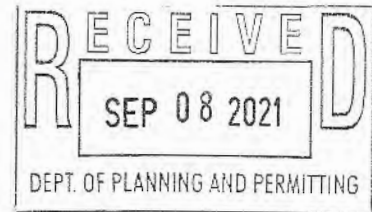
In summary, the overcrowding and other problems you are facing will be addressed if you just enforce the rules and impose fines on the illegal rentals. Homeowners and property management companies in resort zoned areas already have security who enforce rules and regulations. This

proposed bill is an overreach of government authority to try to force homeowners to use hotel management and it will hurt locals, homeowners, small businesses and small property management companies and brokers and will help big corporations and hotels – this bill is not written to help the people of Oahu who make this island special, it is written to give even more money to the big hotels.

Thanks,
Gina Olsen
808-779-5315

Reservation Number:

From: Stu Simmons
 To: Planning Commission
 Date: Sept. 8, 2021
 Re: Oral Testimony (in-person) and
 hand-out



RENTAL AGREEMENT
Property Name:

Property Address:

Aloha

Thank you for choosing _____ for your vacation here on Oahu. We are pleased to acknowledge your pending reservation with us. Please note that this reservation is not considered confirmed until we have received the signed Rental Agreement with the required Booking Deposit. In order to confirm your reservation:

1. Carefully read the Rental Agreement, and the Rental Agreement Standard Terms and Addenda, if any.
2. Fill in the blanks with your information.
3. Sign, initial, and date where indicated. We prefer using the DocuSign electronic signature for everyone's convenience.
4. Complete the required Credit Card Form for us to keep on file. We will charge your card for your Damage Insurance.
5. Pay the required Booking Deposit. We recommend using the Payment Service Network Electronic Check system; information is included at the end of the Rental Agreement.

This Rental Agreement is made and entered into as of December 6, 2014 by and between Elite Pacific Properties as the authorized managing Agent, and the Guest named below for the following dates and upon the following terms:

| | |
|---|--------------------|
| Rental Start Date | 01/27/15 |
| Rental End Date | 02/25/15 |
| Rental Charge | \$14,400.00 |
| General Excise Tax (4.712%) | \$678.53 |
| Transient Accommodations Tax (9.25%) | \$1,332.00 |
| Cleaning Fee | \$700.00 |
| Total Rental Fee | \$17,110.53 |
| Accidental Damage Insurance (charged to your credit card) | \$89.00 |
| Total Including Damage Insurance | \$17,199.53 |

| PAYMENT SCHEDULE | DUE DATE | AMOUNT DUE |
|--|----------|------------------------|
| Signed contract and Booking Deposit (30% of Total) + Elite will purchase CSA Plan on renters behalf on credit card provided. | 12/08/14 | \$17,110.53 + CSA PLAN |
| Remainder Payment (90 days prior to arrival) | NA | NA |

This Rental Agreement is subject to the Rental Agreement Standard Terms and Addenda, if any, which are incorporated herein and are a part of this Agreement. In witness hereof, the parties have executed this agreement on the date below.

Guest Signature _____

Date _____

Elite Pacific Properties _____

Date _____

BOOKING DETAILS

Reservation Number: _____

Guest Name _____

Guest Address _____

Guest Telephone # _____

Guest E-Mail _____

GUEST INFORMATION

Please provide names for all members of your party.

Maximum Occupancy: 6 Adults

Name

Name

Name

| | | |
|-------|-------|-------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

Cell Phone Number while traveling: _____

Your personal rental agent is: ~

Should you have any problems or questions please call her at: _____

Unless otherwise arranged, please call your rental agent when you are on your way to the property.



ADDENDUM 1 TO THE RENTAL AGREEMENT

Property Name:
Property Address:
Guest Name:
Reservation Number:
Rental Agreement Date: 12/06/14
Arrival Date: 02/08/14
Departure Date: 02/17/14

This Addendum modifies the Rental Agreement between Agent Elite Pacific Properties and Guest _____
dated 12/06/14.

Guest understands and agrees that the Rental Charge specified on the Rental Agreement was determined based on Guest's planned Arrival and Departure dates; and that Owner and Agent incur significant costs based on the number of days that Guest actually occupies and uses the Property.

Guest further understands and agrees that in the event that they occupy the Property for more days than specified based on the Arrival Date and Departure Date, that Guest will pay an additional Property Usage Charge of \$1200 per day, plus state and county General Excise and Transient Accommodation taxes thereon; and Guest authorizes Agent to charge their credit card on file for the full amount of that Property Usage Charge (if any), plus taxes, plus a Credit Card Processing Fee of 3.5%.

Agreed:

Guest Signature _____

Date _____

Agent Signature _____

Date _____

ARRIVAL /DEPARTURE INFORMATION

Please take a moment to provide us with your flight information. This will help us to better coordinate your check-in and check-out.

Arrival Airline: _____ Flight Number: _____ Estimated Arrival Time: _____

Departure Airline: _____ Flight Number: _____ Estimated Departure Time: _____ AM or PM


**In Kokua Coalition, et al. v. Department of Planning and Permitting, et al.; Civil
No.19-00414 DKW—RT**

United States District Judge Derrick Watson ruled:

Notwithstanding anything in Ordinance 19-18, there is no violation of Ordinance 19-18, and a dwelling unit or lodging unit will not be classified as a “transient vacation unit” or “bed and breakfast home,” provided that the dwelling unit or lodging unit is actually rented only for 30 days or longer at a time, and provided further that 1) the owner and/or operator has not limited the actual occupancy of the premises to a period less than the full stated rental period, and 2) the owner and/or operator has not conditioned the right to occupy the premises for the full stated rental period on the payment of additional consideration

The advertising restrictions of Ordinance 19-18 apply to illegal short-term rentals, not legal long-term rentals. Ordinance 19-18 does not prohibit the advertising, soliciting, offering or providing of a legal long-term rental (i.e., a rental of at least 30 consecutive days). Advertising, soliciting, offering or providing a legal long-term rental, including advertisements, solicitations, and offers stating daily rates, and/or less than monthly rates, and/or a minimum stay of less than 30 days does not cause a dwelling unit that is rented for thirty days or more to be a “transient vacation unit” or “bed and breakfast home” within the meaning of Ordinance 19-18 if such advertisement, solicitation, or offer states that the minimum rental period for the rental property is thirty days. However, rental agreements, advertisements, solicitations and offers to rent property violate Ordinance 19-18 if the price paid for the rental is determined, in whole or in part, by an anticipated or agreed upon occupancy of the property for less than thirty days.




Derrick K. Watson
United States District Judge