# Attachment E

\*210CT19##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) -----Original Message-----From: Laura Isola <<u>laisola2@yahoo.com</u>> Sent: Wednesday, September 8, 2021 11:26 PM To: <u>info@honoluludpp.org</u> Subject: Opposition to revised proposals against Transient Accommodations

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

#### Aloha!

I'm a 57 years old single woman owner and property manager of one small studio unit at the Hawaiian Monarch Hotel/Condo that I'm enjoying self managing and operating as transient accommodation. Although during the pandemic restrictions i had to eventually rent it long term not to leave it empty for too long since visitors were continuously not allowed to come back to HI. But long term rental income is not nearly enough to cover my expenses crazy high property taxes in the Hotel category and livelihood (I'm also dealing with a serious health issues with relative high expenses) therefore after surviving the 2020 lockdowns with 2 grants from the City & County of Honolulu for my small business i finally since mid Aug 2021 re-opened my vacation rental small business that I self manage as this is my only job able to barely cover all my expenses high taxes and my livelihood in fully booked pre-pandemic times and hopefully now again even though bookings are currently not yet at all at pre-pandemic levels, without any proposed crazy extra fees that I definitely wouldn't be able to afford!

I wrote in my previous testimonies my reasons in details to strongly oppose all propositions in the dpp bill currently discussed on Sep 1 and today Sep 8.

I need to add that I strongly oppose the revised proposition to take private owners rights away by obliging them to submit their unit into the hotel pool!!!! This is totally unacceptable as I need to self manage my unit as vacation rental by myself as it is my job that I enjoy for my livelihood! I remodeled my studio unit beautifully at my expenses of course not at the hotel's expenses!!! as I lived in it for many years (it's very small and designed for transient accommodation but that's all I had so I lived it in nonetheless for many years and loved it made it super comfortable and beautiful but since the property taxes went crazy high I had to move because at that point managing it as vacation rental was the best use able to cover my higher expenses livelihood and I love welcoming guests in it) much more beautiful than any cold average hotel rooms!!! The value of my studio is much superior than any hotel room!!! I do not want to devalue my unit into any hotel pool and I do not want to be subjected to any hotel management fee that would be imposing any fee they want to profit off of my beautifully remodeled private property that I'm able and enjoy managing by myself without being obliged to pay the hotel for surely a lower quality managing service! This would be totally unacceptable! You basically want to take our private ownership rights away and give it all to benefit hotels at our expenses!!! You cannot do this! People book the rooms based on how beautiful they are and on how well they are managed based on the reviews for each unit! I'm a superhost on Airbnb and happily proud to welcome my guest warmly and efficiently therefore my style of management increases the value of my unit compared to the cold average hotel rooms and management with no so good reviews and lower value! I refuse to be obliged by your overreaching propositions to submit my many years of hard work long time planning for my very livelihood into any hotel pool to benefit the hotel at my expenses!

Furthermore I want to retain my private ownership fundamental right to freely choose whether to rent my private studio unit long term (like I did the past year due to pandemic restrictions) or if it's convenient enough for me to rent it short term (when bookings appear to return to pre-pandemic

levels). Already the 5 years rule commitment to the property tax category is unfair unjust and totally wrong in the middle of a pandemic facing so many uncertainties therefore I ask you to eliminate the 5 years rule commitment to property tax category and instead let us private owners decide each year what is the best use of our own private property and therefore the correct corresponding property tax category for our property use.

Also I seem to understand from your revised propositions that you even want to dictate whom I can rent my private property to!!?!! If this is indeed what you are thinking about I need to make sure you understand that it is our very own private property and we are entitled in the United States to fundamental undeniable rights that you simply cannot take away.

Therefore please understand that I have the undeniable right to use my private property as I need to and to rent it to whomever I please! No hotel pools no limits no restrictions no extra fees. I hope this is clear enough.

Thank you for your prompt understanding so please reject the entirety of this bill and its revisions against transient accommodations as they are unfairly benefitting hotels, they are unconstitutional and unacceptable.

Mahalo!

Laura Isola

Owner and Property Manager of studio unit at Hawaiian Monarch Hotel/Condo 444, Niu Street Honolulu HI 96815

Sent from my iPhone

From: Aubrey Yee <<u>aubreysky1959@yahoo.com</u>> Sent: Thursday, September 9, 2021 8:13 AM To: Honoluludpp Info <<u>info@honoluludpp.org</u>> Subject: HONOLULU PLANNING COMMISSION

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

Dear Planning Commission,

Please take into consideration ALL Hawaii Residents who live and work in this beautiful but expensive Island paradise. Everyday living is a constant battle as prices of everything related to rent, HOA fees, Insurance, food, medicine, utilities, taxes etc, are always ever increasing. Please make sure than the current rule continue to stay pertaining to "30 days or more but less than 180 days," as I personally feel this is a violation of my rights if changes are made. After all, we are allowed to rent month-to month basis under current rental laws and it is deemed forceful, a violation of my rights, and a way of favoring hotel owners and big coperations at the poor man's expense.

If your claim is about " Illegal renters" and "lack of affordable housing for locals," please charge the foreigners and out of state owners a higher tax as they are the ones who drive the purchase price of homes up preventing the locals from owning a Hawaii home. All properties that operate in Waikiki, Ko Olina and Turtle Bay are considered "Hotel/Resort" and buildings that are within these zones that have an approved "NUC" should be allowed to operate less than 30 days because they have an exemption/grandfathered status. Do NOT force owners of these properties who have paid for its purchase to be herded toward the hotel as owners dislike the hotel operations that operate within their building namely Island Colony on 445 Seaside Ave and many more. Your job is to make sure that changes are NOT a violation toward us Hawaii residents who contribute toward the economy, creation of jobs and who also have to raise a family and live in expensive Hawaii.

DO NOT FAVOR HOTELS OR COPERATIONS PLEASE!

I own apartments at the Island Colony, a building with a NUC. I and many others DO NOT like the hotel operation as it over charges us owners and bankrupts us preventing us from living and enjoying this beautiful island paradise. All owners operating in the Resort Zones and those with NUC must be grandfathered and allowed to operate whichever way the owner wants as we are the rightful owner of the apartment and not the hotel operator.

STOP STEERING US LIKE CATTLE TO THE SLAUGHTER TOWARD THE HOTEL OPERATION!

In the Island Colony hotel operation there are about 73 apartments, mostly foreigners and out of state owners. The operator of the hotel WILLIAM TANAKA JR. also started a License Pool in 6/2018 for which owners must pay hefty prices to join and obtain a license for transient rentals. This pool has about 52 owners who are foreigners and out of state owners. These owners pay \$250 per unit, per year for 5 yr license (\$1250), \$2000 per unit, per year for using front desk, and monthly royalty fee of 5% based on gross receipts for 30 day occupancy on what hotel charges \$6000/month. So for a 5 yr term an owner will pay about \$29,250/- plus, plus. These

owners are the ones that need to pay higher taxes because they are NOT Hawaii residents, they are investors! So do you think a local owner like myself can survive this kind of expenses? What about property taxes, insurance, mortgage, food and other expenses for my family? That's why I want to continue the 30 days but less than 180 days as it will help us Hawaii residents the money to survive this ever increasing, unpredictable Hawaii lifestyle. Remember COVID 19 has bankrupted us, and the Squatters have bankrupted us due to eviction moratorium. ALL OF YOU NEED TO HAVE A HEART AND NOT KILL US HAWAII RESIDENTS BY CAVING TO THE DEMANDS OF HOTELS/ COPERATIONS.

Thank you.

Aubrey Yee S.K - 818- 675 5909 ISLAND COLONY

CC. Rick Blangiardi- Mayor Tommy Waters - City Councilman From: Pascal Brandalise [mailto:brandalise.pascal@yahoo.com]
Sent: Thursday, September 09, 2021 2:31 PM
To: info@honoluludpp.org
Subject: Vote NO on STR Bill

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

Dear Planning Commissioners,

My name is Pascal Brandalise. I own a legal STR in Waikiki.

I kindly ask you to reject the proposed STR bill in its entirety. This proposed bill has nothing to do with alleviating residential neighborhoods from tourism and illegal STR. This bill has been drafted to eliminate legal competition of corporate hotels. Hotels should focus on improving, modernizing their services to be more competitive against legal STR, instead of trying to lobby counsel members to implement strange laws that are against fundamental ownership rights and free market.

DPP should focus on enforcing the current law (Ordinance 19-18), which already was created to reduce illegal STR in residential neighborhoods.

I would also like to make you aware that no good solutions will be achieved by just monopolizing one industry (corporate hotels), and eliminating their legal competition. There wouldn't be anymore motivation for the remaining industry to provide good services, with competitive prices. Most property owners who would be tied with just one single option of service provider will be forced to sell their property, due to low returns and bad services. This will also affect the quality of the tourism industry.

In my understanding, Hawaii is seeking a higher quality of tourism, instead of mass tourism. This can be reached by providing good quality condos and good service. Both are guaranteed by a healthy, diverse and competitive market.

DPP and counsel members should engage all stakeholders, not only corporate hotels, in developing fair and sensible regulations, that will be more beneficial for the whole community. The economic environment of a community is very fragile, and one-sided changes that might seems minor, can have drastic consequences for a whole economy.

Since Bill 89 has been effective, thousands of illegal vacation rentals have vanished from residential neighborhoods. One of the reasons that cause the feeling of being overwhelmed by tourism, is because of a new type of tourism on Hawaii. Since the pandemic, only US travelers are coming to Hawaii. Before the pandemic, a big part of tourists were from Asia (Japan, Chine, South Korea). Their behavior is very different. While most Asian tourists prefer to stay in the Waikiki area, Ala Moana shopping center, and exploring the island with tour companies, most US travelers prefer to rent a car and explore the WHOLE island by themselves.

Another big problem of the housing shortage (especially long term rentals) is due to the Eviction Moratorium that was in placed until not long ago. Most property owners didn't feel safe and comfortable renting their units under a law that allows renters not to pay the rent.

Best regards, Pascal Brandalise From: Patty Lashoto [mailto:pumpkinpatty8558@yahoo.com] Sent: Thursday, September 09, 2021 2:46 PM To: info@honoluludpp.org Subject: Vote NO on STR Bill

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

Please vote NO on the STR bill. Why should big business like HILTON, HYATT, etc. have a monopoly on the tourist business in Honolulu? I am an owner at the Waikiki Banyan on Ohua St. thank you, Patricia LaShoto -----Original Message-----From: Mary A Hartman [mailto:hartmant001@hawaii.rr.com] Sent: Thursday, September 09, 2021 2:29 PM To: info@honoluludpp.org Subject: \*\* SPAM \*\* Vote NO on STR Bill

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

Attn: DPP

I am against changing the current short term rental to 180 days from 30 days. This 30 days has been in effect for 20 years. There is no reason to change it.

It will affect family members who want to help with a new baby, care for a sick loved one, Visit grand children . And have a place for a shorter time than 180 days. They do not want to stay in a waikiki hotel. Putting all rentals in the hands of Waikiki hotels is an obvious move by the hotel lobbyists.

There was a lengthy hearing process 2 years ago to hammer out all the details of Ordinance 19-18. Why not enforce that?

Sincerely, Toni Hartman From: Susan Bootsma [mailto:girlncurl805@hotmail.com] Sent: Thursday, September 09, 2021 3:22 PM To: info@honoluludpp.org Subject: Please NO on STR Bill

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

I strongly oppose changing the short-term rental period to less than 180 days instead of the current status quo which is 30 days.

Changing the short-term rental time definition from 30 to 180 days is not appropriate and not necessary. The 30 day definition has been in effect for over 20 years and Oahu citizens have been able to stay in their homes while hosting family and guests in between. While I understand and respect the reasons for less than 30, I strongly disagree with taking away the 30 day minimum. There are not hoards of visitors able to come for 30 days consecutively so any burden on hotels and/or neighborhoods has greatly diminished. For those of us who have family visit throughout the year, it will become impossible to have them stay with us. What about the residents of this island and our families.

These plans were made in order to conduct business that is completely in accordance with the current zoning laws in the city and county of Honolulu. Many local residents count on this income to maintain their homes.

Additionally, short term monthly rentals make it possible for families to visit relatives, often grandparents visit their grandchildren. They can stay close to the family instead of in Waikiki or other resort area. Also the pricing for short term rentals is more reasonable for groups larger than 2 individuals who want to spend a longer time visiting Oahu, and those who are doing major home renovations and need temporary places to stay.

Please reject the bill in its entirety. Instead DPP should focus on enforcing the current law (Ordinance 19-18) which was created through a lengthy public process.

In the future DPP should engage all stakeholders, not just the corporate hotels, in developing fair and sensible regulations.

Please consider the residents who made choices to buy and live on Oahu and are able to afford to buy renting for 30 days.

Thank you, Susan

Sent from my iPhone

From: ba4 [mailto:ba4bsinyc@aol.com] Sent: Thursday, September 09, 2021 2:06 PM To: info@honoluludpp.org Subject: Vote NO on STR Bill

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Bernie Ardia Steve Jopson Nokealoha LLC

To The Planning Commission,

Please do not ruin our ONLY source of income! We have ONE unit at Aloha Surf in Waikiki. Built in 1968 as a hotel and always operated as a hotel. It was the hotel that sold units as condos with the City's approval.

We purchased a carefully researched LEGAL STR. 100% Above board. We did not want to be a part of the problem.

Maybe 4 people live there - we totally renovated our unit at a cost of 25K +.

We choose to have our single unit managed be a outside company. As it was when we purchased it.

Then Covid hit and we had to halt rentals as you and the Gov. stopped STR's

We CONTINUED to pay our high taxes that we pay to have the privilege to STR.

No break from the state, no small business loan from the government like hotels could apply for. We went flat until we could rent again - and it was slow!!

Now the Gov asks visitors not to come.

We have cancellations!

No this seemingly illegal theft of our unit by the City of Honolulu!

HOW dare you dictate who we use to clean or repair our units? IF the hotel is in charge - We must use their vendors! More robbery by the offshore corporations.

We are still not making an income since covid hit. We work on stage shows and they are all still stopped. Our unit was our income. It is also our retirement money - ALL OF IT!!

I am so disgusted with the City council that I can't sleep!

What will become of my investment? How can I even sell it???

The hotels are CLEARLY behind this portion of your proposed bill. Nobody is ignorant enough to not see this clearly.

How corrupt must the author of this Bill be?

Disgusted with The City. Getting disgusted with Hawaii.

If people find Hawaii unfriendly and slow the visits - all the home taxes will go up.

You tossed out the sugar a long time ago and put your faith in tourists - Now you don't want them or anyone to profit but the big cororations.

By the way Mr Bill author.

Our LLC was created to protect our small primary residence - Not to buy multiple units.

I pray this proposed Bill lands in a trash can along with the person behind it.

I'd say Aloha - But that clearly means nothing to the City Council anymore.

Good Bye fits better

From: ba4 [mailto:ba4bsinyc@aol.com] Sent: Friday, September 10, 2021 10:20 AM To: info@honoluludpp.org Subject: Vote NO on STR Bill

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

Hello once again,

Think of this avalanche of issues on my life if you pass this proposed Bill

I will be forced to my enter my sole unit at Aloha Surf.

My unit is recently renovated at a cost of \$25k. as THE 'HOTEL' HASN'T REQUIRED UPDATES

So, If in the Hotel pool - I cannot ever use my unit, I can't let relatives use it. IF I did use it, I have to pay the rates!

If one day I am alone and feel that is all the space I will need anymore and choose to be in Waikiki - I can't.

The wonderful locals I hire to manage my sole unit will be out of work! As well as all the local people that do our repairs and remodeling, the cleaning crews that keep us top notch and allow us to receive 100% positive reviews. ALL will be jobless.

I may be forced to remodel again as there are so many individually different units the hotel would have to become cohesive.

What if our HOA decides to operate the hotel ourselves and we end our Aston contract?

We have operated with EVERY law required.

This is robbery and I will donate funds to any lawyer who begins to bring suit against the city.

I have lost faith in the people who are in office. HOW this Bill has become to be is suspicious in many ways.

Ignorance abounds!

Bernie Ardia

From: Tom Merrick [mailto:tom@waikikiplace.com] Sent: Thursday, September 09, 2021 2:51 PM To: info@honoluludpp.org Subject: Planning Commission Hearing on Draft STR Bill

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

Commissioners,

PLEASE do not lump in currently legal STR's located in the resort zone with STR's operating outside the resort zone. One of you asked the Director why he was making changes to the rentals LOCATED IN THE RESORT ZONE and he vaguely said it would assist in enforcement. That is absurd and very unreasonable. All a person needs to do is to read a map to determine if it is legal or not.

We paid a high premium to purchase units in the resort zone in order to be able to rent out short term. If you now make zoning changes so a hotel has to operate my units you are taking away my property rights.

PLEASE do not make changes to zoning of any units located in the resort zone as they all are by default LEGAL. Do not lump in enforcement in this area, which is extremely easy, with enforcement outside of the resort zone as it is apples and oranges.

PLEASE focus on enforcing the current law.

PLEASE talk to all stakeholders -- not just the corporate hotels who are sending our tourism dollars back to the mainland.

Mahalo, Tom Merrick 808-271-4800 From: Glen Robinson [mailto:glrobinsoninc@gmail.com] Sent: Thursday, September 09, 2021 2:05 PM To: info@honoluludpp.org Subject: Vote NO on STR Bill

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- We Reject the bill in its entirety.
- DPP should focus on enforcing the current law (Ordinance 19-18) which was created through a lengthy public process.
- DPP should engage all stakeholders -- not just the corporate hotels -- in developing fair and sensible regulations.

Much Mahalo! Glen

From: Annie Bendon [mailto:misskalea@hotmail.com] Sent: Thursday, September 09, 2021 12:23 PM To: info@honoluludpp.org Subject: Objection to bill 89

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Aloha,

I am a landlord of long term rentals and I strongly object to this bill, specifically as it relates to the minimum rental period of 180 days. See my questions and concerns below.

Does the new bill prevent landlords from having month to month rentals? Meaning, all longterm leases must provide a 6 month lease to start? What about in the instance that a long term lease ends and converts to month to month? Would they instead convert to 6 months? This length of time is extremely worrisome, especially after long term landlords have had to deal with the moratorium. Some long term landlords prefer month to month, so they can get out of a lease in the event a tenant doesnt pay, follows house rules or destroys property. Many tenants also prefer a month to month in the event they have life changes or the landlord is not a good fit. This pandemic has brought about unknowns for many people and forcing people to stick to a 6 month rental is absurd!

What about all the existing month to month rentals? Are those grandfathered in or do they automatically convert to 6 month leases? Has the Hawaii Board of Realtors weighed in on this bill? There are thousands of month to month rentals out there that have nothing to do with vacation rentals.

This new bill doesn't not seem well thought out at all. Its ripe for lawsuits with regards to regulatory taking and seems to be written solely for the benefit of overseas hotel companies. I might also add that there are anti monopoly laws and this bill restricts healthy market competition. Furthermore, this affects thousands of people outside of just vacation rental owners. The original bill under caldwell is restricting enough. I believe you should scrap these amendments altogether. They are too nuanced and you will have an enforcement nightmare.

Im sorry I missed testimony but hopefully you will take these comments into consideration.

Mahalo for your time,

Annie Bendon

Sent from my T-Mobile 5G Device Get <u>Outlook for Android</u> From: Helen Petrovitch [mailto:hpetrovitch@phrei.org] Sent: Thursday, September 09, 2021 1:39 PM To: 'info@honoluludpp.org' Subject: Vote NO on STR Bill

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

I strongly oppose changing the short-term rental period to less than 180 days instead of the current status quo which is 30 days.

Changing the short-term rental time definition from 30 to 180 days is not appropriate because the 30 day definition has been in effect for over 20 years and Oahu citizens have made business decisions such as renovating their homes and adding furnishings based on this definition that entailed considerable business expenditures.

These plans were made in order to conduct business that is completely in accordance with the current zoning laws in the city and county of Honolulu. Many local residents count on this income to maintain their homes.

Additionally, short term monthly rentals make it possible for families to visit relatives, often grandparents visit their grandchildren. They can stay close to the family instead of in Waikiki or other resort area. Also the pricing for short term rentals is more reasonable for groups larger than 2 individuals who want to spend a longer time visiting Oahu, and those who are doing major home renovations and need temporary places to stay.

Please reject the bill in its entirety. Instead DPP should focus on enforcing the current law (Ordinance 19-18) which was created through a lengthy public process.

In the future DPP should engage all stakeholders, not just the corporate hotels, in developing fair and sensible regulations.

Sincerely, Helen Petrovitch From: Larry E. Oldfield [mailto:larry@olaproperties.com] Sent: Thursday, September 09, 2021 1:41 PM To: info@honoluludpp.org Subject: Vote NO on STR Bill

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Aloha Commissioners,

I am reaching out once again to urge you to Reject and vote NO on the Short Term Rentals bill being proposed by the DPP. I believe the County should work with current legislation that is in place, Ordinance 119-18 and enforce the provisions of that law.

Sincerely,

Larry E. Oldfield, R Principal Broker Ola Properties, Inc. Tel: 808-726-2871

www.OlaProperties.com

License # RB-19820

From: Patty Lashoto [mailto:pumpkinpatty8558@yahoo.com] Sent: Thursday, September 09, 2021 2:46 PM To: info@honoluludpp.org Subject: Vote NO on STR Bill

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

Please vote NO on the STR bill. Why should big business like HILTON, HYATT, etc. have a monopoly on the tourist business in Honolulu? I am an owner at the Waikiki Banyan on Ohua St. thank you, Patricia LaShoto -----Original Message-----From: Mary A Hartman [mailto:hartmant001@hawaii.rr.com] Sent: Thursday, September 09, 2021 2:29 PM To: info@honoluludpp.org Subject: \*\* SPAM \*\* Vote NO on STR Bill

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

Attn: DPP

I am against changing the current short term rental to 180 days from 30 days. This 30 days has been in effect for 20 years. There is no reason to change it.

It will affect family members who want to help with a new baby, care for a sick loved one, Visit grand children . And have a place for a shorter time than 180 days. They do not want to stay in a waikiki hotel. Putting all rentals in the hands of Waikiki hotels is an obvious move by the hotel lobbyists.

There was a lengthy hearing process 2 years ago to hammer out all the details of Ordinance 19-18. Why not enforce that?

Sincerely, Toni Hartman From: Mark Petritz [mailto:markpetritz@gmail.com] Sent: Thursday, September 09, 2021 8:45 PM To: info@honoluludpp.org Subject: Please Vote NO on BnB & STR Bill

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

Please allow airbnbs in residential neighborhoods.

Allow 30 day rentals

-----Original Message-----From: Kulani Jones [mailto:ckulanijones@gmail.com] Sent: Thursday, September 09, 2021 7:01 PM To: info@honoluludpp.org Subject: What is the goal of the STR Bill.

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To the planning commission,

At the risk of writing this emails for it to just be deleted without reading, I'm going to keep it short. Based on the memo written To propose the bill it explained an attempt to curb the tourist impact on our natural resources and neighborhoods. It pointed the finger directly at short term rentals as the problem and thus a solution to such problems.

I am a transient renter to 30days++. My tenants have been touring doctors, traveling nurses, a respiratory therapist who is here to help with our current covid crisis, and people who are in transition from buying a home or renovating it before move in. These are not people that are crowding our beaches or impacting the lives of our residents in a negative way. In fact you could say they are here to help our residents.

The TRUTH is you're hyper focused on tourist who are visiting for less than 30 days. HOWEVER, rentals for less than 30 days is already illegal outside of Waikiki. So REALLY the problem isn't the law it's the enforcement.

Conclusion is start with enforcing your current law as opposed to creating stricter laws that effect law abiding citizens that contribute to our society. Law breakers will continue breaking laws no matter what but why destroy the livelihood of the local people who are trying to make ends meet because your not currently doing your job in enforcement.

Kulani Jones

Sent from my iPhone

From: noakua@aol.com [mailto:noakua@aol.com] Sent: Friday, September 10, 2021 9:47 AM To: info@honoluludpp.org Subject: Vote NO on STR Bill

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

I vote NO....

Many individuals only think of themselves.... Seniors, before worked hard bought a bigger place to raise their children.... Now the children are grown, moved out to areas of their choice but now every once in awhile the family returns to have a reunion or now the grand kids may visit.... In between the visits, the house is not used fully. the seniors are lonely, Fixed income....Low social life activities.... Short term renting on a personal level to use their own house to share a room is Healthy for Seniors living alone.... new social life, small added income, Security of having a Vetted visitor close by is so mind easing... Family members and the Senior feels Safer.... Visitor come with a suit case and leave with a suit case.... a temporary Vetted visitor is Perfect and Heathy for that senior citizen.... to rent out a room or section of their Own home to Have add Security, Income supplement to their Fixed income... This is America Land of Dreams ..... Not the Land of Control..... -----Original Message-----From: Elaine Davis [mailto:elainemaedavis@gmail.com] Sent: Thursday, September 09, 2021 6:22 PM To: info@honoluludpp.org Subject: Vote NO on STR Bill

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

Dear esteemed board members,

Please vote NO on this STR bill. This newest proposal is completely unnecessary since Bill 89 has already passed. This newest proposal imposes unfair restrictions on those of us who are for regulation of the short-term rental industry. More restrictions are NOT needed. We need to enforce the bill already in place.

Sincerely, Elaine Andrews

Sent from my iPhone

From: Alexandra Brockmann [mailto:alexbrockmann407@gmail.com]
Sent: Friday, September 10, 2021 6:26 AM
To: info@honoluludpp.org
Subject: Short Term Rental Hearing

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

Good morning,

I know that there was a hearing regarding short term rentals on September 8. Can you tell me what the outcome of that meeting was and if the city decided to adopt a new short term rental ordinance?

Thanks!

Alex

From: Lauren Farasati [mailto:giftedpractice@gmail.com] Sent: Friday, September 10, 2021 5:58 AM To: info@honoluludpp.org Subject: Vote NO on STR Bill

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

- Please vote NO on this bill.
- I have a 30 day vacation rental and I comply with every aspect of Ordinance 19-18. I pay my GET and TAT faithfully every month.
- I have never had a disruptive guest and would not tolerate them.
- I am retired and depend on this income.
- The Airbnb tourist is not the same as the hotel tourist. They want different things and do different activities. To cut them off will result in a dramatic drop of visitors and their dollars to Oahu.
- It is grossly unfair to throw away a grassroots industry that has already taken huge steps to comply with new legislation based on the needs of a single stakeholder the hotels.

Mahalo for your support.

Lauren Farasati

From: stephen kushner [mailto:stephen@kushners.net]
Sent: Friday, September 10, 2021 8:28 AM
To: info@honoluludpp.org
Subject: Vote NO on STR Bill

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

The proposed changes to the legislation will have a detrimental impact on our ability to maintain our residence in Oahu. We would hate to have to leave the state as we are part time residents and love Oahu and have had our property in Oahu since the mid 1970's.

Stephen and Kaysi Kushner

From: Ty Wilde Realtor & New Home Construction Specialist [mailto:tywilde7@gmail.com]
Sent: Friday, September 10, 2021 10:15 AM
To: info@honoluludpp.org
Subject: Vote NO on STR Bill

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I just wanted to personally thank you for the time and effort you put into making Hawaii a great place. I feel like you've made incredible strides to make the island a better place to live & visit. I am shocked however that you are even considering this bill, any part of it. This is a blatant attempt by the big corporate hotels to gain control over the visitors to the island & by signing this bill you'd be completely screwing over your own people. Honestly, it breaks my heart. This bill needs to be rejected in its entirety & instead we should focus on ways to enforce the current law (Ordinance 19-18).

It's wrong & immoral to not include all stakeholders, including the people of Hawaii in developing regulations that are fair & make sense. Thanks for your time & best of luck to you.

Ty Wilde

From: Charles Cohn [mailto:cohncs2@gmail.com] Sent: Friday, September 10, 2021 6:21 PM To: info@honoluludpp.org Subject: Vote NO on STR Bill

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Dear members of the Planning Commission,

Please,

- I strongly urge you to reject this bill in its entirety.
- I request that the DPP focus on enforcing the current law (Ordinance 19-18) which was created through a lengthy public process.
- It is transparent that there has been neither fair nor balanced input in the creation and hearing of this STR Bill. DPP should be ashamed! DPP should engage all stakeholders -- not just the corporate hotels -- in developing fair and sensible regulations.

Respectfully,

Charles S. Cohn Owner, Colony Surf 409 and 807 9900 Wilbur May Parkway, Apt #3702 Reno, NV. 89521 From: Ken Darrow [mailto:ken.darrow@gmail.com]
Sent: Friday, September 10, 2021 6:43 PM
To: info@honoluludpp.org
Subject: Vote NO on STR Bill

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Many big hotels in Hawaii don't need this— it looks like it is being done to put us 30-day rentals out of business! That will make it impossible to keep our condo or to sell it for our original investment.

Captain Cook , our agent and other legal agencies would be put out of business and the state would lose thousands of dollars!

Respectfully,

Kenneth E Darrow

To: City and County of Honolulu Planning Commission

From: Jim Tree owner at Beach Villas at Ko Olina

Re: Written submission regarding Proposed Amendments to Chapter 21, Revised Ordinances of Honolulu (ROH) 1990, as Amended, Relating to Transient Accommodations.

My written statement today is confined to **Condominium Hotels** (most frequently referred to as condo hotels) as set forth in the Proposed Ordinance and what additional changes should be made regarding Condo Hotels. I do appreciate DPP's responsiveness after the September 1 public hearing and offering revisions regarding Condo Hotels. Thus far there have been three drafts to the Proposed Ordinance which I will refer to as Draft 1, Draft 2, and Draft 3. I will be offering specific recommendations for further revisions. My recommendations are based on how Condo Hotels are defined and operated in Hawaii and typically in the industry. As such I would like to begin with a history of Condo Hotels and their operations.

## History of Condo Hotels in the USA and Hawaii

Condo hotels have been in existence since at least the 1970's and saw significant growth in the early 2000's.<sup>1</sup> Jim Butler, perhaps the world's most renowned attorney in the condo hotel industry, explained that '**condo hotels**' normally refer to properties where individual owners own **most or all** of the condos and the rental inventory relies on these owner owned condos, while '**hotel condos**' refer to properties where the owner of the hotel owns most of the condos, but individuals own a small portion of the onsite condos which are not critical for the rental inventory.<sup>2</sup> Jim Butler explains, I prefer the term "hotel mixed-use" for projects that combine a hotel with condominium or residential and other uses, and I use the term "condo hotel" for the first type of project mentioned where some or all of the intended room inventory consists of condominiums sold to individual owners.<sup>3</sup> I refer to the other end of the spectrum – where for-sale condos or residential units have been sold and are not intended to be a critical part of the hotel-rooms

<sup>1</sup> http://hotellaw.jmbm.com/post\_2.html

<sup>2</sup> http://hotellaw.jmbm.com/only\_hibernating.html#more-430

inventory – as hotel condos.<sup>4</sup> By 2004 condo hotels were becoming a hot commodity, being described as "the newest trend in vacation home ownership. Live in it when you're there; rent it out when you are not."<sup>5</sup> Many condo hotels offer an expanded array of hotel services to owners in residence as well as to owners, guests, and renters.<sup>6</sup> Both owners who want to enjoy the many amenities available at luxury resorts as a primary residence or second home and investors who recognize the appreciation potential of revenue generating property are drawn to condo hotels.<sup>7</sup>

By 2010 there was a growing trend of discontented condo hotel owners. The high expenses involved in running a branded condo hotel left little revenue for condo owners. Many owners reported when they bought their units, they were told it was going to be a 70/30 split - 70 percent for the owner and 30 per cent for the hotel but when they did the math after all the fees, it was the other way around. As a result of high expenses, and what many condo owners consider unfair practices, lawsuits sprang up from Florida to Hawaii.<sup>8</sup> "Condo-hotel projects can run into problems when one side gets too greedy or the location does not make sense from the standpoint of it being a viable second home or vacation destination",<sup>9</sup> said Brent Howie, President of Provident Hotels & Resorts, and a 30 year veteran of condo hotels.

#### Branded vs. non branded Condo Hotels

In 2004 most luxury resort condos were modeled after the concept of having one hotel manager with a brand name such as Ritz-Carlton, Trump, Starwood, Hilton, Hyatt, Rosewood, W, Meridien, St. Regis, Conrad, Regent International, or Sonesta.<sup>10</sup> Dual use resort condos usually require 80 to 90% participation from

<sup>6</sup> Id.

7 Id.

http://hotellaw.jmbm.com/post\_2.html

10 http://www.worldclasscondohotels.com/faqs.html

<sup>4</sup> Id.

<sup>&</sup>lt;sup>5</sup> http://www.condohotelcenter.com/articles/a10.html

<sup>&</sup>lt;sup>8</sup>- <u>http://www.worldclasscondohotels.com/faqs.html</u>

owners to be able to attract a brand name. Brands want a monopoly and want control. Brands usually pay for such expenses as housekeeping, front desk checkin services, reservation services, concierge services, valet parking and marketing. Brands generate revenues to pay expenses and make a profit by splitting revenues with owners. Branded resort condos have very high costs and expenses. The reason is hassle-free ownership and participation in the rental pool require that the hotel management perform all the tasks required to manage the condo hotel units. These management expenses consume a significant portion of the rental income. Many owners of resort condos believe the concept of a brand is too expensive, results in increased vacancies, and a much lower net rental revenue to the condo owner. Many experts believe non branded condo hotels offer a better return to condo owners as expenses are often dramatically reduced.

### **Oahu's Condo Hotels**

Condo Hotels on Oahu include both branded and non-branded properties. Many owners of non-branded condo hotels testified at the September 1 and 8 public hearings. These owners consistently asked the DPP and Planning Commission to include a provision for non-branded Condo Hotels to fit into the definition of Condo Hotel in the Proposed Ordinance. In keeping with the practice in the industry many condo owners of individual condo hotels live in condos that allow for residential living, long term rentals, as well as short term rentals. Many of these condo association rules allow for this mixed use in the condo hotel. HOAs in many of these condo hotels have Association rules that allow owners to self-manage or use private local management companies and prohibit branded management. This allows owners to avoid the very high cost of branded condo hotels as described by experts, *supra*.

#### The Proposed Ordinance should keep the status quo for Condo Hotels

The stated purpose of this Proposed Ordinance has nothing to do with Branded versus Non-branded condo hotels. Please (1) continue to allow condo hotel owners the right to live in their condo hotel unit, and (2) continue to allow non-branded hotels to operate and be exempt from the TVU standards, the same as branded condo hotels. If a condo hotel in a resort zone does not meet the new ordinances definition of condominium hotels owners will have to rent as a TVU, and with a significant disadvantage to hotels and other condo hotels. This would be a huge change in condo hotel practice in Hawaii.

(1) Continue to allow owners in condo hotels the right to use their unit as a primary residence, thereby, increasing primary residence opportunities in the residential areas.

Currently owners that reside in condo hotels are allowed to make their condo their primary dwelling. In draft 1 this right was taken away. Sec. 21-5.360.1 In draft 2 this right was given back to local families to use their condo hotel unit as their primary residence. In draft 3 another change was made, this time grandfathering only those owners living in the condo hotel unit as of the effective date of the ordinance as a nonconforming use. Draft 2 should be reinstated, and owners of condo hotels should be able to use their unit as a primary residence, as is allowed under the current law. To limit primary residence status goes against the stated purposes of this ordinance.

The stated purpose is to regulate TVUs in residential neighborhoods. The Proposed Ordinance states that by regulating TVUs in residential neighborhoods this will result in better housing opportunities for local families. By putting restrictions on primary residences in condo hotels you will be restricting home ownership opportunities for local families. By limiting local families from having primary residencies in condo hotels you displace local families, many of whom will purchase homes in residential neighborhoods, putting greater demand on housing in residential neighborhoods, not less demand. The restriction of prohibiting local families from having primary residencies in condo hotels is contrary to the stated purpose of improving primary residence opportunities.

#### (2) Continue to allow owners in condo hotels to self-manage.

The current language in the Proposed Ordinance may work for branded condo hotels in Resort zones but does not work for nonbranded condo hotels in Resort zones. Most condo hotels in Resort zones are nonbranded. Many of these owners testified at the two public hearings stating their HOA rules don't allow for brands, or that they prefer the local real estate companies managing their units, or they prefer to self-manage as permitted by their HOA rules. The current law allows condo hotel owners to have local real estate managers or to self-manage if their HOA rules allow that. The status quo should be maintained. To require a hotel brand to manage a condo hotel does not in anyway help the stated purposes of this ordinance. No one complained and the DPP did not present any evidence there is a problem with local real estate companies managing short term rentals in condo hotels. The evidence was to the contrary through the testimony of many condo hotel owners.

The deletion of Sec. 21-5.360(c) and corresponding language in Sec. 21-5.360.1 in draft 3, that required condo hotel owners to pay to stay in their own condo unit, and deleted the requirement for rental rates to be determined only by the hotel operator, was a good change and future drafts should keep these clauses out of the ordinance.

Language should be added to the ordinance that makes clear that owners in a condo hotel may use their units as short-term rentals, long term rentals, or primary residences. This is the current law. Under current law owners that use their condo hotel only for primary residences and long-term rentals do not pay the Resort-Hotel property tax rate, this should be continued and made clear in the new ordinance. Condo hotel owners that have short term rentals should continue to pay the Resort-Hotel property tax rate as is the current law, putting them on equal footing with hotels.

### Conclusion

Condo hotels are an important part of Hawaii's history. Since their inception condo hotel owners have been allowed to decide to use their units as a primary residence, taking strain off housing demands in residential neighborhoods, as longterm rentals, taking strain off housing demands in residential neighborhoods, or short-term rentals. Those using their units for short term rentals are required to pay Resort-Hotel property taxes and should continue to be so required. Since their inception HOAs have been able to decide if the condo hotel will be branded or nonbranded, and if local real estate firms can manage rentals or owners can selfmanage. This practice has worked well, and it is the practice in the industry throughout the USA. Permissible uses in the Resort zone include hotel use as well as one-family, two-family, and multifamily dwellings. Table 21-3. The status quo should be preserved in the new ordinance.

Me ka mahalo piha,

Jim Tree 92-102 Waialii Place B-208 Kapolei, HI 96707 (a nonbranded condo hotel in Ko Olina) From: Bruce Vogen [mailto:bvogen@gmail.com]
Sent: Saturday, September 11, 2021 8:41 AM
To: info@honoluludpp.org
Subject: Changes to Bill 89 - City Ordinance 19-18 - Reject the proposed bill

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Date:	September 11, 2021
From	Leigh and Bruce Vogen, 4980 Poola Street, Honolulu
То:	Chair of the Honolulu Planning Commission
Subject:	Director of the Department of Planning and Permitting Changes to Bill 89 – Cty Ordinance 19-18

Recommendation: <u>Reject the proposed DPP bill in its entirety.</u>

My wife took ten years out of her life to care for her elderly parents, spending countless time and money shuttling between our home in San Francisco her parent's home in Waialae Iki. My wife pledged to her parents she would do everything in her power to keep the house, built by her father, in the family.

She has thus far been able to keep that promise by providing the home to visiting guests on a short-term rental basis. Since 2014, we have used a registered property management company, abided by all local ordinances, and paid our taxes promptly.

I understand the Honolulu Department of Planning and Permitting (DPP) has advised the Honolulu Planning Commission of their intent to make draconian changes to the rules established in Bill 89 and the resulting City Ordinance 19-18, which we helped craft as interested members of the public.

## 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.

Changes like this are as unreasonable as they are unacceptable. It's not the government's job to pick economic winners and losers, mainly where large for-profit private companies are involved. It is patently unfair for the government to restrict the ability of smaller service providers to legitimately profit from their assets while at the same time enacting an ordinance that transfers all rental revenues to the larger providers.

If the DPP ordinance contained a countervailing section dictating what the hotel operators in the "hotel zone" could charge, I might be sympathetic to the government's position. But the government doesn't have the authority to set market rates – and forcing small operators out of the market is a form of rate setting.

The greater public good will not be served with these changes. The government's claims that reducing the number of tourists will resolve traffic, overcrowded beaches, and affordable housing problems are specious at best and unsupported by any set of facts.

We encourage the Commission 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.

-----Original Message-----From: Ernest Schenk [mailto:ernestschenk@yahoo.com] Sent: Saturday, September 11, 2021 5:56 AM To: info@honoluludpp.org Subject: Vote NO on STR Bill

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Again and again I wish to express my strong opposition to this bill and hope it is clear to everyone it must be declined and voted against it. Ernest Schenk owner Waikiki Beach Tower unit 2302.

Sent from my iPad

From: ba4 [mailto:ba4bsinyc@aol.com] Sent: Saturday, September 11, 2021 10:08 AM To: info@honoluludpp.org Subject: Vote NO on STR Bill

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- 1. NO ON ALL OF THIS :
- 2. Only hotels can a) manage, and b) set rental rates for condotels! Seems unreasonably lopsided and restrictive. Hotels have been divesting themselves from ownership for years. The <u>Ala Moana Hotel</u>, <u>Aloha Surf</u>, <u>Bamboo</u>, and <u>Palms</u> <u>At Waikiki</u> all converted to condotels. Hotels want management control but not the risk and responsibility of upkeep. A dozen condotels operate flawlessly with and without a 24h service desk. So do trains, train stations, some buses, and many airline check-in counters. Perhaps the revised Hotel definition still requiring a 24h front

desk is based on an outdated business model. Individual owners buy

condotels with the right to self-manage, and or the right to use third-party property managers. It promotes competition and innovation, which leads to progress. That's how evolution, the economy, and business work.

- . The DPP *should NOT* remove management rights from condotel owners does *nothing* to reduce impact on residential neighborhoods.
- It also does nothing to crack down on illegal short-term renting. What is the hidden agenda? Is the DPP bowing to Hotel industry pressure under false pretense?
- 3. Bernie Ardia
- 4. 70126 Frank Sinatra Drive
- 5. Rancho Mirage CA 92270

From: Lori Goto [mailto:lori@gotoencore.com] Sent: Sunday, September 12, 2021 8:53 AM To: info@honoluludpp.org Subject: Vote NO on STR Bill

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VOTE no on the STR bill

born and raised in Honolulu, would like to be able to do short term rental on my condo until I am able to move back to Hawaii.



Lori Goto Founder 512.461.1577 Iori@gotoencore.com gotoencore.com



"I have not verified any of the information contained in those documents that were prepared by other people. You will never receive wire instructions or changes to previously provided wire instructions from myself or my team. NEVER WIRE FUNDS PRIOR TO CALLING THE ESCROW OFFICER AT THE PHONE NUMBER PREVIOUSLY PROVIDED TO YOU." Information about brokerage services



## Michael A. Lilly

2769 Laniloa Rd. Honolulu, HI 96813

#### Michael@nljlaw.com

Re: Comments and recommendations of Michael A. Lilly, former Hawaii Attorney General, on bill to define short-term rentals as less than 180 days:

#### 1. Negative impacts of bill on Hawaii families.

When the inheritance tax was assessed on estates higher than \$600,000, I communicated with our then-congressional delegation (Senators Inouye and Akaka, and Representatives Abercrombie and Mink) expressing support for raising the threshold. I argued that Hawaii was unique in that housing prices were relatively high and that many of our citizens of modest means inherited valuable family homes which would be lost to their children from the inheritance tax. All four responded they agreed the estate tax threshold should be (and it was) increased in part because of its particularly negative impact on Hawaii families.

Other negative impacts burdening Hawaii families are the costs of mortgages, community association fees and real estate taxes. Hawaii has among the highest property values in the nation, with the median Oahu home now valued at over \$1 million. Owners of second family homes on Oahu valued at over \$1 million are hit with significantly higher Residential A property taxes. Many struggling families with limited assets now own valuable inherited family homes making it difficult to keep those family homes and pass them on to their children.

As Ordinance 19-18 correctly found in Section 1, short-term rentals benefit the state, city and owners in many ways:

Short-term rentals represent economic benefits to the City and State in terms of jobs, tax revenues, and diversification of the visitor accommodations industry. For some residents, short-term rentals are viewed as important supplemental income, serving as sources of revenue, and enabling homeowners to qualify for mortgages. Some residents pride themselves on being sensitive landlords or hosts, serving as "ambassadors of aloha." Many residents desire to use the dwelling for their own use for portions of the year, so they are not able to offer the dwelling for rental on a long-term basis.

It is significant that the Council found Ordinance 19-18 would help diversify the visitor accommodations industry while the current proposal would eliminate any such diversification. Why those issues were important to the City in 2018 and not three years later is not explained.

We are now faced with a dilemma regarding short-term rentals. The impact that the current short-term rental proposal, defining short-term as anything less than 180 days, will be significant on those same families of modest means who inherited valuable family homes. Some are able to keep and pass on their properties to heirs only if allowed to continue renting under Ordinance 19-18. If the proposed bill is passed, many will lose their family homes. And to

whom: often they are mainland investors who will not contribute to our community or improve our housing situation.

#### 2. Inverse Condemnation for properties not grandfathered:

Imposing retroactive rules that prevent existing rentals from being grandfathered has been held to constitute inverse condemnation. The Fifth Amendment of the U.S. Constitution holds that "nor shall private property be taken for public use, without just compensation." Inverse condemnation occurs when government regulations or actions burden an owner's use and enjoyment of ownership without actually taking the property.

The court in Zaatari v. City of Austin, No. 03-17-00812 (Nov. 27, 2019), so agreed with respect to rules similar to the ones being proposed by DPP:

The ordinance provision banning non-homestead short-term rentals significantly affects property owners' substantial interests in well-recognized property rights while, on the record before us, serving a minimal, if any, public interest. Therefore, the provision is unconstitutionally retroactive, and we will reverse the district court's judgment on this issue and render judgment declaring the provision void. The ordinance provision restricting assembly infringes on Texans' fundamental right to assemble because it limits peaceable assembly on private property. Therefore, because the City has not demonstrated that the provision is narrowly tailored to serve a compelling state interest, the provision violates the Texas Constitution's guarantee to due course of law, and we will reverse the district court's judgment on this issue and render judgment declaring the provision void.

#### Slip op. at 2.

The owners, the court concluded, have a settled property right to rent their properties, and the ordinance "eliminat[ed] well-established property rights that existed before the ordinance's adoption." Slip op at 7.1.

For similar decisions, see *Nolan v. Cal. Coastal Commission*, 483 U.S. 825 (1987)(Supreme Court held that regulation requiring property owners to condition rebuilding permit on providing beach access to citizens constituted inverse condemnation requiring just compensation); and *Dolan v. City of Tigard*, 512 U.S. 374 (1994)(Supreme Court ruled that 5<sup>th</sup> amendment applies to government denial of permission to develop and extraction of money).

I have personal experience in winning an inverse condemnation case against the City. Representing Liberty House, I won a claim for inverse condemnation when the City induced the business to set back its new building on King Street for street widening purposes. When the City refused to pay, I sued and recovered at trial an award of \$1.5 million in damages against the City, which was upheld by the Hawaii Supreme Court in *Cornuelle v. City and County of Honolulu*, 71 Haw. 652, 795 P.2d 860 (Haw. July 17, 1990. Memorandum Opinion).

4. Quality rental platforms such as Elite highly regulate their rentals to a gold standard to eliminate the problems associated with short-term rentals.

Quality self-regulated platforms such as Elite eliminate the problems of transient shortterm rentals. Elite is very selective of renters, limiting the numbers of renters and requiring agreements to avoid the problems associated with transient short-term rentals and compliance with Ordinance 19-18.

I have personally experienced the problems of short-term rentals in violation of Ordinance 19-18. Unscrupulous owners in my Pacific Heights neighborhood rent single rooms to multiple transients for short-term periods. Transients come and go daily, with some houses renting multiple rooms repeatedly each month. The transients cause congestion, noise, traffic, parking problems and trash. When I complained that one was driving too fast (on our 15 mph road), I was given the finger. I and my neighbors repeatedly communicated with DPP's investigators who claimed that unless they caught the transients in person there was nothing they could do. I do not agree. My neighbors and I provided DPP with multiple copies of transient online reviews with dates and places. If I were prosecuting short-term rentals in violation of Ordinance 19-18, I would find such reviews admissible evidence of violation of law.

These problems are not caused by organizations such as Elite which limit the numbers and types of renters and requires owners to maintain their properties to a gold standard.

#### 5. The 30-day rental block avoids the problems associated with transient short-term rentals.

The main problems of short-term rentals are transient renters for very short periods. Limiting rentals to a 30-day block ensures that only one rental per property per month is allowed which also ensures a more quality renter.

# 6. Ordinance 19-18, if enforced, would effectively control the problems of transient short-term rentals.

I am impressed by Ordinance 19-18. It contains effective authority to regulate short-term rentals. If enforced, it would effectively shut down transient short-term rentals such as those in my Pacific Heights neighborhood that are causing the problems everyone is concerned about. I am frankly troubled that the Ordinance was passed after great effort by the City and affected constituents without thereafter adopting enforcement regulations.

#### 7. Benefits of quality 30-day short-term rentals:

\* Transient and General Excise Tax revenues

\* Many short-term renters will not stay in hotels and would not return if Ordinance 19-18 was repealed.

\* Enormous dollars spent on visitor attractions, restaurants and bars.

\* Employment of management, cleaning and repair services.

#### 7. Recommendations:

- \* Withdraw the current proposal.
- \* Enforce Ordinance 19-18.

\* Coordinate with affected constituents to draft rules to enforce Ordinance 19-18.

\* Achieve a win-win for our community so that offensive transient short-term rentals be eliminated, while those operated by platforms such as Elite continue to provide, as Ordinance 19-18 so eloquently found, "economic benefits to the City and State in terms of jobs, tax revenues, and diversification of the visitor accommodations industry".

Conclusion: We are strongly opposed to short-term rentals that violate Ordinance 19-18 and want them stopped. We want Ordinance 19-18 vigorously enforced. We believe the current proposal would have serious negative ramifications for Oahu, especially the loss of major tax and visitor spending revenues as well as families losing their valuable family homes. Please reconsider as recommended.

Sincerely,

Michael A. Lilly

From: Gene Ochi [mailto:geneochi@gmail.com] Sent: Sunday, September 12, 2021 11:18 PM To: info@honoluludpp.org Subject: Vote NO on STR Bill

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Dear Planning Commission,

We are home owners in Waianae and rent one of our homes as a vacation rental. There are two primary reasons the commission should vote "NO" on the hotel recommendation to more severely limit VRBO rentals with rental laws that prevent 30 day or less rentals.

- We would be <u>UNABLE TO SUSTAIN OUR HOME AND ALL THE PEOPLE WE HIRE IN THE LOCAL</u> <u>COMMUNITY TO MAINTAIN OUR PROPERTY</u>. The hotels <u>do not</u> contract with these small local businesses and the LOCAL businesses would suffer economic hardship.
- 2. OUR TARGET MARKET is different from the hotels. OUR TARGET MARKET IS THE TOURISTS WHO DO NOT WANT TO STAY IN A HOTEL. IF THE COMMISSION LIMITS VRBO RENTALS TO 6 MONTHS, HAWAII WILL LOSE THOSE TOURISTS BECAUSE THE STATE DOES NOT OFFER THIS SEGMENT OF TOURISTS AN ALTERNATIVE TO HOTEL STAYS. The tourists to whom we rent do not want to stay in a hotel because of fears of covid and cost. Hawaii would lose these tourists to other alternative places like Mexico or the Caribbean. As a result, the state of Hawaii and its business will suffer from the loss of these tourist dollars.

## 1. INABILITY TO SUSTAIN OUR PROPERTY AND HIRE THE LOCAL BUSINESSES TO MAINTAIN OUR PROPERTY

We would be unable to sustain the property without rentals and the proposed law would make it impossible for us to meet our financial obligations. We would have to sell our home.

In addition, we would put great hardship on the many people local people we support with the fees we pay out. In the last 12 months, we have hired local people and businesses to do maintenance on the property.and who would all suffer financially if we no longer could VRBO at 30 days. We paid out approximately \$50,000 to these people over the last 12 months. We would believe we would generate even more jobs if we could do 7 day rentals.

- 1. House cleaners-5 people
- 2. Gardners-3 people
- 3. Plumber-1 person
- 4. Electrician-2 people

- 5. Air Conditioning company-3 people
- 6. Painting company-3 people
- 7. Fencing people-6 people
- 8. General contractor- 1 person and multiple subcontractors
- 9. Landscape architect- 1 person
- 10. Property manager- 1 person

All of these people buy building materials from companies such as Hawaii Hardware, Home Depot, and Lowes as well as Fergusson's, plumbing and electrical supply companies,

## 2. WE HAVE A DIFFERENT TOURIST TARGET MARKET THAN THE HOTELS AND THE LOSER WILL BE THE STATE OF HAWAII'S ECONOMY

In addition, the people to whom we rent to are primarily out of state people who tell us they want a private home rather than stay in a hotel where they believe it is more likely that they could contract covid. In addition, for the value, a home offers much more than a hotel. These renters all spend money in the local economy for food, clothing, and eating out. All these businesses benefit from these tourists.

Thank you for considering the impact on local homeowners, local businesses that hotels will not hire, and a different target tourist market from the hotels.

Rgds,

Gene Ochi

87-829 Farrington Hwy

Waianae, HI

From: Karen Cochran [mailto:kldcochran@yahoo.com] Sent: Monday, September 13, 2021 5:40 AM To: info@honoluludpp.org Subject: Vote NO on STR Bill

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Dear DPP - regarding proposal to further limit short term rentals,

My husband and I own a condo in Waikiki and have grave concerns regarding the new regulations being proposed to further limit "short term" rentals. We strongly request that you reject the proposed new short term rental bill in its entirety and withdraw these items from consideration for a new ordinance. The existing ordinance should be followed and enforced without change and the DPP needs to work within the existing ordinance framework for enforcement.

The goal of this new regulation is not clear: to fund enforcement? To simplify enforcement? To further limit impact on residential neighborhoods? We pose that the new ordinance actually achieves none of these. In the process it very negatively impacts both good owners and renters, unconstitutionally takes away property rights, and all to the benefit of the hotel industry.

At the hearing on Sept 5, 2021 Director Dean Uchida of the Honolulu Department of Planning and Permitting (DPP)stated that this bill is needed because the DPP can't seem to enforce the existing ordinance and needs an independent source of revenue and 7 new positions to rein in illegal STRs on Oahu which would come from this proposed Bill. DPP had plenty of time to determine how to enforce the existing regulation. The new bill as proposed would be no easier to enforce, possibly even more difficult. Funding proposed in this new regulation are overly onerous and irrational.

DPP should focus on enforcing the current regulations that took almost 3 years to create as opposed to proposing a new bill that ignores all that work. DPP should be working on how to fund enforcement of the existing regulation first. Funding enforcement should not be the driving force to change the regulations. Please look at other sources of funds – we would even be willing to pay a bit more in a tax of some sort rather than see these drastic changes implemented.

DPP Director mentioned some exceptions for TVU's in the residential areas. How is the DPP determining what is a valid exception and what is not? Exceptions create even more challenges to enforcement!

My husband has been coming to Hawaii consistently since he was introduced to the island through his service in Viet Nam. We bought our condo 25 years ago in Waikiki in a building that was designated a condo hotel 50 years ago, and our unit has always been a short term rental. We have always operated in full compliance with regulations, registering our unit and dutifully paying our taxes. We visit every year for approximately 100 days and have a deep love of the place and its people with many dear friends. This new regulation would likely force us to sell, severing our ties and our dreams of a lifetime. Current regulations limiting our rentals to 30 days has been a hard enough adjustment, especially during the pandemic, but we have managed to comply.

You are proposing to take away our property rights.

This new regulation would require us to rent for no less than 180 days. All of our current renters might only rent for 90 day maximum. These are short term employees including contract employees, teachers, nurses, people needing a place while looking to rent or purchase long term, Hawaii based families visiting from outside the state or other islands. What do they do? Forced to pay high prices at hotels??? If you make exceptions for these, there is no way to enforce it.

180 day renters are extremely limited. Who would the new renters be??? I can't even imagine. So, if we can't get a renter, then we can't afford to keep our unit. This would make it extremely difficult for us to use our own unit. We would be forced to sell, as would many other owners in our same position. This also means that condo sales would spike, reducing our market value.

Taxing "short-term" rentals at the hotel rate is grossly unfair. Virtually twice as much – on what possible basis? Hotels are free to rent their rooms every day and they have additional revenue sources that most short-term rentals do not.

This bill says that even if our building were to be "allowed" to do short term rentals, the units would have to be managed by a hotel. This means we would have very little control over how our unit is managed, the renters would be totally anonymous, our property manager and cleaning/maintenance workers would all be out of jobs, and ...worst of all...we would be limited to occupy our own unit to only a very few weeks a year and subject to their control of availability! Instead of owning our unit, we would essentially be subsidizing the hotel.

In conclusion:

- Please reject the bill in its entirety.
- Please focus on enforcing the current law (Ordinance 19-18) which was created through a lengthy public process.
- Respect long standing property rights
- Serve ALL constituents without favoring hotel interests

Respectfully,

Karen and Greg Cochran

Owners, unit 701 at Waikiki Lanais, 2452 Tusitala, Honolulu HI 96815

From: Rooney, Evelyn <<u>EvelynR@cbpacific.com</u>> Sent: Monday, September 13, 2021 8:59 PM To: <u>info@honoluludpp.org</u> Subject: Proposed Changes for Transient Vacation Units

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 Director of Department of Planning and Permitting:

I am a realtor with mom-and-pop type clients that own one or two legal vacation rental units that are their sole source of income or help provide extra income to pay bills and save for retirement. Should the current proposal pass as is, the people my clients currently employ for property management (and their employees) will no longer exist and my clients' property rights will have been usurped. The value of my clients' investment units will surely be drastically reduced and their ability to make a small profit to help them with retirement will no longer be realized.

I humbly ask that you:

-Reject the proposed bill in its entirety

-Withdraw the proposed bill and have DPP continue its administrative rule-making process to implement Ordinance 19-18

-Have DPP establish a working group comprised of key stakeholders on rule-making recommendations

I hope you will consider all sides to these issues so that there are no unintended consequences for the least powerful and most vulnerable. Thank you very much for you time and attention.

#### With Aloha,



Evelyn F. Rooney REALTOR-ASSOCIATE® | RS-75802 | MRP. SRES

ALOHA AINA REALTOR AWARDS PROGRAM NOMINEE GLOBAL LUXURY PROPERTIES TEAM MEMBER

COLDWELL BANKER PACIFIC PROPERTIES

COLDWELL BANKER D

GLOBAL

••••••

1314 S. King Street, 2nd Floor | Honolulu, HI 96814 M (808) 778-0679 E evelynr@cbpacific.com W www.hirooneyhomes.com FIND US ONLINE: ColdwellBankerHomes.com

\*Wire Fraud is Real\*. Before wiring any money, call the intended recipient at a number you know is valid to confirm the instructions. Additionally, please note that the sender does not have authority to bind a party to a real estate contract via written or verbal communication.

From: Jan Davis [mailto:jandavis@me.com] Sent: Tuesday, September 14, 2021 6:58 PM To: Takara, Gloria C Subject: Please VOTE NO on 180+ days

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Aloha Commissioners,

Please vote NO on 180 days

Please let's work together to make 30+ work

These guests do not want a hotel. They will go elsewhere - so missed opportunity

Do you really believe hotels can do a better job of A-L-O-H-A than locals???\*\*\*

Do we really WANT visitors 30+ days? ... or do we prefer 12 visits per year?

Let's work together to develop fair regulations. Let's get back to A-L-O-H-A

\*\*\*if you study complaints, I bet they are off-island owners...

Respectfully, Jan Davis 808-222-6142

#### MY STORY

I own a lodging unit since 2009. I have paid GET and TAT since day one.

I have 110 reviews with 4.8 rating (with more before platform started tracking).

My small business allows me to stay in Hawaii to live my dream and support the local economy & community.

I send laundry to Campbell Laundry. I use A-1 plumbing. I have local housekeeper (1099 taxes). I have Island Ins.

I use local company to reglaze my tub about ~every 3 years. I buy sheets & housewares at Kahala Macy's.

I work diligently with my guests to ensure they act responsively and understand our gentle culture.

I work diligently with my guests to ensure they have a good time and set reasonable expectations regarding their brief stay in Hawaii.

I work diligently with my guests to ensure they spend their money w/local businesses — not corporate establishments they support at home.

My guests leave feeling very happy and satisfied about their visit to Hawaii, and they refer their friends!

I only fly Hawaiian Air and I only recommend only Hawaii Air — and they listen: "start your vacay as soon as you board the plane!"

act LOCAL support LOCAL vote LOCAL be proud of what LOCAL can do for our State



September 15, 2021

Chair Brian Lee Vice Chair Ken K. Hayashida Department of Planning and Permitting 650 South King Street, 7<sup>th</sup> Floor Honolulu, HI 96813Commission

> RE: Proposed Bill Amending Chapter 21 of the Land Use Ordinance, Revised Ordinances of Honolulu, Relating to Transient Accommodations

Aloha Chair Lee, Vice Chair Hayashida and Members of the Commission:

I am a real estate attorney with going on 43 years of practice in Hawaii. I have served as Chair of the Condominium Committee of the Real Estate Commission of the State of Hawaii (1997-2005) and have a focused practice in the area of condominium law. I write to offer, for your consideration, a thought.

The proposed revision to address condo hotels seems to prohibit the use of the unit by an owner. The unintended consequence of this one change will result in the cessation of all planned mixed use condominium development on Oahu where such development incorporates, as part of the project, a condominium hotel.

This is because the financial model for such projects requires that sales of units be made in order to make such projects financially feasible, and buyers of such units, for the most part, prefer the flexibility of being able to use their unit for parts of the year, while renting it out for the time that they are not using the unit. Accordingly, if there are no buyers, financing will not be available, and the project will not be built.

To address this possible unintended result, I suggest a modification of the relevant provision, which can be found at page 24 of the current draft, as follows:

Condominium hotels and hotel units in condominium hotels are regulated in the same manner as hotels and hotel units. Converting a hotel unit into a condominium hotel unit does not change the permissible uses of the unit. If rented, units in a condominium-hotel must be part of the hotel's room inventory, available for rent to the general public; provided that nothing in this section shall preclude the owner of the unit from either occupying the unit or not renting the unit. 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 permitted. not allowed except as provided in Sec. 21-5.360(e). prior to the adoption of this ordinance shall be allowed as a non-conforming use is not allowed.

Thank you very much for the opportunity to testify.

Mahalo. Mitchell A. Imanaka IMANAKA ASATO, LLLC

From: leftsidepromo@aol.com [mailto:leftsidepromo@aol.com] Sent: Thursday, September 16, 2021 10:40 AM To: Takara, Gloria C Subject: STR Draft

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

I request the planning committee reject the proposed changes to the STR draft in it's entirety. As I have stated before this draft may as well have been written by and for the hotel industry and HTA, as it reflects only their wishes to eliminate local competition and continue to monopolize tourism. These rule changes not only make no sense, but are so draconian in nature that even a "local" renter that wanted to rent a place for 2 months while they find a long term rental or purchase would be forbidden under the proposed rules. What is ironic is at the moment these changes are even being considered the hotel industry is making a play to open their own home rental market to compete with platforms like VRBO. This fact, unveils the STR for what it truly is, a sham. Basically, big corporations can buy and rent homes, outside of resort zones at their will, but the small property owner may not, with the help of city enforcement and penalty. Using government as its tool against tax paying property owners is unconscionable and wrong. The public will not have it and it will be revealed. Please take a look for yourself at just one of the websites that the hotel industry promotes, featuring luxurious homes you can now rent through them.

https://homes-and-villas.marriott.com/?nck=147453428&ck=49814302&lk=1000503412

As a property owner, I have the right to rent to whom I wish and this is simply government over reach and a plain faced tool for the hotel industry to eliminate competition that it cannot compete against. Shame on all of you for even considering this terrible draft.

D.K. Chang 600 Ala Moana Blvd. Honolulu, HI 96813 From: Lisa Vlachakis [mailto:lisavlachakis@outlook.com]
Sent: Sunday, September 19, 2021 9:13 AM
To: Takara, Gloria C
Subject: Please Vote NO on STR Bill

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

#### Aloha,

I'm writing to ask that you vote no on the proposed changes to the STR bill. After listening to the two days of testimony, I think the proposed changes will give the hotel industry a monopoly on the market. My husband and I recently bought a home in Ewa Beach. We specifically bought a home with an Ohana unit so that we could afford home ownership. We did our research, and decided providing furnished housing for traveling professionals would best work for us. I'm a RN myself (CA license # 711517), and know that there is a need for housing for our traveling nurses. We've been working hard this summer repairing the home, as it had extensive terminate damage. We finally have it furnished and listed, only to find out that the rules might change.

I listened to both days of testimony. I sympathize with the few who spoke out in favor of the changes because of the disruption to their neighborhood. However, what they described are violations of the rules that are in place. What we need is better enforcement of the current rules, not new rules. The people who are breaking or skirting the current rules will find ways to manipulate and work around any new rules. New rules only hurt those of us who are following the current rules.

The DPP should focus their attention on enforcing the rules they've already put in place. Someone during their testimony mentioned a hotline to report violations as they are happening. I think that's an excellent idea. Since one of the gentleman testifiers said fines were a 'cost of doing business' for some people, increase fines. Impose new rules on those who are caught breaking the current rules or provide tighter oversight for known offenders.

I believe one of the proposed amendments after listening to testimony was to make exceptions for some, and owners of units will be required to provide supporting documentation. This will be difficult for traveling nurses. Nurses will not normally accept a contract until they can confirm that they'll have housing. If they accept a contract and then cancel because they can't find housing, it reflects poorly on them with traveling agencies, and makes it difficult for them to receive traveling contracts in the future.

Who will oversee this, and how backlogged will it get? Again, the rule breakers will find a way to manipulate the system.

The proposed changes and amendments will gravely affect traveling professionals including nurses, who need housing, not a hotel stay, while taking contracts on our island. Although, I

oppose the bill in its entirety, I speak to traveling nurses because that is where my personal experience lies. They typically have 13-week contracts and would not meet the 180-stay minimum requirement. Often, they are on call and need to be within 30 minutes of the hospital. My property is near Queen's Medical Center West Oahu. I recently listed my property and get 2-3 inquires a week, there is a real need. Hotels do not meet the needs of these travelers. Some travel with a partner, family, or pet, and they don't want, or can't afford, to stay in a hotel for 3 months. They want a full kitchen, a yard, their own washer and dryer, and convenient parking. Resort areas do not provide this. Many traveling nurses work night-shift and need a quiet place to be able to sleep during the day. Resort areas do not provide this. Hawaii is known as a 'destination contract' among traveling nurses, meaning the pay's not great, but they come for the experience. If they can't get adequate housing, they'll take a better-paying contract somewhere else. We cannot afford a nursing shortage. Our traveling professionals are here because there is an unmet need in the community. They are here to work and contribute.

I'll end with this. My husband and I live on our property along with our daughter and dog. We do not want disruptive guests any more than our neighbors do. We have it written into our lease:

"Tenant nor tenant's guests shall be a nuisance or act in any manner that would interfere with the quiet enjoyment by adjacent property owners. This prohibition includes, but is not limited to loud noised, loud music, noxious or unpleasant odors, and disruptive behavior or actions." Any of the above would be grounds for eviction. Based on the testimony that I heard from other property owners, I'm sure they feel the same way. Please, crack down of the violators that are giving STRs a bad name, and allow those of us who are following the law to continue to operate in peace.

Mahalo, Lisa Vlachakis From: Laura Isola [mailto:laisola2@yahoo.com]
Sent: Monday, September 20, 2021 6:16 PM
To: Takara, Gloria C
Subject: PLEASE VOTE NO TO DPP BILL AGAINST TRANSIENT ACCOMMODATIONS

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Aloha!

# -Please PLEASE Please reject the bill against STR in its entirety.

- DPP should focus on enforcing the current law (Ordinance 19-18) which was created through a lengthy public process.

- DPP should engage all stakeholders - not just the corporate hotels - in developing fair and sensible regulations.

From your City and Council website I read: "**The City Council is the lawmaking body of the City and County of Honolulu. The Council is responsible for serving and advancing the general welfare, health, happiness, and safety of the people through exercising its legislative power."** SO PLEASE DO SO AND REJECT THE DPP BILL AGAINST STR IN ITS ENTIRETY! AND PLEASE ABOLISH THE 5 YEARS RULE COMMITMENT TO THE PROPERTY TAX CATEGORY!

Since the DPP insane propositions against STR I am in so much increasing distress that makes it very difficult for me to write about this crucial topic for my livelihood general welfare health happiness and safety so I'm also attaching my 4 testimonies I emailed to the DPP during the 2 recent public hearings and I'll try my best to convey my situation here so you will understand why all DPP propositions are totally out of touch with the kind of financial struggle that I and many like me are going through since the start of the pandemic in March 2020 and that we need Transient Accommodations as they are for our own livelihood without any extra insane fees and without any further restrictions.

I'm 57 years old single woman owner of one small 247sqft studio unit at the Hawaiian Monarch Condotel in Waikiki. I bought it in 2003 when still young as my primary residence and also as an eventual plan for my retirement because of its guaranteed flexibility for both long term and short term rentals since it is a Condotel. Even though it is a very small studio unit (247sqft!) without full kitchen and it's designed as a transient accommodation unit that was all I could afford so I remodeled it very beautifully and made it my comfortable sweet home for almost 2 decades.

Then the recession hit hard my self employed free lance designer profession that was providing for my livelihood since 1995 and I had to find alternative ways to provide for my livelihood which I found in making my unit available all year around as vacation rental also because the property taxes were suddenly increased to crazy high Hotel and Resort category and I started to also have to deal with a serious health issue that affects negatively my daily activities and abilities increasingly so with what I had left of my lifetime savings I bought a small studio condo in Hauula where I moved so that I could self manage from home my vacation rental small business for my studio unit in Waikiki.

It was going well as I was fully booked and guests were enjoying my managing service and warm hospitality (I am a proud Super Host on Airbnb) although at the end of the year after all expenses of very high taxes (10.25% TA 4.5% GE and \$3,000/year Hotel & Resort property taxes), 15% platforms commissions, lockbox fees, cleaners and many supplies it gave me a net profit of only about \$1,000/month (!!!) that was not even enough left for my own livelihood with now two high maintenance fees and two property taxes two home insurances (one higher for vacation rental) to pay fixed monthly on top of groceries and many health supplies. But it was a promising way as there was great demand as vacation rental supplies a new different segment of the public that would not stay at an

hotel just like me so it is not in competition with hotels even though they might think so! before the pandemic I personally dared to travel more because of the ease of vacation rentals that have a warm friendly homey feeling and that are widespread all over the world so even thinking of banning STR in Hawaii would not make any sense, would not benefit hotels as people will just travel somewhere else where they can stay at STR and would destroy so many livelihoods right in the midst of an already high dramatic crisis pandemic! STR is a great reality that we cannot go back from! I was looking ahead planning and hoping by adjusting and increasing a bit the prices to be able to cover my livelihood after paying all very high taxes and too many fees.

But then the pandemic hit in March 2020 and the official restrictions made me inundated with reservations cancellations with much loss of revenues which has been extremely stressful. I survived 2020 with 2 small grants from the City and County of Honolulu because of the negative impact and losses the restrictions had on my vacation rental small business. They kept postponing the reopening of visitors that kept me on edge and my unit empty for months and finally I had to rent my unit long term with 6 months lease to try to at least cover my fix monthly expenses of two maintenance fees while struggling to meet my own other livelihood needs but at least it was a fix monthly income to cover the fix monthly high maintenance fees which was definitely better than nothing and gave me some sort of stability! In mid Aug 2021 as my tenant moved out earlier to go back to his office in California (my unit at the Hawaiian Monarch is perfect for a transient single person) I tried to make it available for vacation rental again because this is the only activity that has the potential to provide fully for my livelihood and I was looking forward to start it again at the new pricing. To my great relief I received enough bookings in Aug and Sep to just cover all expenses and my livelihood so I decided to not rent it long term again since I am still paying crazy high Hotel & Resort property taxes (\$3,000/year!!!) so in great hopes of come back to normal business to cover my livelihood I didn't send the petition by Sep 1st to change the tax category to residential also because it has a very unfair 5 years commitment while I need to do vacation rental as this is the only use able to cover and provide for my livelihood!

So I kept it available for vacation rental hoping to finally get back on track with my finances. But thereafter is exactly when Governor Age made the announcement to visitors to avoid coming to Hawaii due to the delta variant! So next month of October and probably November and who knows hoe long more I'll have to face high fix expenses of my two maintenance fees (the condo where I now live in Hauula alone is \$800/month with a bad management that keeps increasing maintenance fees every year!) with no bookings yet and no income (I have been working on a side as a face painter on call for kids parties on Oahu but gatherings are restricted again so all cancelled!) so I'm on edge while still having to pay the fix Hotel & Resort crazy high property tax!

AND Now on top of it all this total insanity of DPP Bill with all crazy propositions against STR that is my only true possibility of livelihood and even overreaching trying to steal my undeniable private property owner rights!!!!!! I will not give up my beautifully remodeled beloved sweet home (with high end porcelain decorations precious vases statue molding throughout!) to any average cold hotel pool where they can have total monopoly of managing fees to benefit them at my expenses while managing it IT IS MY JOB that I can do it myself and I'm actually very good at it as my guests love my 5 stars hosting!!!!! That is MY OWN PRIVATE PROPERTY AND MY HOME and I will not allow anybody to take away my undeniable right to be able to move into it again if I need or wish to do so!!! I'm already paying a FIX \$3,000/year + 10.25% TA + 4.5% GE while bookings are currently not coming as it is such an uncertain time still in the midst of the pandemic YOU CANNOT IMPOSE ANOTHER CRAZY FEE TO REGISTER YEARLY as vacation rental!!!???!!! This shows how out of touch with the current financial struggle of me and many other STR owners like me!!! So please let me tell you of my financial struggles so that you can understand it and VOTE NO to the entirety of this insane bill against STR! I understand the Hotels are struggling but we are struggling also and even more!!!! I have the undeniable rights to rent my unit to whomever I please without crazy restrictions!!!!! AND I HAVE THE UNDENIABLE SACRED RIGHT TO BE ABLE TO MOVE INTO MY OWN HOME PRIVATE PROPERTY IF I NEED OR WISH SO!!! PLEASE PROTECT MY SACRED OBVIOUS RIGHTS AND VOTE NO TO THE ENTIRETY OF THIS INSANE BILL AGAINST STR!

Facing high monthly fix expenses and high fix Hotel & Resort taxes with no future bookings for Oct and Nov and who know for how long more I'm struggling and on edge hoping for December but thinking I would be better renting it long term again just until the pandemic infections get lower and people start to travel to HI again as I need a fix monthly income although long term rental doesn't cover all my livelihood as the vacation rental would if fully booked again but with the pandemic we are not yet at all at enough bookings so I ask you to **please abolish the 5** years rule commitment to the property tax category so that depending on the pandemic levels I could adjust

my property to residential or vacation rental accordingly and FAIRLY each year before the due date Sep 1st. Please let us owner choose the best use for OUR OWN PRIVATE PROPERTY according to objective (like a pandemic!) and subjective (Personal needs!) circumstances! IT IS OWN OWN PRIVATE PROPERTY!!!!!!!!!

Thanking you for your kind attention I trust your upholding to your duty as stated in the City & Council website to serve and advance the general welfare, health, happiness, and safety of the people through exercising your legislative power and therefore **VOTE NO TO THE ENTIRETY OF THE BILL AGAINST TRANSIENT ACCOMMODATIONS** AND ALL INSANE OVERREACHING UNCONSTITUTIONAL UNACCEPTABLE propositions including unacceptable revised propositions to benefit the hotels at our expenses while we are struggling even more than hotels and please **abolish the UNFAIR 5 years rules commitment to the property tax category in the midst of a disrupting pandemic**!!!

Mahalo!

Laura Isola Owner and Property Manager of studio unit at Hawaiian Monarch in Waikiki (808) 428-6027

Sent from my iPhone



# The City Council at Honolulu Hale

The City Council is the lawmaking body of the City and County of Honolulu. The Council is responsible for serving and advancing the general welfare, health, happiness, and safety of the people through exercising its legislative power.

Hover over your district to see your Councilmember.

From: Helen Petrovitch [mailto:hpetrovitch@phrei.org]
Sent: Tuesday, September 21, 2021 12:12 PM
To: 'info@honoluludpp.org'
Cc: Takara, Gloria C
Subject: oppose STR

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I strongly oppose changing the short-term rental period to less than 180 days instead of the current status quo which is 30 days.

Changing the short-term rental time definition from 30 to 180 days is not appropriate because the 30 day definition has been in effect for over 20 years and Oahu citizens have made business decisions such as renovating their homes and adding furnishings based on this definition that entailed considerable business expenditures.

These plans were made in order to conduct business that is completely in accordance with the current zoning laws in the city and county of Honolulu. Many local residents count on this income to maintain their homes.

Additionally, short term monthly rentals make it possible for families to visit relatives, often grandparents visit their grandchildren. They can stay close to the family instead of in Waikiki or other resort area. Also the pricing for short term rentals is more reasonable for groups larger than 2 individuals who want to spend a longer time visiting Oahu, and those who are doing major home renovations and need temporary places to stay.

Please reject the bill in its entirety. Instead DPP should focus on enforcing the current law (Ordinance 19-18) which was created through a lengthy public process.

In the future DPP should engage all stakeholders, not just the corporate hotels, in developing fair and sensible regulations.

Helen Petrovitch MD Kailua, HI From: Claudia Parker [mailto:cparker@parkerlawgroup.com]
Sent: Tuesday, September 21, 2021 1:38 PM
To: info@honoluludpp.org
Cc: Takara, Gloria C
Subject: WRITTEN TESTIMONY RE: PLANNING COMMISSION MEETING ON STR BILL

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#### Gentlepersons:

I am writing to ask you to reject this bill in its entirety. Even with the proposed exceptions, it is unworkable for most mom and pop landlords like us.

The proposed changes--changing STRs from less than 30 days per the current ordinance to less than 180 days-- are aimed, I realize, at making it uncomfortable for mom and pop landlords and pushing more rental properties into long term housing stock for local residents. While I appreciate this reasoning, the lack of enough affordable housing is a societal and state/nation wide problem, that we mom and pop landlords should not be tasked with solving on our own.

We bought our north shore property more than 30 years ago and we use our property ourselves as our second "beach" home, but rent it out for never less than 30 days at a time for several months during the rest of the year, usually about 5 months a year. This little bit of rental income helps us pay our mortgage and never ending upkeep, and allows us and our friends and family to enjoy our property that we worked so hard to buy back in 1990 and to maintain and keep for all these years and that we plan to leave to our children.

We are good landlords and do not rent for less than the 30-days allowed to us. In fact, we have lovely long-term folks who come year after year from Wisconsin usually for 4 or 5 months at a time. They are a retired couple, love Hawaii, its people and culture and the wife is an artist who collects sea glass Nanakuli side to use in her artwork. We pay GE and TAT religiously. They buy groceries, rent a car, eat at restaurants and buy goods at local stores. We use a local cleaning lady to clean the unit before and after our tenants occupancy. Our neighbors love our snow birds and look forward to their return every year.

It is clear that the hotel lobby is in support of these changes, to the detriment to the rest of us who glean some income from. It shouldn't be that the hotel lobby, with clearly a big vested interest, gets to decide what happens to us mom and pop landlords. I also wonder if you have considered the perhaps unintended consequences of these changes. Many mom and pop landlords, like us, who use their places themselves and for their friends and family, as well as renting them out for a portion of the year, will NOT put their units in the long term rental market. Instead, we will simply keep it vacant for ourselves, our friends and family and you will lose out on GE taxes as well as TAT. Our cleaning lady will lose out on her livelihood (not just us, but many other landlords will stop using the services of the local cleaning ladies), and the local restaurants, which I see reeling from the latest vaccination card requirements (we are in

favor of showing vaccination cards to enter establishments, by the way) will be losing out on business. I already see restaurants even in Waikiki suffering from the Covid restrictions and Gov. Ige's request for tourists to stay home.

I just don't see folks, like our tenants, who can't stay for 180 days each time, deciding to spend \$200/night or more for a Waikiki hotel room for the 5 months they would normally stay with us. They will simply go somewhere else more friendly to tourists, like the Florida, Southern California or the Caribbean.

It would be great if Hawaii had another way to bring in revenue that brought in as much as tourism does, but it simply does not. I remember 30-40 years ago when folks at the top were talking about Hawaii being a technology hub. Well that didn't happen, did it?

So when folks stop coming to Hawaii to support our economy because they simply can't afford Waikiki's high priced hotel rooms and can't find legal STR accommodations, our hospitality industry lays off more and more workers, and the trickle down effect of lack of tourist dollars trickles down to the working men and women who no longer have jobs to go to, where will we get the revenue to fund unemployment and to take care of the homeless who will surely flood the streets even more than they are now? I remember an ad campaign in the 70's I believe that showed a dollar being spent by a tourist in Waikiki that flowed through several local people's businesses and hands until it ended up a part of the money used to buy a bike for a little girl. Instead of locals constantly pitting themselves against tourists, it would be helpful if locals understood that without tourism, and without a viable alternative to tourism, their standard of living will go down the toilet. It would be helpful if the tourism industry in Hawaii would help educate local residents about that once again.

These are big problems, no doubt, but they are not only for mom and pop landlords like us to solve. I urge you to reject this bill. The existing bill is the product of lengthy public process and does work. We comply with it. What you need is to enforce what is already there and not create more burdens and punishments for mom and pop landlords who are simply trying to support their properties. I know that there are landlords who cheat the system and do not comply with the existing rules and regulations, but why punish the law-abiding folks who do follow the rules and pay GE and TAT taxes that help feed our coffers? Why not go after the scoff-laws who are the ones who are not good landlords and who do end up irritating neighbors with incessant tourist traffic through their neighborhoods.

Regards,

Claudia Kihano Parker 95-1091 Kopalani Street Mililani, Hawaii 96789 From: Susan Bootsma [mailto:girlncurl805@hotmail.com]
Sent: Tuesday, September 21, 2021 9:20 PM
To: info@honoluludpp.org
Cc: Takara, Gloria C
Subject: Oppose changing 30 day to 180 day minimum rental

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I strongly oppose changing the short-term rental period to less than 180 days instead of the current status quo which is 30 days.

Changing the short-term rental time definition from 30 to 180 days is not appropriate and not necessary. The 30 day definition has been in effect for over 20 years and Oahu citizens have been able to stay in their homes while hosting family and guests in between. While I understand and respect the reasons for less than 30, I strongly disagree with taking away the 30 day minimum. There are not hoards of visitors able to come for 30 days consecutively so any burden on hotels and/or neighborhoods has greatly diminished. For those of us who have family visit throughout the year, it will become impossible to have them stay with us. What about the residents of this island and our families.

These plans were made in order to conduct business that is completely in accordance with the current zoning laws in the city and county of Honolulu. Many local residents count on this income to maintain their homes.

Additionally, short term monthly rentals make it possible for families to visit relatives, often grandparents visit their grandchildren. They can stay close to the family instead of in Waikiki or other resort area. Also the pricing for short term rentals is more reasonable for groups larger than 2 individuals who want to spend a longer time visiting Oahu, and those who are doing major home renovations and need temporary places to stay.

Please reject the bill in its entirety. Instead DPP should focus on enforcing the current law (Ordinance 19-18) which was created through a lengthy public process.

In the future DPP should engage all stakeholders, not just the corporate hotels, in developing fair and sensible regulations.

Please consider the residents who made choices to buy and live on Oahu and are able to afford to buy renting for 30 days.

Thank you, Susan

Sent from my iPhone

From: Thomas Link [mailto:link2hawaii@gmail.com] Sent: Tuesday, September 21, 2021 10:06 PM To: info@honoluludpp.org Cc: Takara, Gloria C Subject: Please reject the DPP's proposed amendments to the STR Ordinance

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

I strongly oppose the DPP's proposed amendments to the STR Ordinance. The Bill appears to have been written by the Hotel Industry strictly for their benefit.

By redefining the definition of transient vacation unit from a unit rented for less than 30 days to a unit rented less than 180 days, the Hotel Industry will become the only lodging choice for students, temporary military housing, remote workers, those shopping for a home, or anyone else needing a residence for less than 6 months. This will disadvantage local property owners and tenants. It will shut down Honolulu as a remote work destination and hurt the local economy since hotel rates will make remote work impractical.

The fees and regulations proposed for legal STRs are ridiculous. A \$5000 registration fee for a legal STR while hotels pay no such fee for each room is unfair, and it will force many legal STRs to shut down and sell. Legal STRs already pay their fair share through TAT payments and high property taxes. Hotels allow up to 6 people in a single room. Yet the proposed Bill prohibits STR guests from using a sleeper sofa bed? That is ridiculous. Building project bylaws set appropriate limits on occupancy. The proposed Bill ignores this simple basic fact, and it will force vacationing families to crowd into small hotel rooms rather than utilizing larger STRs that are designed for such occupancy. The Bill's proposed limiting ownership to 1 STR per individual is unjust.

The proposed rules for condo-hotels will make ownership of condo-hotel units impractical, which is surely what the hotel industry wants. It is crucial that Owners maintain the right to manage their own units or have local business people manage them. Let's not forget many condo-hotel unit Owners own their units so they can use the units themselves. This Bill effectively takes away personal use of a unit that does not serve as the Owner's primary residence. If hotel operations must manage the units, the revenues will not pass to the local communities, rather they will pass to corporate stakeholders. Also, please realize condo-hotel units are personalized. Let me use automobiles to illustrate. Let's say you buy a very nice, expensive car, and you take great care of it. Your neighbor buys a run-down vehicle. You plan a road trip with your vehicle. But you have to use your neighbor's vehicle because someone else is using yours. This is how hotel pool properties work.

Existing legal STRs should remain legal STRs without any new restrictions or fees. I don't think the community wants to see new STRs inside or outside the Resort Area with the exception that some buildings adversely affected by Bill 89 should be ruled as legal STRs. For example, the Waikiki Banyan and Waikiki Sunset are outside the Resort Area, but they historically functioned as STRs. They were designed and built to be STRs. The community recognizes and values them as STRs. These buildings do not make suitable residential dwellings due to unit size, lack of storage space, lack of dishwashers and laundry facilities within the units, and limited parking capabilities that make assigned parking impossible. The DPP should focus on enforcing Bill 89 while granting common-sense exemptions to

buildings such as the Waikiki Banyan and Waikiki Sunset. The DPP should be working for the Community, not for the Hotel Industry. The DPP's proposed amendments to the STR Ordinance should be rejected.

Thomas Link 909-557-6315 Link2Hawaii@gmail.com -----Original Message-----From: Elaine Blasing [mailto:eblasing@me.com] Sent: Wednesday, September 22, 2021 8:36 AM To: info@honoluludpp.org Cc: Takara, Gloria C Subject: Please reject the STR Bill

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

The purpose of this email is to request that you reject the proposed STR (short term rental) Bill in its entirety.

We are the owners of Polynesian Shores Unit 213. We've owned this beautiful property for more than a decade, and in that time have offered it as a short term rental to thousands of happy Hawaiian visitors. This has in turn produced substantial revenue for the county, the island, and the state in the form of purchased goods and services and tax revenue.

It seems that the STR bill as proposed is a terrible example of corruption, motivated by the local hotel interests who seek to reduce competition under the thinly veiled excuse of improving long term housing for local residents.

We've just completed a resort-wide renovation at Polynesian Shores which was very expensive for the owners. If this bill were to pass, we along with many other owners would be motivated to immediately sell our properties before their values sink. New owners would be prohibited from offering their units as STRs, which would lead to a substantial reduction in tax revenue for the region. Without STRs, we cannot afford to retain ownership of our beautiful property. The same economic reality would likely exist for any subsequent owners. This would be a crowning disappointment after we've invested so much of our time, energy, and money in renovating the resort.

Instead of passing this poorly conceived bill, we suggest that you simply enforce the current law (Ordinance 19-18) which was created through a lengthy public process.

In resolving this issue, the DPP should engage and seriously consider representing all stakeholders and STR owners, not just the selfish interests of the corporate hotels, in developing fair and sensible regulations.

If the proposed STR is enacted, the negative impact to tourism and tax revenue could be substantial. The hoteliers will be the ONLY winners in this regard. It will be impossible to put the cork back into the bottle after the damage has been done.

Sincerely,

Ray and Elaine Blasing Owners, Polynesian Shores Unit #213 From: Mary A Hartman [mailto:hartmant001@hawaii.rr.com]
Sent: Wednesday, September 22, 2021 5:46 PM
To: Takara, Gloria C
Subject: Fwd: Vote NO on STR Bill

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

Begin forwarded message:

From: Mary A Hartman <<u>hartmant001@hawaii.rr.com</u>> Subject: Vote NO on STR Bill Date: September 9, 2021 at 2:29:01 PM HST To: info@honoluludpp.org

Attn: DPP

I am against changing the current short term rental to 180 days from 30 days. This 30 days has been in effect for 20 years. There is no reason to change it.

It will affect family members who want to help with a new baby, care for a sick loved one, Visit grand children. And have a place for a shorter time than 180 days. They do not want to stay in a waikiki hotel. Putting all rentals in the hands of Waikiki hotels is an obvious move by the hotel lobbyists.

There was a lengthy hearing process 2 years ago to hammer out all the details of Ordinance 19-18. Why not enforce that?

Sincerely, Toni Hartman From: Gloria Almendares [mailto:gloriainhawaii@gmail.com] Sent: Wednesday, September 22, 2021 8:24 PM To: Takara, Gloria C Subject: Planning Commission Meeting on STR 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 Real Estate Broker, Property Manager and I manage multiple properties in Oahu, some STR's with a permitted NUC. I should be happy to see all STR's completely eliminated from Oahu, thus eliminating all competition for my clients with NUC's. However, I strongly oppose the STR Bill because I am aware how devastating it will be for the livelihood of Hawaii Residents and workers of small businesses. Private owners in the Waikiki Resort zone can barely stay afloat due to the increasing property taxes, HOA fees, and TAT taxes charged on short stays. If the min. stay is 180 days, this will eventually bankrupt all STR condo owners. Presently, Hawaii is rated the most Expensive State to live in. Not only did these people suffer when they were shut down due to Covid, they also were unable to rent their condos, because they were considered "non-essential". However, an identical condo, operated by a Hotel was considered an "essential business" and could continue to conduct business as before. The Governor's mandates were against the small business owners, but favored the large stores and Hotels. Many have closed for good. Is this the Commission's and Legislature's goal? To bankrupt the Residents of Hawaii, and have their small business replaced by Big Business?

## We are Human Beings, that work for a living. We are not Entities or Corporations that funnel their money out of state,

# or out of the country. Please Do Not Force Us to Leave Our Beloved Hawaii!

Suggestion to reduce Tourists coming to Hawaii: reduce the number of HOTELS!!! A Hotel can accommodate thousands of people at once. An average STR can accommodate a maximum of 4 to 6 people! It is insulting when you accuse the people of Hawaii of over-crowding our neighborhoods. Why don't you reduce the number of flights to the island, and stop building so many Hotels!!! Why are there new Hotels in Kapolei, a residential neighborhood, not a Resort Zone? The Hampton Inn & Suites, Embassy Suites By Hilton, The Residence Inn by Marriott, Best Western The Plaza Hotel, Pacific Marina Inn. If your goal is to reduce the number of people in residential neighborhoods and increase affordable housing, then the DPP has to facilitate and incentivize developers to build affordable housing. STR properties are unaffordable for any Hawaii resident. I know, I manage these properties for clients. Instead of offering affordable rentals, these Owners are selling their property for millions, instead of renting a multi-million dollar house for a couple thousand dollars. That's not going to happen, and if the Commission thinks this is what they will accomplish by punishing and taking away the property rights from the residents, they will have a real awakening. The opposite will happen, the DPP makes it very difficult and expensive to build in Hi because of all the excessive building codes and regulations. So the developers move elsewhere, where Counties welcome affordable housing. When I ask my clients that are selling their homes and businesses, "why are you leaving Hi", the response is always the same: "Its too expensive to live in Hi, too many taxes and antibusiness mentality".

In order to find a housing solution to your problem, look in the Mirror! Start encouraging businesses to come to Hi, so that we can become independent of tourism. There are too many Hotels in Hawaii. The Pandemic showed everyone what Oahu would look like if we had half the Hotels that are here now. Don't blame the residents that are trying to make money so they can pay their taxes and excessive cost of living. We, the People have suffered enough already!

## Please vote AGAINST this devastating STR Bill.

Thank you!

### Gloria Almendares Principal Broker Mobile +1 (808) 292-6019 GloriainHawaii@gmail.com

From: paul brooks [mailto:paustinbrooks@gmail.com] Sent: Thursday, September 23, 2021 7:52 AM To: Takara, Gloria C Subject: Short term Rentals

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

### Dear Governer,

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. Shutting down the illegal rentals will eliminate almost all the complaints. You already have a solution just need to fund the enforcement and the problem is solved

Paul Brooks paustinbrooks@gmail.com 1-858-336-9197 From: Leo Vlachakis [mailto:leonidasvlachakis@gmail.com] Sent: Thursday, September 23, 2021 8:53 AM To: info@honoluludpp.org; Takara, Gloria C Subject: No on STR bill

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

Aloha Planning Commission,

This email is in full opposition to the STR Ordinance Draft to be adjusting the 30-day minimum stay to a 180-day minimum stay. We provide short term housing to travel nurses that are usually on 13 week assignments. During these unprecedented trying times, the need for short term housing outside of vacation destination areas has been necessary. Many traveling nurses seek accommodations that are close to their hospital and within the community and not in hotels. Most traveling nurses are seeking stays that would not be possible with the 180-day minimum stay requirement that is proposed. This draft would be detrimental to the needs of nurses and other health professionals on these essential assignments. Please reconsider the proposal taking these factors into consideration before adjusting the minimum stay requirement. Thanks for your time and consideration.

Respectfully yours,

Leo Vlachakis Ewa Beach From: Laura Isola <<u>laisola2@yahoo.com</u>> Sent: Thursday, September 23, 2021 4:06 PM To: Honoluludpp Info <<u>info@honoluludpp.org</u>> Subject: PLEASE DISMISS AND REJECT ALL PROPOSITIONS AGAINST STR AND TVUs!!!!

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

Aloha!

# Please PLEASE Please reject and dismiss the bill against STR and TVUs in its entirety.

- DPP should focus on enforcing the current law (Ordinance 19-18) which was created through a lengthy public process.

- DPP should engage all stakeholders - not just the corporate hotels - in developing fair and sensible regulations.

From the City and Council website I read: "The City Council is the lawmaking body of the City and County of Honolulu. The Council is responsible for serving and advancing the general welfare, health, happiness, and safety of the people through exercising its legislative power." SO PLEASE DO SO AND REJECT AND DISMISS THE DPP BILL AGAINST STR AND TVUs IN ITS ENTIRETY! AND PLEASE ABOLISH THE 5 YEARS RULE COMMITMENT TO THE PROPERTY TAX CATEGORY!

Since the DPP insane propositions against TVUs I am in so much increasing distress that makes it very difficult for me to write about this crucial topic for my livelihood general welfare health happiness and safety but I'll try my best to convey my situation here so you will understand why all DPP propositions against TVUs are totally out of touch with the kind of financial struggle that I and many like me are going through since the start of the pandemic in March 2020 and that we need Transient Accommodations TVUs to remain as they are for our own livelihood without any extra insane totally out of touch fees and without any further unconstitutional abusive restrictions.

I'm 57 years old single woman owner of one small 247sqft studio unit at the Hawaiian Monarch Condotel in Waikiki. I bought it in 2003 when still young as my primary residence and also as my plan for my retirement because of its guaranteed flexibility for both long term and short term rentals since it is a Condotel in a Resort area. Even though it is a very small studio unit (247sqft!) without full kitchen and it's designed as a transient accommodation unit that was all I could afford so I remodeled it very beautifully (I'm a Designer) and made it my comfortable sweet home for almost 2 decades.

Then the recession hit hard my self employed free lance designer profession that was providing for my livelihood since 1995 and I had to find alternative ways to provide for my livelihood which I found in making my unit available all year around as vacation rental also because the property taxes were suddenly increased to crazy high Hotel and Resort category and I started to also have to deal with a serious health issue that has affected negatively both my finances and my daily activities and abilities increasingly so with what I had left of my lifetime savings I bought a small studio condo in Hauula (the only one I could afford) where I moved so that I could self manage from home my vacation rental small business for my studio unit in Waikiki to provide for my livelihood.

It was going well as I was fully booked and guests were enjoying my managing service and warm hospitality (I am a proud Super Host on Airbnb) although at the end of the year after all expenses of very high taxes (10.25% TA + 4.5% GE and + \$3,000/year Hotel & Resort property taxes!!), + 15% platforms commissions, lockbox fees, cleaners and many supplies it gave me a net profit of only about \$1,000/month (!!!) that was not even enough with now two high maintenance fees and two property taxes two home insurances (one higher for vacation rental) to pay fixed monthly on top of groceries and many health care supplies. But it was a promising way as there was great demand as vacation rental supplies a new different segment of the public that would not stay at hotels just like me (Hawaii Hotel average prices up to \$913 in 2021!!!) so it is not in competition with Hotels even though they might think so!

Vacation rentals TVUs have a warm friendly homey feeling and are widespread all over the world so even thinking of banning STR and restricting TVUs in Hawaii would not make any sense, would not benefit hotels as people would just travel somewhere else where they can stay at STR and TVUs and would destroy so many livelihoods (so many cleaners too!) right in the midst of an already highly dramatic pandemic crisis not to mention the great loss of TA taxes and property taxes for the State of Hawaii as only because of self managing vacation rental TVUs the property values at the Hawaiian Monarch have been increasing the past few years! Restrictions would dump the property values and consequently State of Hawaii revenues damaging everyone!!! STR and TVUs are a great established worldwide reality that we cannot go back from!

I was looking ahead planning and I calculated that by adjusting and increasing just a bit the prices (from \$126/night including taxes to \$135/night + taxes) I was going to be able to cover my livelihood and health care expenses after paying all very high taxes and way too many current fees already.

But then the pandemic hit in March 2020 and the official restrictions made me inundated with reservations cancellations with much loss of revenues which has been extremely stressful. I barely survived 2020 with 2 small grants from the City and County of Honolulu because of the negative impact and losses the restrictions had on my vacation rental TVU small business. They kept postponing the reopening of visitors that kept me on edge and my unit empty for months and finally I had to rent my unit long term for 1 full year with two 6 months leases to try to at least cover my fix monthly expenses of two high maintenance fees while struggling to meet my own other livelihood needs and health care supplies but at least it was a fix monthly income to cover the fix monthly high maintenance fees which was definitely better than nothing and gave me some sort of stability! In mid Aug 2021 as my 2nd tenant moved out earlier to go back to his office in California (my small studio unit without full kitchen at the Hawaiian Monarch is perfect for a transient single person) I tried to make it available for vacation rental again because this is the only activity that has the potential to provide fully for my livelihood and I was looking forward to start it again at the new pricing. To my great relief I received enough bookings in Aug and Sep to just cover all expenses and my livelihood so I decided to not rent it long term again since I am still paying crazy high Hotel & Resort property taxes (\$3,000/ycar!!!) so in great hopes of come back to business to cover my livelihood I didn't send the petition by Sep 1st to change the tax category to residential also because it has a very unfair 5 years commitment while I need to do vacation rental (whenever the pandemic will allow it) as this is the only use able to cover and provide for my livelihood and health care expenses and increasing disability!

So I kept it available for vacation rental hoping to finally get back on track with my finances. But thereafter is exactly when Governor Ige made the announcement to visitors to avoid coming to Hawaii due to the delta variant! So next month of October and probably November and who knows how long more I'll have to face high fix expenses of my two maintenance fees (the condo where I now live in Hauula alone is \$800/month (and I couldn't even finish remodeling it because of lack of enough income due to pandemic restrictions! and with a bad management that keeps increasing maintenance fees every year!) with no bookings yet and no income (I have been working on a side as a face painter on call on week-ends for kids parties on Oahu but gatherings are restricted again so all cancelled!) so I'm on edge while still having to pay the fix Hotel & Resort crazy high property tax!

AND Now on top of it all this total insanity of DPP Bill with all crazy propositions against TVU Transient Accommodation Vacation Rental that is my only true possibility of livelihood and even overreaching trying to steal my undeniable private property owner rights!!!!!! I will not give up my beautifully remodeled beloved sweet home at the Hawaiian Monarch (with high end porcelain decorations precious vases statue and beautiful molding throughout!) to any average cold hotel pool where they could have total monopoly of managing fees to benefit them at my expenses while managing it IT IS MY JOB that I can do it myself and I'm actually very good at it as my guests love my 5 stars hosting !!!!! That is MY OWN PRIVATE PROPERTY AND MY HOME and I will not allow anybody to take away my undeniable right to be able to move into it again if I need or wish to do so!!! I'm already paying a FIX \$3,000/year Hotel property taxes (while I had to rent it as residential the past full year because of pandemic) + 10.25% TA + 4.5% GE while bookings are currently not coming as it is such an uncertain time still in the midst of the pandemic YOU CANNOT IMPOSE ANOTHER CRAZY FEE TO REGISTER YEARLY as vacation rental!!!???!!! This shows how out of touch with the current financial struggle of me and many other vacation rental owners like me!!! So please let me tell you of my financial struggles so that you can understand our situation and DISMISS VOTING NO to the entirety of this insane bill against TVUs! I understand the Hotels are struggling but we are struggling also and even more !!!! I have the undeniable rights to rent my unit to whomever I please without crazy restrictions !!!!! AND I HAVE THE UNDENIABLE SACRED RIGHT TO BE ABLE TO MOVE INTO MY OWN HOME PRIVATE PROPERTY IF I NEED OR WISH SO !!! PLEASE PROTECT MY

### SACRED OBVIOUS RIGHTS AND VOTE NO TO THE ENTIRETY OF THIS INSANE BILL AGAINST VACATION RENTAL TVUs!!

Thanking you for your kind attention I trust your upholding to your duty as stated in the City & Council website to serve and advance the general welfare, health, happiness, and safety of the people through exercising your legislative power and therefore **VOTE NO TO THE ENTIRETY OF THE BILL AGAINST TRANSIENT ACCOMMODATIONS** AND ALL INSANE OVERREACHING UNCONSTITUTIONAL UNACCEPTABLE propositions including unacceptable revised propositions to benefit the hotels at our expenses while we are struggling even more than hotels and please **abolish the UNFAIR 5 years rules commitment to the property tax category in the midst of a disrupting pandemic**!!!

Mahalo!

#### Laura Isola

Owner and Property Manager of studio unit at Hawaiian Monarch in Waikiki (808) 428-6027

### Honolulu Board of REALTORS®

1136 12th Avenue, Suite 200 • Honolulu, HI 96816-3796 • TEL: 808.732.3000 • FAX: 808.732.8732 • www.hicentral.com

Brian Lee Chair, Planning Commission Department of Planning and Permitting City and County of Honolulu

#### RE: Proposed Bill on Short-Term Rentals

Aloha Chair Lee and Members of the Planning Commission:

While the Honolulu Board of REALTORS® (HBR) appreciates the time and effort that DPP Director Uchida and his colleagues put into crafting this legislation related to short-term rentals, we recommend that this proposed bill be put on hold and the effort be put into enforcing the current Ordinance 19-18.

We are glad to see that DPP has amended the proposed bill to allow for several exemptions for individuals to rent a dwelling unit for less than 180 days, as our previous testimony and survey data showcased the need for less than 180 days rentals for multiple reasons beyond tourism. With these exemptions DPP will require notice from the owners of their unit being used for one of the exemptions and this brings back the concern of enforcement and how the DPP will properly enforce illegal short-term rentals. We recommend that the short-term rental definition remain 30 days and the focus be on enforcing units that do not comply with the 30-day minimum rental requirement as per current regulations.

HBR is concerned with certain provisions in the proposed bill that will negatively impact private property rights. This includes Section 21-5.730.2, where it indicates that each natural person may own no more than one dwelling unit that is registered as a B&B or TVU. And Section 21-5.360.1, which makes condominium hotel units be regulated in the same manner as hotel units and thus not allowing condominium hotel units to be a place of principal residences. The only exception being if the person is occupying the unit upon the effective date of this ordinance and the exception would terminate once the person is no longer occupying the unit. This section appears to be counteractive to Honolulu's housing shortage as many individuals use their condominium hotel unit as a place of permanent residency for themselves or a long-term renter. The City needs to be increasing all types of dwelling units for long term renters rather than adding additional hurdles.

Ordinance 19-18 was developed through many months of collaboration from key stake holders, city administration, and the community. This collaboration created a fair approach to managing legal short-term rentals while increasing enforcement on illegal short-term rentals in Honolulu. Yet, the administrative rules to empower DPP to implement the Ordinance were never finalized and put into effect. We believe the administration should focus on implementing Ordinance 19-18 and allowing it time to show its impact before adopting a completely new ordinance for short term rentals. Additionally, we recommend that the court stipulation on the advertising requirements for Ordinance 19-18 be reversed to ensure that the advertising rules are very clear that the minimum stay is 30 consecutive days. Reversing this stipulation would eliminate continued illegal activities of less than 30-day rentals, i.e. daily and weekly rentals, and assist the DPP in their enforcement.

## Honolulu Board of REALTORS®

1136 12th Avenue, Suite 200 • Honolulu, HI 96816-3796 • TEL: 808.732.3000 • FAX: 808.732.8732 • www.hicentral.com

Again, HBR recommends that the planning commission reject this current proposed bill so it may be paused and urge the DPP and City Administration to focus on enforcing the current Ordinance 18-19. HBR is committed to be a part of the solution and promote a model that creates opportunities for local families and investors, while preserving and protecting our limited resources of accessible housing and livable communities. We look forward to working with the DPP, City Council, Administration, and the community to continue this dialogue. Thank you for your consideration, and the opportunity to provide additional comments on this critical measure.

Mahalo,

Suzanne Young Chief Executive Officer -----Original Message-----From: Ainslie Ports [mailto:ainsliegascoigne@hotmail.com] Sent: Thursday, September 23, 2021 7:25 PM To: Takara, Gloria C Subject: Opposition to DPP Bill on TVU

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

\*We are in strong opposition to DPP's proposed bill on TVUs.

\*The proposed bill is a repeat of Ordinance 19-18 which took several years to enact.

\*DPP's efforts will likely result in the same heated and emotional arguments that occurred two years ago.

\*Key stakeholders, including the prior Administration, City Council, hotels, TVU owners, OTAs, and residents came together to pass Bill 89 (in 2019).

\*Instead of a new bill, DPP should promulgate administrative rules to implement Ordinance 19-18. \* If during the rulemaking process, amendments to Ordinance 19-18 are needed, they can be proposed. A new bill is not required.

\*We encourage the Planning Commission to reject DPP's proposed bill.

Ainslie Ports (808)679-6182 From: Proctor, Catherine On Behalf Of Department of Planning and Permitting
Sent: Friday, September 24, 2021 7:41 AM
To: Takara, Gloria C
Subject: FW: WRITTEN TESTIMONY FOR PLANNING COMMISSION HEARING on 9/29/21

From: Lillie McAfee <<u>lilliemcafee@gmail.com</u>> Sent: Friday, September 24, 2021 6:39 AM To: <u>info@honoluludpp.org</u> Subject: WRITTEN TESTIMONY FOR PLANNING COMMISSION HEARING on 9/29/21

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

This bill is VERY POLITICAL--the deep-pockets of the HOTEL LOBBY are once again running Oahu via our elected officials.

Vacation Rentals bring in a TON of revenue with TAT/GET taxes. Government's solution to THE HUGE DEFICIT FUNDS when they shut down vacation rentals will be to simply increase property taxes. Stick it to the hard-working middle class!!!

Regular working-class travelers CANNOT AFFORD HOTEL RATES, and they want full kitchens

so they can prepare their own meals--good restaurants are not in these travelers' budgets. Ma and Pa Kettle from Podunk (the backbone of America) deserve to see beautiful Hawaii even more than Japanese tourists that Oahu is STRONGLY wooing back.

### OAHU SHOULD HAVE SHUT DOWN THE BIG BEACHFRONT HOMES OWNED BY MAINLAND INVESTORS IN KAILUA 20 YEARS AGO--THEY ARE THE OFFENDERS--IT WOULD HAVE ALL ENDED THERE.

From: Andrea Walker <<u>andreawalker808@gmail.com</u>> Sent: Friday, September 24, 2021 11:00 AM To: <u>info@honoluludpp.org</u> Subject: Planning commission meeting on 9/29 at 1:30pm

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

Good Afternoon,

I think with this even possible, you are trying to overstep your boundaries and cannot tell homeowners how we can use our homes.

As a resident of the State of Hawaii I am asking you to do the following:

- Reject the bill in its entirety.
- The DPP should focus on enforcing the current law (Ordinance 19-18) which was created through a lengthy public process.
- The DPP should engage all stakeholders -- not just the corporate hotels -- in developing fair and sensible regulations for all of us.

I pray you listen to the people who love Hawaii and still live here. It is getting more expensive to live here and people just want to have the opportunity to stay here. If that means renting part of their home out, they should be allowed. We don't work for the hotels, nor should you cater to the hotels.

Mahalo,

---

Andrea Walker Direct: 808-375-4346 From: jean arnold <<u>jeankarnold@gmail.com</u>> Sent: Friday, September 24, 2021 3:00 PM To: <u>info@honoluludpp.org</u> Subject: Supporting the NEW DPP ILLEGAL VACATION RENTAL BILL

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

Dear DPP,

I have been reporting illegal vacation rentals in east of Honolulu for years. Many went ignored or unaddressed due to lack of resources from DPP.

Our neighborhoods are over run with tourists that block our driveway, defecate on our lawns, throw trash everywhere and jam the residential roads.

I lost my friend neighbours who are teachers, nurses, firemen and restaurant workers. They were evicted from their homes that were converted into short term vacation rentals. Other properties were bought up by non Hawaii residents who make money from mainland selling illegal rentals to tourists who overrun our neighborhood now.

Let's pass this new bill to

1) keep tourists to designated areas where they can be given the appropriate resources and infrastructure (not in residential areas where there are no such resources)

2) end housing crisis and make these homes available to our residents. Our hard working teachers, nurses and mechanics all deserve a home

3) bring integrity and heart back to our community before we lose it all

Thank you!



September 15, 2021

Chair Brian Lee Vice Chair Ken K. Hayashida Department of Planning and Permitting 650 South King Street, 7<sup>th</sup> Floor Honolulu, HI 96813Commission

> RE: Proposed Bill Amending Chapter 21 of the Land Use Ordinance, Revised Ordinances of Honolulu, Relating to Transient Accommodations

Aloha Chair Lee, Vice Chair Hayashida and Members of the Commission:

I am a real estate attorney with going on 43 years of practice in Hawaii. I have served as Chair of the Condominium Committee of the Real Estate Commission of the State of Hawaii (1997-2005) and have a focused practice in the area of condominium law. I write to offer, for your consideration, a thought.

The proposed revision to address condo hotels seems to prohibit the use of the unit by an owner. The unintended consequence of this one change will result in the cessation of all planned mixed use condominium development on Oahu where such development incorporates, as part of the project, a condominium hotel.

This is because the financial model for such projects requires that sales of units be made in order to make such projects financially feasible, and buyers of such units, for the most part, prefer the flexibility of being able to use their unit for parts of the year, while renting it out for the time that they are not using the unit. Accordingly, if there are no buyers, financing will not be available, and the project will not be built.

To address this possible unintended result, I suggest a modification of the relevant provision, which can be found at page 24 of the current draft, as follows:

Condominium hotels and hotel units in condominium hotels are regulated in the same manner as hotels and hotel units. Converting a hotel unit into a condominium hotel unit does not change the permissible uses of the unit. If rented, units in a condominium-hotel must be part of the hotel's room inventory, available for rent to the general public; provided that nothing in this section shall preclude the owner of the unit from either occupying the unit or not renting the unit. 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 permitted. not allowed except as provided in Sec. 21-5.360(e). prior to the adoption of this ordinance shall be allowed as a non-conforming use is not allowed.

Thank you very much for the opportunity to testify.

Mahalo. Mitchell A. Imanaka IMANAKA ASATO, LLLC

drpenny connectionmedicine.com <drpenny@connectionmedicine.com> Saturday, September 25, 2021 12:37 PM info@honoluludpp.org New Voice on STR Regulations

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

Dear Planning Commission,

After listening to the full day of people testifying about proposed changes on Sept 1, I would like to add my voice before the vote.

I am a 59-year-old starting to feel age related challenges of a lifelong career as a horse veterinarian. So, one year ago, I invested all my savings into a one-bedroom condo rental (with a NUC) at the Hawaiian Princess, Makaha, so I can continue to generate income as I phase out of the horse vet business. This was a scary financial decision for me, as STR's were shut down due to Covid. And the Princess lease is up in 2036, so cash flow is essential as condo value declines. I live full time in the same building in another unit so I can clean and best manage my investment.

Since the island has reopened, I have been enjoying my new business immensely. My passion is growing respect, appreciation, and connection with animals and aina for reciprocal rewards. So, I am enjoying the island through guests as they discover island delights and begin to understand the rich wisdom of the Hawaiian Culture (while they support the local economy).

First, thank you for being on the planning commission. It is an important job to develop a plan that works in these rapidly changing and challenging times. All around us, old systems are breaking down and new ones are replacing them. This change can be made gradually by the people currently within the system. Or some will collapse when an entirely new better system replaces it. While it may feel chaotic, it is necessary progress.

What I see around the proposed STR regulations is the squeeze being applied to "your friends". The ones (like you) doing their best to make ends meet within the current system. The ones that pay taxes. The ones who pay government wages. We are the most accessible and compliant citizens. We may be the ones rapidly becoming a minority. But with vision and good planning could once again be the abundant sought-after majority. Like you, we are the middle class, who are increasingly being squeezed into 2 directions. Houseless (quickly increasing number of people - who do not pay tax) and those finding ways around paying tax (including the bulk of STR's; as well as super rich big corporations who can afford to pay lawyers to create new ways to avoid paying taxes.)

So, to add a little animal humor and common-sense: "Don't bite the hand that feeds you." Or continue to "hunt the middle class into extinction".

Instead of aiming at the old maxed out "easy target", consider setting your sites on the other 2 groups to create a "sustainable target". The system needs to change. You, the planning commission have the power to do so from the inside to bring the system up to speed. Protect the middle class, while a position still exists to do so. Better yet, make the middle class irresistible!! (Hmmm, what kind of system could be devised to

reward its richest to inspire its poorest ... into everyone proud to pay taxes, help their neighbor, and thrive alongside animals and aina.)

It is your department, so you know best what action(s) to take, but I hear Airbnb and Expedia signed an MOU that makes squeezing honest, tax paying citizens further, unnecessary. Enforcing existing rules thro Bill 89/Ordinance 19-18, instead making new ones, might be a good place to start to reach important goals of affordable housing etc.

Please rise up, think outside the box, and create the change you wish to see in the world. You are in a privileged position of power, perfectly placed. Together, each in our own little department, we can do this.

Sincerely, Dr. Penny Lloyd, Veterinarian 808-755-5693 From: Karen O'Donnell <<u>ksbodonnell@gmail.com</u>> Sent: Saturday, September 25, 2021 9:32 PM To: <u>info@honoluludpp.org</u> Subject: Short term rental issue

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Should not lock people into a 6 month lease or longer term lease when we first came here we where on a 3 month wait list and took a 3 month lease. Also there are local people that are doing Reno or repairs after storms or roof leak damage and rent short term like 1, 2, 3, or 6 month would be detrimental to the family budget to be paying a lease a mortgage and repairs. I myself have stayed long term in a hotel with kids no fun. I've done rental while waiting for a closing on a home I have also stayed short term as in 2 and a 3 month stay while having repair and Reno done to home over years. I can see limiting all those pop up Airbnb s they are not regulated make for a lot of issues traffic in residential areas and what about those high price land hogging high-rise hotels that are landscape a long Waikiki to the annoyance of most they're big some of them are Gotti they got to get extra brakes on taxes for being there for being built for making corporate millions and draw more people to the island than the island can really hold in one time you're going to find they're going to go out of business be stuck on unfulfilled for occupancy if people can rent all those bedrooms out there unless we're going to be stuck with those monstrosities it's bad enough we have them they might as well be put to use.

-----Original Message-----From: gillian sanda [mailto:gbsanda@icloud.com] Sent: Sunday, September 26, 2021 3:02 PM To: info@honoluludpp.org Cc: Takara, Gloria C Subject: Vote against STR Proposed Bill

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We hope the Commission will vote against the proposed bill in its entirety. Please withdraw the proposed bill and continue to implement Ordinance 19-18.

The Commission should not remove owner's rights to manage their owned condos in condotels. We bought our condos at the Ilikai Marina after my husband retired 14 years ago. We have paid GET, TAT, property taxes. Our condos have been beautifully maintained by wonderful local contacts and housekeepers, who we regard more as friends and family.

Sincerely, Vlad and Gillian Sanda Ilikai Marina (condos 790, 1286 and 1894) Sent from my iPad

Bob Griffith <lagosbob@yahoo.com> Sunday, September 26, 2021 7:53 PM info@honoluludpp.org Vote NO on STR Bill

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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 30days 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,

gillian sanda <gbsanda@icloud.com> Sunday, September 26, 2021 3:02 PM info@honoluludpp.org Takara, Gloria C Vote against STR Proposed Bill

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

We hope the Commission will vote against the proposed bill in its entirety. Please withdraw the proposed bill and continue to implement Ordinance 19-18.

The Commission should not remove owner's rights to manage their owned condos in condotels. We bought our condos at the Ilikai Marina after my husband retired 14 years ago. We have paid GET, TAT, property taxes. Our condos have been beautifully maintained by wonderful local contacts and housekeepers, who we regard more as friends and family.

Sincerely, Vlad and Gillian Sanda Ilikai Marina (condos 790, 1286 and 1894) Sent from my iPad

Hector Trapani <hrebase-hnl@yahoo.com> Sunday, September 26, 2021 1:05 PM info@honoluludpp.org Vote NO on STR Bill

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Aloha Planning Commission.

These proposed changes are an overkill reaction from the City and County of Honolulu that in it's quest to control the proliferation of illegal vacation rentals would also obliterate the legal independent STRs that have operated within permitted areas of Waikiki for decades with over-regulation and the new requirement of being controlled by a Hotel operation.

If Hotels have the right to operate within the Resort zoned buildings in Waikiki so the independent short term rental owners.

If the real goal is to control illegal vacation rentals consider enforcing the advertising removal clause included in the Memorandum of Understanding signed las year by the City with Airbnb and Expedia as well as expanding the MOU advertising removal clause to any listing which TMK does not locate it within a Resort zoned property and that sets the minimum calendar search under 29 days.

By doing that you will drastically reduce if not totally eliminate ALL ILLEGAL STRs INCLUDING THOSE USING THE 30 DAY CONTRACTS TO CIRCUMVENT ORDINANCE 19-18

The overwhelming majority of visitors input the exact travel dates when they search for lodging so any listing that has a minimum calendar setting of 29 or more days will simply not show within the search.

H. Trapani 805-419-0784 -----Original Message-----From: Genette Simpkins [mailto:genettes@me.com] Sent: Monday, September 27, 2021 9:45 AM To: info@honoluludpp.org Cc: Takara, Gloria C Subject: Short Term Rental Bill - Hearing for 9/29/2021

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My name is Genette Simpkins and I use to rent short term but do not anymore. I would like to submit testimony for this upcoming bill.

I had a rental close to the beach that was a whole house rental with 4 bedrooms, 4 bath and an ohana house in the back that had a 2 bedroom / 1 bath on the same property. Since I built this house, I did everything above board and paid my excise and TAT taxes yearly which contributed between \$70k - \$100k in tax revenue to the State each year.

I had hoped that the State would create and provide a legal pathway for larger properties to accommodate not only families traveling together or extended families visiting local families on island nearby in the neighborhood and stay (out of a "touristy" resort destination such as the hotels), but that never happened. In other areas around the world (which I travel often), they adopted annual permit fees whereas they created more revenue for that destination with not only transient taxes but annual permit fees allowing visitors a choice of accommodations to suit their needs, not just staying in a small condo or a hotel situation which isn't comfortable especially when visiting extended family as the resorts are often inconvenient and far away from where they need to be.

Hawaii is a hard place to live and many of our families have had to leave to the mainland to live. I built these homes so my large family can have a place to stay on special occasions when they come to visit as my home was too small to accommodate everyone. They don't want to have to stay in Waikiki where they hate they traffic and the tourists vibe. They want to be close to their family.

I never understood why the State chose to "shoot themselves in the foot" in cutting off a steady stream of taxes they were receiving from me that I was paying regularly. I was also employing people who I know for a fact have been collecting unemployment and are now on State assistance costing the State even more money. I have since sold the homes to mainland investors who will do who knows what with it. Such a shame!

For all the people that rely on renting out a room or their home for short term rental to make ends meet, this will not only flood the home market for international investors (not local homeowners as Hawaii is just too expensive and the cost of living is too high), the State will continue to limit tourism to hotels and resort areas and will greatly impact are greatest economy that we depend on and will take no consideration on how it affects local families in that so many of them have already moved away and how it affects them when they come back to visit.

It's already limiting that a lottery is only being proposed for smaller 2-bedroom units and extending the time frame to a 180-days from 30-days is going to have an impact that is detrimental to locals that far exceeds "preservation of neighborhoods" and clearly seems to be driven by the power of the hotel union and politics more than anything. Nothing else makes sense why the State turns down common sense tax revenue coming in and a "middle ground" that appeases everyone, tourists, locals, neighborhoods as well as the hotels.

Furthermore, I am a believer that the hotels should be given a consideration on their TAT as I do believe they are paying too much and the State has done nothing for them in discouraging tourists and damaging our main economy.

Please do not pass this bill!

**Genette Simpkins** 

lambo5oh <lambo5oh@gmail.com> Monday, September 27, 2021 7:42 AM info@honoluludpp.org Vote NO on STR Bill

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Gentleman: As an investment condo owner, I am against the proposed changes contained in the Draft STR bill being considered by your committee. This is clearly an attempt by the hotel industry to deprive residents of a livelihood and much needed income.

In my case, I pay the required GET and TAT taxes, and have been for years.

The 180 requirement would put me out of business.

Please vote no to this proposal.

James Lambert 808-778-4756

Mike Lawnsby <lawnsby@gmail.com> Monday, September 27, 2021 7:43 AM Honolulu Planning Commissioners Oppose DPP's revised STR draft

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Aloha Honolulu,

I am a host and I urge you to oppose the revised STR bill.

Short-term rentals are an essential part of Honolulu's visitor industry and local economy. We are committed to contributing to the neighborhood quality of life, and take measures to be responsible hosts in Honolulu. Our guests support local businesses in the community to ensure the broader community also benefits.

Honolulu spent the last four years debating short-term rental policy. The revised draft does little to support compliance and enforcement and penalizes B&B hosts from sharing their primary residence and adds unnecessary restrictions to TVUs. Please do not move forward with this revised draft.

Further to these truths, I have hosted for years and have delighted many people and shared the love of the islands and the Aloha on a personal note to each guest that comes to stay with us. This not only supports our economy but also supports us local residents to sustain our living costs in hawaii. By allowing proper hosting to those people that actually do a good job, take care of our guests, and pay our taxes this brings in a huge amount of revenue for the state as well. Fair hosting standards should be created so all of us can share a bit of aloha. It should not only be hotels and big conglomerates that should be the only ones to be able to provide housing to our island visitors !

Mahalo, Mike Lawnsby

Brett Hulme <Brett.Hulme@pigottnet.com> Monday, September 27, 2021 4:39 AM info@honoluludpp.org Brett Hulme Vote NO on STR Bill

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Aloha Honolulu Planning Commission,

I implore the Planning Commission to Vote NO on the proposed STR bill!

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 is extremely detrimental to the community and problematic as it takes away individual property rights while drastically expanding hotels interests.

- I implore the Planning Commission to reject the proposed bill in its entirety.
- The DPP should focus on enforcing the current law (Ordinance 19-18) which was created through a length public process.
- The DPP should engage ALL stakeholders not just the corporate hotels in developing fair and sensible regulations.
- The proposed bill seeks to take away long-established property rights from condotel owners does nothing to reduce impact on residential neighborhoods.
- Those who have chosen to operate short-term rentals 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.
- 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.
- 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.

Vote NO and 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

Libby Tomar <tomarlaw@gmail.com> Monday, September 27, 2021 7:42 AM Honolulu Planning Commissioners Oppose DPP's revised STR draft

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Aloha Honolulu,

I have been host in our leashold condohotel for over five years. I urge you to oppose the revised STR bill. I wouldn't want a hotel management company to be in charge of my unit. We tried that and the hotel guests often damaged our unit and stole items. The maids didn't care. With airbnb, we know who is renting our unit. If there is a problem or question we can go back to the guest, or Airbnb if we can't solve it Furthermore, we have insurance for our hotel guests and Airbnb also has insurance. We pay hotel resort property tax rates and we pay GET and TAT. To have a hotel management company and an additional \$5,000 a year payment would be crippling to us. We only have 10 years left on our leasehold unit and need these last years to be free of additional costs.

Short-term rentals are an essential part of Honolulu's visitor industry and local economy. We are committed to contributing to the neighborhood quality of life, and take measures to be responsible hosts in Honolulu. Our guests support local businesses in the community to ensure the broader community also benefits.

Honolulu spent the last four years debating short-term rental policy. The revised draft does little to support compliance and enforcement and penalizes B&B hosts from sharing their primary residence and adds unnecessary restrictions to TVUs. Please do not move forward with this revised draft.

Mahalo, Libby Tomar

Graham Price <fotobabyinfo@gmail.com> Monday, September 27, 2021 7:44 AM Honolulu Planning Commissioners Oppose DPP's revised STR draft

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Aloha Honolulu,

Hawaii has been Tourist dependent for many many years, increasing rapidly since the end of World War II, and after the decline of its Agricultural output, although this and other industries are on the rise, Tourism remains Hawaiis largest industry and it should be nurtured with careful hands so as much money can come into the Hawaiian islands local economy as possible.

People who can come here for extended stays are looking for the cheapest options in order for them to be able to afford it. \$3,4 and \$500-plus dollars a night hotels are definitely not an option. And if this is their only option, they will not come. A locally owed condo with rates as low as \$70-\$100 a night makes this the only option for them. Whilst here, they obviously spend their money locally on food and the variety of entertainment available to them. Thats good money all going into Hawaiis economy. Needless to say the money the condo owner earns from this, is also good tax dollars into Hawaiis economy. All this is lost if the affordable option of renting condos are taken away and they don't come here. What is the point of making it so people go elsewhere, that's decidedly NOT GOOD BUSINESS.

Because of the Covid restrictions that are still in place, many Asian visitors are presently not able to come. This will remain the case even after the restrictions are lifted for a few years yet, until we see the sort of Asian visitor numbers we were use to, pre-Covid.

Therefor it is essential that the local economy be boosted as much as possible by USA mainland visitors. These people have also been affected by the loss of income during Covid and affordable accommodation is exactly what they are looking for. Taking these options away is just madness.

Its all very well for Hotel lobbyists to scream about their loss of income and try to help ban local business owners from renting out their condos, but for local condo business owners who abide by the law renting their places, this can be their only income and we should strive to take care of local people who use their properties as a business and are an essential part of the economy.

Banning the use of short and extended stays in condos only puts the owner on the increasing list of the unemployed. Thats money OUT not IN.

What else do you need to know?

COVID-19 has hit everyone very hard and the financial hit to people renting their condos for mainly tourism purposes has been extreme, some of us who have lost jobs or business, these rentals have been our only income for the last 18 months and now you want to hit us while we are down. With the delta variant hitting hard, we enter yet another period of stiffer restrictions and tourism is yet again negatively effected. How did the delta variant get into the islands? It got in because Hawaiian government decided to relax the testing rule on entry. What come back do we have on the mismanagement of the situation- none. We just pay for it.

Mahalo, Graham Price

Jeffrey Benvenuti <ibcali2001@yahoo.com> Monday, September 27, 2021 7:42 AM Honolulu Planning Commissioners Oppose DPP's revised STR draft

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### Aloha Honolulu,

Due to the overwhelming responses received in opposition to amending bill 89 I would seriously urge the DPP to enforce the current bill 89 as written before making any changes to the current bill. The City and County of Honolulu has given incentives for remote workers to come and stay for less than 180 days. Where are these people suppose to stay? Only in hotels? The city commissioner was asked if complaints had been monitored since the reopening to travelers and he responded "We haven't been monitoring complaints since the reopening after COVID." I ask why if the DPP is going to draft and implement changes to the bill? What credible evidence is the change based off of? Why is all the burden being put on TVU owner's and not the hotels and rental car companies in order to limit the amount of tourists as the commissioner said was the ultimate goal for the amendment to bill 89? Don't you think the hotels and rental car companies play a role in this as well? It is clear the draft to bill 89 is in the best interest of the hotels and the City and County of Honolulu who are lobbying for them. It's the reason you can search Marriott's website for properties just like on Airbnb and VRBO where they have purchased prime ocean front real estate to compete with Airbnb and VRBO. Is this not ruining the fabric of our neighborhoods here on Oahu? They know the market has changed and that most short term to medium term vacationers/temporary workers don't want to stay in a hotel for less than 180 days. I urge the commission to enforce the current bill 89 in its entirety. The 30 day minimum is fair for everyone. I would urge the commission to work with the vacation rental platforms in making the current bill 89 enforceable. Just like the LUO which was negotiated and drafted to require owner's to provide their tax map key and TAT license on their online listing. This should make it very simple to enforce, but the City and County of Honolulu has failed to enforce it. Furthermore, you could require a permit and associated fee yearly within reason to permit TVU's to operate creating increased revenue for the City and County of Honolulu in addition to the already collected GET and TAT taxes.

Short-term rentals are an essential part of Honolulu's visitor industry and local economy. We are committed to contributing to the neighborhood quality of life, and take measures to be responsible hosts in Honolulu. Our guests support local businesses in the community to ensure the broader community also benefits.

Honolulu spent the last four years debating short-term rental policy. The revised draft does little to support compliance and enforcement and penalizes B&B hosts from sharing their primary residence and adds unnecessary restrictions to TVUs. Thank you for your careful consideration to the draft of bill 89 and it's associated consequences to all. Please do not move forward with this revised draft.

Mahalo, Jeffrey Benvenuti

Dawn Yoshimura <ilikai.1820.rental@gmail.com> Monday, September 27, 2021 7:43 AM Honolulu Planning Commissioners Oppose DPP's revised STR draft

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

Aloha Honolulu,

We are owners of a unit we rely on the income generated through renting to visitors who want to stay in Oahu for extended times 30-90 days.

We urge you to oppose the revised STR bill.

Short-term rentals are an essential part of Honolulu's visitor industry and local economy. We contribute to the neighborhood quality of life, and take measures to be responsible hosts. Our guests support local businesses in the community that ensure the broader community also benefits.

Honolulu has spent the last four years debating short-term rental policy. There was an agreement signed by Mayor Caldwell, the Planning Committee, AirBNB and Expedia that would have helped with enforcement of those who cheat. We welcome this! I have always said that hiring just 1 new C&C employee to surf would more than pay for itself and get the word out to those who do not pay their taxes, like we have done for years and create fair pricing of short term rentals. I get asked why a similar unit is so much cheaper and I always ask them if their host is accounting for the 15% plus income tax on the gross we collect and real estate taxes based on it not being a primary residence, plus, if in Waikiki, the special assessment tax. Do you see a pattern here? There are already ALOT of taxes--that if it was just COLLECTED would bring more money where it is needed.

We depend on this rental income as retirees to continue to live in the place of my birth. It is not practical to expect us to go back to work to afford to live here after having worked and saved for so many years. So you are not punishing who you think you are.

Lastly, we want to tell you about the type of guests we have--they are not the 'good' tourist that the recent HPBS town hall described. Our guests are foreign tourists who have 4weeks or longer for vacation and are very interested in being embedded in the local culture. They are kama'aina coming home to visit with family or care for family over an extended time. They are American remote workers who have jobs where they can work remotely and choose Hawai'i as the place they want to live and work--so this means they are all customers at our Longs in Makaha, City Mill, Tamuras, Wendys, Pizza Hut, Starbucks, etc. They rent and buy equipment from Hale Nalu and tours in Poka'i Bay. They drive down the road to Ko Olina and Kapolei and do their shopping and fine dining. They go to the local farmers markets. When they leave, local housekeepers and groundskeepers keep the grounds and units clean and inviting. The recent town hall was very misleading to the public--they kept saying 'illegal vacation rentals' as if those of us following the law are part of this and thus we need new legislation. A'ole! By all means go after and enforce your laws and collect the taxes, fine the offenders, but if you go forward with this proposal, you are going to impact many local owners and supporting businesses and jobs.

The hotel and resort districts named: Waikiki, Ko Olina and Makaha Valley is also misleading in its contribution to our communities. They are largely owned by non local businesses and the profits do not go to local businesses. The management jobs are staffed by rotating international staff, not locals. Thinking that we

only want tourists who will pay \$500/day, eat all their meals in the hotel or within the resort area, pay for cultural entertainment booked at their hotel activities desk is a grossly oversimplified and outdated understanding of the market. Tourists of all ages now want to see and interact more with their surroundings and culture--that is why the recent survey indicated that they were willing to pay more for cultural experiences or to support local projects like a fishpond or lo'i.

Don't overestimate the power and value of the aloha brand. In today's global setting, tourists have more choices to go to a mild tropical climate, especially those who would book themselves into a Hilton, Four Seasons or Disney resort. They can go to Abu Dabi or Bangkok and get more for their money and get treated like royalty. They don't have to worry about running into hostile locals while paying \$500/day and maybe more for cultural experiences about how friendly and superior the aloha spirit and Hawaiian culture is.

Please do not move forward with this revised draft.

Mahalo, Dawn Yoshimura

Kathleen Ochsenbein <drjjsp@gmail.com> Monday, September 27, 2021 7:47 AM Honolulu Planning Commissioners Oppose DPP's revised STR draft

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Aloha Honolulu,

Please oppose the revised STR bill.

There are so many times when I have hosted groups for 30 days, but a six month stay would not have worked. I have two quick examples. The contractors that worked on installing new lighting on the military towers in Nanakuli did not need accommodations for 6 months, they needed 5 weeks. They had to be up early every morning and would not have appreciated driving from town. They also wanted to be able to cook their own meals and not eat out every meal. Also, I hosted some of the crew of Deadliest Catch. They wanted to be close to the Waianae Boat Harbor. They did not want to drive from Waikiki. There are many other instances ranging from traveling nurses, to ohana returning to spend extended time with their family members who are ill.

Also, I would like to ask you to look at condo buildings a bit differently. They are their own communities and they have the ability to provide off-street parking, security, etc. If the majority of the owners want STRs, why should the government decide that they know what is best for that community?

Finally, I live in a neighborhood where there are several STRs. I never hear or see any problems with them. They are gone most of the day and return tired and ready to go to bed in the evening I love my fulltime local neighbors, but if there are problems with parking or parties or noise, it would be from them. Please look at all the locals you will hurt from this bill. Keep the money on island and not in the hands of some corporation on the mainland.

Mahalo, Kathleen Ochsenbein

mschreiber718@gmail.com Monday, September 27, 2021 8:31 AM info@honoluludpp.org Mo Schreiber Vote NO on STR Bill

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Aloha Honolulu Planning Commission,

I implore the Planning Commission to Vote NO on the proposed STR bill.

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 is extremely detrimental to the community and problematic as it takes away individual property rights while drastically expanding hotels interests.

- I implore the Planning Commission to reject the proposed bill in its entirety.
- The DPP should focus on enforcing the current law (Ordinance 19-18) which was created through a length public process.
- The DPP should engage ALL stakeholders not just the corporate hotels in developing fair and sensible regulations.
- The proposed bill seeks to take away long-established property rights from condotel owners does nothing to reduce impact on residential neighborhoods.
- Those who have chosen to operate short-term rentals 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.
- 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.
- 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.

Vote NO and 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,

Мо

Waikiki Banyan

201 Ohua Avenue

Makai Tower 1, 1703

Honolulu, HI 96185

Joanne Q <snow2136@gmail.com> Monday, September 27, 2021 9:05 AM info@honoluludpp.org Response to DPP Public Hearings Regarding Short-Term Rentals

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Dear Chairman Lee and Honorable Commissioners:

The Hawaiian tourism industry is a big part of the economy. According to the Hawaii Tourism Authority, tourism is the largest single source of private capital for Hawaii's economy. In 2019, Hawaii's tourism economy has recorded visitor spending at \$17.75 Billion dollars. O'ahu alone took in \$22.4 million dollars per day. If the Department of Planning and Permitting (DPP) proposed amendments to Chapters 8 and 21 relating to transient vacation units (TVU), bed and breakfasts (B&B) homes and hotels pass, this will greatly affect the economy negatively as well as thousands of jobs and people in general from residents to tourists. Even Oahu residents solely depend on short-term rental condos to financially support themselves. This was emphasized through public testimony at two recent DPP public hearings. After listening to hours of testimony, most of the people at the hearings were against the proposed amendments.

The DPP wants to force condominium hotel units into the same tax bracket as a Hotel & Resort tax category. How can that be? Condominiums are not equal to hotels or resorts in so many ways. Condominiums are basically homes with full kitchens including full refrigerators, stoves and a kitchen sink. Hotels just consist of units with a mini-fridge sometimes with a bed and bathroom but with all the other amenities and services. Condominium short-term rentals (aka condo-hotels) do not have the extra income hotels are able to generate from hotel restaurants and bars, hotel spas, entertainment, gift shops, convention centers, ballrooms etc. Again hotels have the extra sources of income to cover the higher tax bracket, condo owners do not. Condo-hotel owners should have a separate more reasonable tax bracket close to a B&B tax bracket that has similar home settings and nothing else to offer like hotels do.

The DPP wants to force an entire condominium building to be entirely shortterm rentals, against the will of those who want to be solely homeowners or longterm rental units in the building, to look more like a hotel. Therefore, to charge condo short-term rentals at the higher Hotel & Resort tax rate who look like they are in a hotel setting but are truly not. If the entire condo building does not become short-term rentals (STR), then no one can operate STR's. This denies the freedom of many entrepreneurs and a taking of one's property. Possibly forcing many condo owners to sell their units at a major financial loss and it would give less STR choices to tourists and locals.

The DPP also does not want to allow a person or legal entity the ability to own more than one short-term rental unit. Thus, denying our right to own land and our Constitutional pursuit of happiness through entrepreneurial means. Again, it could possibly force many owners to sell their condos at a loss given the high taxes and HOA fees.

The Oahu DPP wants to charge those who could have short-term rental status an outrageous \$5000 initial application fee and \$2500 renewal fees annually. That is crazy when Kauai DPP does not charge short-term rentals at all in their Visitor Destination Area with only a \$750 renewal fees for those outside the VDA. Maui DPP application fee is much less at \$857 than Oahu DPP proposes. Maui even has a sliding scale for additional approved years from \$250 to \$500 with renewal application fees for \$700. Such disparity!

The DPP claims they want these high application fees and renewal fees along with the General Excise taxes and Transient Accommodation taxes to help fund an enforcement arm for short-term rentals. We absolutely do not agree to the proposed high application fees, high renewal fees and proposed high "hotel" tax category but the DPP wants to collect all this money to fund an enforcement arm that they have no plans in how to form or know how to execute the enforcement upon short-term rentals when they don't have any rules in place to enforce. The DPP's primary proposals for short-term rentals are to only have short-term rentals in certain areas and make sure they are paying all their high fees and taxes with proper registration. Many short-term rental condo-owners have been compliant for many years paying their GE and TA taxes as the State of Hawaii gladly received the taxes allowing short-term rentals to operate in quiet agreement to their existence for many years as-is. We were never contacted by the local government or DPP that we were operating our short-term rental in violation. Never were we asked if we had a non-conforming use certificate as they collected GE and TA taxes for many years.

The DPP should allow compliant short-term rental condo owners, who have been paying their fees and taxes for years and can provide at least 5 years of tax returns for documented proof, to immediately resume STR operation with or without a non-conforming certificate. Allow STR condo owners to own more than one unit to operate responsibly. Allow condo owners to transfer the STR capability to new owners at time of purchase with proper registration. Restrict or deny those who have no proof of compliance for many years and make them file an application for registration at a reasonable cost like Kauai or Maui DPP does. Other compliant STR's in the Oahu "Apartment Precinct" or resort zones should register with no fee like Kauai's VDA. This ordinance is ultimately supposed to be for compliance enforcement and not punishment to benefit the hotels.

DPP should allow short-term rentals under the expanded proposed resort areas but restrict any new short-term rentals in the residential areas. If those under the resort or residential areas are not compliant then possibly fine the owners on a sliding scale from not paying fees to noise complaints. If the owners accumulate so many fines, then revoke their short-term rentals with a chance to make amends. This is similar to business license restrictions to operate with possible punishment if the business is not compliant. This way the DPP enforcement arm would know what to fine or investigate such as noise complaints and then take appropriate action.

All we see is that Oahu DPP wants to charge high application fees and taxes, restrict multiple ownership of STR's mostly by individuals or entities and where they can operate. It seems hotels wait silently to accept the fall out of DPP trying to cap the STR's and drive more tourists and short-term rental seekers towards hotel operators. STR's can peacefully coexist with long term rentals and residents in residential areas. Once the DPP clears the non-paying STR's for not paying GE and TA taxes for years, there could be an increase in long-term rentals but that is no guarantee.

With the pandemic, there has been an increased interest by tourists and locals to stay in short-term rental condominiums with full kitchen homes to keep social distance, ability to cook their own meals for health and safety, and being economical. Why lessen the choices of short-term rentals for tourists and locals by trying to force short-term rental owners out of the market by putting egregious restrictions? Short-term rentals are a big part of the accommodations in the Oahu tourism industry that attracts residents from around the state of Hawaii and tourists from around the world to stay and visit. Short-term rentals welcome visitors who spend and drive the Oahu economy. DPP proposed egregious restrictions and high taxes will negatively affect STR compliant condo owners and the economy while only benefiting some residents and hotels.

Thank you for your time and attention, Joanne Moy 773-550-2029 From: Sent: To: Cc: Subject: Genette Simpkins <genettes@me.com> Monday, September 27, 2021 9:45 AM info@honoluludpp.org Takara, Gloria C Short Term Rental Bill - Hearing for 9/29/2021

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

My name is Genette Simpkins and I use to rent short term but do not anymore. I would like to submit testimony for this upcoming bill.

I had a rental close to the beach that was a whole house rental with 4 bedrooms, 4 bath and an ohana house in the back that had a 2 bedroom / 1 bath on the same property. Since I built this house, I did everything above board and paid my excise and TAT taxes yearly which contributed between \$70k - \$100k in tax revenue to the State each year.

I had hoped that the State would create and provide a legal pathway for larger properties to accommodate not only families traveling together or extended families visiting local families on island nearby in the neighborhood and stay (out of a "touristy" resort destination such as the hotels), but that never happened. In other areas around the world (which I travel often), they adopted annual permit fees whereas they created more revenue for that destination with not only transient taxes but annual permit fees allowing visitors a choice of accommodations to suit their needs, not just staying in a small condo or a hotel situation which isn't comfortable especially when visiting extended family as the resorts are often inconvenient and far away from where they need to be.

Hawaii is a hard place to live and many of our families have had to leave to the mainland to live. I built these homes so my large family can have a place to stay on special occasions when they come to visit as my home was too small to accommodate everyone. They don't want to have to stay in Waikiki where they hate they traffic and the tourists vibe. They want to be close to their family.

I never understood why the State chose to "shoot themselves in the foot" in cutting off a steady stream of taxes they were receiving from me that I was paying regularly. I was also employing people who I know for a fact have been collecting unemployment and are now on State assistance costing the State even more money. I have since sold the homes to mainland investors who will do who knows what with it. Such a shame!

For all the people that rely on renting out a room or their home for short term rental to make ends meet, this will not only flood the home market for international investors (not local homeowners as Hawaii is just too expensive and the cost of living is too high), the State will continue to limit tourism to hotels and resort areas and will greatly impact are greatest economy that we depend on and will take no consideration on how it affects local families in that so many of them have already moved away and how it affects them when they come back to visit.

It's already limiting that a lottery is only being proposed for smaller 2-bedroom units and extending the time frame to a 180-days from 30-days is going to have an impact that is detrimental to locals that far exceeds "preservation of neighborhoods" and clearly seems to be driven by the power of the hotel union and politics more than anything. Nothing else makes sense why the State turns down common sense tax revenue coming in and a "middle ground" that appeases everyone, tourists, locals, neighborhoods as well as the hotels.

Furthermore, I am a believer that the hotels should be given a consideration on their TAT as I do believe they are paying too much and the State has done nothing for them in discouraging tourists and damaging our main economy.

Please do not pass this bill!

Genette Simpkins

From: Sent: To: Subject: Farrah Larson <northshore198@gmail.com> Monday, September 27, 2021 10:58 AM info@honoluludpp.org; gtakara@honolulu.gove NUC Certificate holder in regards to the new bill

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To whom it may concern:

I'm writing to oppose the new bill. I specifically oppose the phasing out of the existing NUC certificates, the raise in property taxes/fees and the restrictions for one person owning the home. In good faith and in wanting to abide by the law, we purchased a condo with a legal NUC certificate at Kuilima West Estates in Kahuku.

People who own NUC certificates have in good faith been paying their GE and TAT taxes and have been abiding by all the required laws. We should be allowed to continue to operate as we have always done. The purchase of our property was carefully thought out, taking into consideration property taxes, advertising and maintenance. The NUC holders should be exempt from the new taxes as we are not new STRs, we are existing and should be grandfathered in for our existing taxes. We shouldn't be punished for abiding by the law.

In addition, the change from not allowing family trusts should be taken out of the bill for NUC holders. This causes undue hardship. We are a married couple and what if one of us dies? Then the other spouse does not have a right to continue with the NUC certificate? As well as you are financially crippling us by not allowing our family trust and requiring us to record our deed in an individual name, which would require us to go through probate when we pass away which would have large costs and a negative impact to our family. Our family trust allows for a smooth transition for our property to our children. If you are trying to combat large companies from owning multiple units, you should allow a family to show the trust documents to prove that we only own one unit and that the trust is in place for estate planning purposes and for no other reason.

Finally, the NUC should run with the land. We waited patiently for an NUC certificate condo to become available and we paid a premium for our unit, as we wanted to make sure we were abiding by all the Hawaii laws. We should be rewarded for following all the rules and being compliant. The NUC should go with the condo, as there are only about 800 left on the island.

Please do not punish the compliant, upstanding citizens who abide by the law. Please exempt the NUC certificate holders from these detrimental rules in the new bill and grandfather our existing property taxes, rules, timelines and fees. Thank you for your consideration.

Kind regards,

Jay and Farrah Larson

From: Ron Shay <<u>ronshay@telus.net</u>> Sent: Monday, September 27, 2021 12:36 PM To: <u>info@honoluludpp.org</u> Subject: Vote NO on STR Bill

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#### Dear Planning Commission Members,

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

## To: Chair Brian L. Lee

Members of Planning Commission

September 27, 2021

#### Re: Department of Planning and Permitting Draft Bill 89- re: Short Term Rentals

#### Dear Mr. Lee:

This letter responds to DPP draft Bill 89 Amendments presented to the Planning Commission at the **September 8, 2021 public hearing** regarding **short term rentals** (STR). As Association members and unit owners of the Waikiki Sunset, we fully support DPP's goal to: (a) reduce impacts on residential neighborhoods; and (b) regulate STRs that are permitted only in or adjacent to existing **resort areas**. However, we believe that the proposed regulation is **unduly discriminatory**, contains economic inequities, and ignores **ownership property rights** of condominium unit owners.

We appreciate the fact that the proposal recognizes the existence of condominium hotels such as Waikiki Banyan and Waikiki Sunset and that such projects do **not negatively impact residential communities** in a similar manner as STRs operated in single family home neighborhoods; however, we have many serious concerns with the amended Bill 89 proposal and DPP director Q&A provided at public hearing.

#### LUO Reclassification:

Revoke or delete Section 21-5.360 Hotels and Hotel Units and Sec 21-5.360.1 Condominium hotels since they violate condominium ownership rights under *Hawaii Constitutions and U.S. Constitution's Fifth Amendment*.

As Association members, we would like to see Land Use Ordinance (LUO) classification which allows Waikiki Sunset condo owners to voluntarily <u>choose</u> the "highest and best use" (DPP rule) of their "condominium unit" property. This underlying zone change, if any, should be consistent with unit owners constitutional right to "use" their unit as they so wish, which falls into three categories:

- a) Residential use- currently paying real property tax of 0.35% of the assessed value, or
- b) Vacation Home up to 6 months plus STR use- with proposed property tax rate of 1.05% which is compliant with "Rental of Vacation Homes", as per federal IRS Publication 527 law; or
- c) Hotel-Resort use- with STR paying a property tax rate of 1.39% of assessed value; which is compliant with Section 8-7.1 (c)(3)- Declaration regarding condominium use classification.

We strongly object to changing ownership from "Condominium units" to "Hotel units" with the consequential loss of control, management and benefits of **condominium ownership rights**.

Ownership rights: The amended Bill 89 proposal will take away the following "ownership rights":

- 1. Owners have the right to utilize their property in a manner that suits them best- primary residence, short term rental (STR), long term rental (LTR) or leave temporarily vacant.
- 2. Owners can use the unit as their "vacation home" and family members, up to six months, rent free.
- 3. Owners have the right to <u>sell their unit</u> and take advantage of "tax-free exchange of rental property" when the "vacation home" is used for personal purposes, per Sec. 1031 exchange of IRS Pub. 527.
- 4. Owners can choose to place their unit in the Aqua-Aston rental pool, subject to terms and conditions stipulated by the hotel management and "negotiated" by rental advisory committee (RAC).
- 5. Owners have the right to hire a property manager of their choosing, such as Captain Cook, Alohana Realty, Hawaii Dream Realty or any other agency, at competitive management fees.
- 6. Owners have the right to renovate their unit as they wish, and as frequently as they choose.
- 7. Owners have the right to transfer their property to their heirs and to their beneficiaries.
- 8. Owners have the right to purchase as many STR units as they wish, subject to appropriate taxation.

#### Allegation that condo owners without NUC have violated LUO Sect. 21-4.110-1 is erroneous because:

1

- Waikiki Sunset has operated successfully as a condominium-hotel from 1979 to 2019 <u>without</u> creating any negative impact on public health, safety, morals or general welfare. The record shows Aston resort management has managed up to 373 out of 435 units (= 86% occupancy rate) <u>without</u> encountering any negative environment assessment impact, traffic congestion, noise concerns, illegal parking, neighbors' complaints or <u>receiving DPP</u> violation notices.
- 2. Association members purchased their units when they were already in the Aston-resort rental pool; therefore, owners expected that the units were operated legally by Aston-Resort rental management. If the units did not have a NUC, then Aston management had a legal obligation to provide full disclosure to the new buyer before allowing them into the "hotel rental pool". It is very likely that Aston managers believed that they were operating legally. Aston managers provided buyers with "rental income estimates" based on units being in hotel rental pool.
- 3. When new condominium owners and Aston management applied for a non-conforming use certificate (NUC), DPP denied their request because it was made after the arbitrary <u>November 1989 deadline</u>. The DPP denied <u>NUC certificate</u> to new condo owners even when Aston provided records and evidence that the unit owners operated as short term rental (STR) or vacation home rental prior to the 1989 zoning change ordinance.
- 4. Hawaii case law rulings in our favor would be that Waikiki Sunset condominium owners have a constitutional-vested right to continue to operate their condo unit as a "residential" or "short term rentals" or a combination as long as it was reported and taxed accordingly. The court ruling stated that the "The statutory protection of lawfully existing uses and structures "prior to the effective date of a zoning restriction is grounded in constitutional law." In addition, the court ruling stated that "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- ( abolish)", as per Robert D. Ferris Tr. v. Planning Comm'n of City of Kauai (August 09, 2016). This means that our owner rights continue to exist after the passing of Ordinance 89-154 in November 30, 1989, and even after passing of the amended Ordinance 19-18 in June 25, 2019. See attached Link: "Statutory Protection of Existing Uses".
- 5. Pursuant to Hawaii case law ruling, "Each association member is property owner under Hawaii law <sup>[4]</sup> by virtue of its ownership of the condominium and are therefore entitled to constitutional protection". Footnotes [4] reads "Under the Condominium Property Act, HRS chapter 514A. each apartment, together with the common interest appertaining thereto, shall for all purposes constitute real property and may be individually conveyed. leased, or encumbered and be the subject of ownership, possession, or sale and for all other purposes be treated as if it were sole and entirely independent of the other apartments in the property of which it forms a part, and the corresponding individual titles and interests shall be recordable. HRS § 514A-4 (Supp. 2015). Chapter 514A generally applies to condominiums created before July 1, 2006, which covers the property owned by Waikiki Sunset owner. See HRS § 514A-1.5 (Supp. 2015). This means that "persons with less than 50% ownership interest may have vested rights to pre-existing lawful nonconforming uses", consistent with HRS § 46-4(a). Hawaii State law and Waikiki Sunset governing documents cannot take away the property owner rights, even if Association members were to cast a majority vote. See attached Link: "Statutor Protection of Existing Less".
- 6. According to LUO Section 21-2.100 "Existing uses", property owners have the legal right to continue the "existing use" of STR while operating under Aston resort rental pool which <u>contained both</u> NUC owners and non-NUC owners since they are all located on same parcel of land (lot). Sect 21-2.100 (b)(2) reads: "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".
- 7. According to Hawaii Easement Law, "Prescriptive easement" gives one party the right to use the property of another for specific purpose like "short term rentals" as long as the use of owner's property has been actual, hostile, adverse, open, uninterrupted and continuous for the statutory **minimum period of 20 years**, therefore, we all qualify since we have used STR under Aston rental program for 30+ years; as per HRS §669-1(b) (2013) and §657-31.5, as per Gold Coast Neighborhood Association v. State of Hawaii, Supreme Court, August 25, 2017.
- 8. With due respect, we believe that the current LUO Sec. 21-4.110-1- is unduly discriminatory because it allows some an arbitrary number of units (257=59%) to have STRs but denies the same privilege to the other 178 (41%) owners, in spite of the fact that all 435 units (100%) reside on the same parcel of land, same underlying zone classification, same annual operating costs (AOAO maintenance fees) and same real property tax assessment. (Note: An annual charge of \$200 NUC fees is insignificant compared to owner's annual property tax).

- 9. Current LUO Sec. 21-4.110-1- Bill 89 draft contains economic inequities among condo unit owners. The record shows that implementation of Bill 89 has created large a differential in real estate evaluation. Over the past two years, sold prices of Waikiki Sunset units without NUC is down 40 % (or \$204,000) compared to NUC units; and an associated rental income is 2.2 times lower (or circa -\$30,000 per year).
- 10. Waikiki Sunset condo owners may have legal standing for filing a claim for compensation of losses. "Under the 2019 U.S. Supreme Court landmark ruling, we would argue that DPP ordinance regarding NUC requirement for our condo unit is in violation of the U.S. Constitution's Fifth Amendment by overregulating its use. DPP denial of our application for STRs in the same building as other owners is deemed illegal because it prevents us from making maximum use of our property, where owners cannot make reasonable economic use of their own property", as per Knick v. Township of Scott, June 21, 2019. See Link: "Ordinance violated Fifth Amendment".

The DPP proposal also gives an unjustifiable amount of power and authority to the hotel operators. It is inconceivable that owners would have to pay the hotel operator in order to stay in their own units. The proposal treats a condominium hotel the same as the traditional hotel and its shareholders. This is not a valid comparison both from a legal, marketing and economic perspective. The salient differences between the two are as follows:

- "Condominium unit" is a dwelling or lodging unit that is part of a condominium property regime, where each . unit is a separate parcel of real estate", pursuant to HRS Chapter 514B-4(a).
- . <u>Property taxes</u> assessed by the county shall be assessed and collected on the individual units and not on the property as a whole, as per City Ordinance 17-13 (Bill 8) under Sec. 8-7.5.
- Converting "condominium units" into "hotel units" or into "hotel pool" would increase the number of • tourists staying as STR guests which is contrary to the stated DPP objective of reducing visitors.
- It gives a monopoly to hotels industry with the power of eliminating its competition- anti-trust law. .
- Hotel-resort will control the frequency and cost of condo renovations. For example, Aston management . forced Waikiki Sunset condo owners to spend \$38,000 plus \$12,000= \$50,000 over past 8 years.
- It would place condominium owners and Aston hotel managers in conflict of interest since the incentives to . increase profit margin would come at the expense of reduced "net rental income" to owners.
- Condominium owners are still responsible to pay for all of the maintenance cost, utility costs and operation . of Waikiki Sunset building, in addition to special assessment for common elements costs.
- Converting "condo units" into "hotel units" would simply change ownerships- and it does not reduce "use". .
- . If we wanted to invest in the hotel industry, we can purchase shares in the stock market. Examples are: Hyatt Hotels Corporation (H), Marriott International (MAR), Hilton Worldwide Holdings (HLT) and others.

#### **Our recommended Solutions:**

- 1. Waikiki Sunset and Waikiki Banyan should be added to the list of "legal nonconforming use" buildings where all unit OWNERS are allowed STR use without applying for NUC certificate, consistent with Aloha Surf, Hawaiian Monarch, Island Colony, Palms at Waikiki, Royal Garden at Waikiki and the Ala Moana Hotel Condo.
- 2. Waikiki Sunset condo owners without NUC's (178= 41%) should be allowed to submit an application for a "nonconforming use certificate", provided they submit proof of STR use prior to June 25, 2019, consistent with LUO Section 21-2.100 "Existing uses", Subs (a) and (b).
- 3. The proposed underlying zone change, if any, should be consistent with property owners constitutional right to "use" their unit as they so wish, which falls into three categories: residential use, vacation home and hotel-resort use, consistent with "Declaration Regarding Condominium Use", as per standard Form BFS-RP-P-71.
- 4. Hawaii State law and Waikiki Sunset governing documents cannot take away the property owner rights because each association member is property owner under Hawaii law by virtue of its ownership of the condominium and are therefore entitled to constitutional protection, regardless of any "Association members vote" may be taken.

Respectfully submitted,

Guido Panizzon, P.E., M. Eng, BSEE, IEEE. Association members of Waikiki Sunset Condominium.

Ce: City Council of Honolulu, Hawaii.

From: Maurie Feldberg [mailto:maurie808@gmail.com] Sent: Tuesday, September 28, 2021 7:21 AM To: info@honoluludpp.org Cc: Takara, Gloria C; Waters, Tommy; Blangiardi, Rick Subject: STR Bill - Please REJECT this!

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

Dear Planning Commission,

## I am writing to REJECT the proposed STR Bill in its entirety.

This bill seeks to take away long-established property rights in the Waikiki resort zone that explicitly allow people to own and operate short term rentals. Those who have chosen to operate short-term rentals in <u>this</u> zone have done so in a good-faith effort to comply with all 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. These condos, legally zoned, are my personal investments for retirement. Your bill takes away my LEGAL investment and what right do you have to do that?! Is Hawaii still not part of the United States of America? You are trying to introduce a Totalitarian system! Unacceptable.

This bill drastically expands hotels' interests while choking out individual, legal, property rights. The bill imposes ownership, operations, and financial hurdles and restrictions on legal short term rental operators in the Waikiki resort zone while at the same time giving corporate hotels unfettered right to operate without the same restrictions and siphon tourism revenue to the mainland. My cleaners and handyman rely on this work to live in Honolulu.

DPP's proposal is a bold, outward attack on our individual, legal, property rights in order to create a competition-free environment for the corporate hotels to do whatever they want in the Waikiki resort zone. Shame on those at DPP for even proposing such a bill. I suspect your kids' education is being paid for by the hotel industry or other lobbyists? This bill is so incredibly one sided how else could this look?!

DPP should focus on enforcing the current law (Ordinance 19-18) which was created through a lengthy public process.

DPP should engage all stakeholders -- not just the corporate hotels -- in developing fair and sensible regulations.

Please, do the RIGHT thing for a change and DO NOT vote this bill through. It needs to be completely rejected and thrown away and you need to enforce Ordinance 19-18.

Mahalo Maurie

Maurie Feldberg 808-753-4400 -----Original Message-----From: Thomas Dalbert [mailto:thomas@dalbert.us] Sent: Tuesday, September 28, 2021 12:01 PM To: info@honoluludpp.org Cc: Takara, Gloria C Subject: STR Bill

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

Aloha Members of the Planning Commission,

We have never heard any residents of Oahu object to Mom and Pop B&Bs.

Beside the strange 1,000 feet distance rule, you had all the tools to implement legalizing a limited number of B&Bs with Ordinance 19-18. Everything that was needed to easily control this type of short term rental including owners living on the property, owning only a single property, off street parking, and noise control through owners living all the time on the same property! This would be so easy to permit and control.

Why are you throwing out the baby with the bathwater when everything was in place with Ordinance 19-18 for a good solution?

Please reject the current bill that will make it so much harder for many lower income local residents to hold onto their property.

Thank you for your kind consideration, Thomas and Melissa Dalbert Wai'anae -----Original Message-----From: Wendy Barnfield [mailto:wendy@ragingisle.com] Sent: Tuesday, September 28, 2021 11:57 AM To: info@honoluludpp.org Cc: Takara, Gloria C Subject: Please Vote No on Bill STR

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

Dear Sir or Madam

Please reject this bill in its entirety.

I am asking that DPP to focus on the enforcement of the current law. (Ordinance 19-18). This ordinance was created through a lengthy public process. It doesn't make sense to get rid of it.

Also it would stand to reason out of all fairness that all stakeholders, and not just the corporate hotels, be at equal consideration in developing fair and sensible regulations.

Looking at the economics of this bill doesn't make sense either. There is an assumption that everyone can afford staying in a hotel. Through the Hawaii Visitors Bureau our tourism is composed of all different financial status. The volume of families and those in their 20 or 30's are often in a low to medium income bracket. This is where the legal short term rental comes into effect.

There are sides of the island such as the North Shore that naturally attract a younger tourist. There is only one hotel on our side of the island and it is not capable of generating enough tourism to generate income for all the local businesses. In actuality it is the Legal Short Term Rentals that enhance the North Shore hotel by these tourists spending their money at the hotel and paying for all the amenities , restaurants, golf course and more.

This bracket of income/tourist contributes to all businesses around the entire state of Hawaii. From air fare, to restaurants, super markets, retail stores, tourist attractions and more. It isn't only the elite or wealthy that supports the tourist trade and our economy.

To discredit or isolate this financial bracket is a mistake. Just because they can't afford \$300-\$1200 approximately a night at a hotel doesn't mean they are not a valuable asset to our states economy.

This bill doesn't represent balance at all. It is very lopsided and therefore it should be rejected in its entirety.

Thank you for your time.

Sincerely,

Wendy Barnfield

-----Original Message-----From: Kat Dudden [mailto:katherine@dudden.com] Sent: Tuesday, September 28, 2021 11:20 AM To: info@honoluludpp.org; Takara, Gloria C Subject: Reject proposed short term rental bill

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

Hello Planning Commission Members

I am writing to ask you to reject the proposed bill. Please focus on enforcing Ordinance 19-18. Which was created and agreed upon thru a lengthy public process.

Thank you for you time Kat Dudden

katherine@dudden.com 504-220-4960 Planning Commission Meeting on STR Bill

Wednesday September 29, 2021

Aloha Commissioners

I'm writing to strongly <mark>oppose</mark> and vote no on any additional restrictions to the short-term rental industry.

My story starts around 2006, when I first became aware of vacation rentals. My family always wanted to have a second or beach home. A place where we could get out of town on the weekends and relax at the beach without having to pack everything up at the end of the night and drive back to town. We didn't have the financial means to be able to support two homes, so it was a dream for a long time. Fast forward to 2015. I found a property that was inexpensive enough that I could make the down payment. I would need help with the mortgage and being able to short term rent was my avenue to make it all work.

I researched getting a permit and found out that permits were not being issued. I applied for my GET and TAT and paid the taxes on my rental income. I hired a cleaner who could help get the unit ready before a guest arrived. I did everything possible to be legal.

Then came Bill 89 that made many changes and added restrictions to how I could rent my unit when I was not using it. It was a compromise Bill that didn't totally stop me from renting. It didn't totally restrict my property Rights and I was able to adjust and continue to rent. These new restrictions will not allow me to rent to the traveling nurse who works at Wahiawa General, the construction workers who had a project at Kaena Point Satellite Tracking Station. Not everyone needs to rent for 180 days. For these and many other reasons I ask that you reject all these changes.

Michael Mazzone

Mazzonem002@hawaii.rr.com

808-864-7428

-----Original Message-----From: Wendy Barnfield [mailto:wendy@ragingisle.com] Sent: Tuesday, September 28, 2021 11:57 AM To: info@honoluludpp.org Cc: Takara, Gloria C Subject: Please Vote No on Bill STR

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Dear Sir or Madam

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Also it would stand to reason out of all fairness that all stakeholders, and not just the corporate hotels, be at equal consideration in developing fair and sensible regulations.

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This bracket of income/tourist contributes to all businesses around the entire state of Hawaii. From air fare, to restaurants, super markets, retail stores, tourist attractions and more. It isn't only the elite or wealthy that supports the tourist trade and our economy.

To discredit or isolate this financial bracket is a mistake. Just because they can't afford \$300-\$1200 approximately a night at a hotel doesn't mean they are not a valuable asset to our states economy.

This bill doesn't represent balance at all. It is very lopsided and therefore it should be rejected in its entirety.

Thank you for your time.

Sincerely,

Wendy Barnfield

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Why are you throwing out the baby with the bathwater when everything was in place with Ordinance 19-18 for a good solution?

Please reject the current bill that will make it so much harder for many lower income local residents to hold onto their property.

Thank you for your kind consideration, Thomas and Melissa Dalbert Wai'anae



Testimony of the Hawai'i Appleseed Center for Law and Economic Justice <u>SUPPORT</u> – Relating to Transient Accommodations City and County of Honolulu, Planning Commission Meeting Wednesday, Sept 29th, 2021, 1:30PM

Aloha Chair Lee and members of the Planning Commission,

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

We at the Hawai'i Budget and Policy Center work towards more equitable and sustainable tax and economic policies. In order to create a Hawai'i where all residents can thrive and rents are not pushed up by unregulated airbnb rentals and residential neighborhoods remain *residential* instead of resort areas we <u>strongly support</u> 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, <u>at 80% occupancy the average Airbnb brings in 3.5 times more revenue
than a rental.</u>

Vacation Rentals now far exceed the supply of long-term rentals in many coastal neighborhoods.

For example, in August of this year Kailua had 73 long-term rentals on the market compared to the 531 vacation rentals listed on VRBO and Airbnb websites.

 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. <u>This supports the claim</u> <u>that Airbnb's drive up rent and home prices, and decrease the supply of long term rentals<sup>1</sup></u>

<sup>&</sup>lt;sup>1</sup> 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: <u>https://ssrn.com/abstract=3006832</u> or <u>http://dx.doi.org/10.2139/ssrn.3006832</u>

Hawaii Appleseed Center for Law and Economic Justice September 28, 2021

Page 2 of 4

 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 Hawaii increased by 35 percent from 2015 to 2017, due to lack of enforcement on regulations on property use and taxes collected.<sup>2</sup>

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

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.

 <u>30 day limit is used as a loophole</u>, allowing thousands of homes to operate as AirBnB's without being subject to the rules or limitations of legal AirBnB's. *It is not possible to regulate homes* operating as TVU's with this 30 day exception.

A quick analysis of current TVU listings on Oahu shows that there are over 10,000 homes operating as vacation rentals even though there are roughly only 800 permitted TVU's.

A significant number of these listings are operating as 30 day rentals.

Kailua: An analysis of 100 AirBnB listings shows 80 or 80% are listed as 30 day rentals.

North Shore: An analysis of 100 AirBnB listings shows 30 or 30% are listed as 30 day rentals.

In both of these neighborhoods over 30% of TVU's are listed as 30 day rentals or include the disclaimer: "This property is a legally established dwelling that is rented for a period of 30 consecutive days or more at any one time regardless of actual occupancy" while encouraging prospective renters to "message for more details".

Clearly this 30 day exception has now become the rule for many TVU owners, and is used as a way to not comply with the rules or the intent of the previous Ordinance 19-18.

<sup>2</sup> Hawai'i Housing Planning Study, 2016, Honolulu, HI, Hawai'i Housing Finance and Development Corporation, 2016

<sup>&</sup>lt;sup>3</sup>07/08/2021 "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 28, 2021

Page 3 of 4

**The 180 day limit** is an appropriate length of time to not be considered a "transient" unit as this is the minimum lease length required by most property managers of long-term rentals. An analysis of apartments.com shows that out of 100 listings for rental apartments the majority (67) required a one-year lease and only 15 were available for less than six months.

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 qualify of life for residents living in neighborhoods now operating a 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.

Hawaii Appleseed Center for Law and Economic Justice September 28, 2021

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Page 4 of 4

The Planning Commission City and County of Honolulu

28 September 2021

Dear Commissioners,

We write to express our strong opposition to the STR bill proposed by the DPP.

We were flabbergasted to see during the live submissions, the DPP Director Dean Uchida had consulted only the hotel industry in the leadup to the proposed bill writing.

We are also incredulous that Mr Uchida, the lead proponent of these restrictions favouring the hotel industry is also the husband of a senior Aston-Aqua hotel official, Joy Uchida. This smacks of favouritism at best and corruption at worst.

We have owned a legal resort zoned studio condo since 2013 and managed it ourselves successfully for the last 8 years. We employ a cleaner and handyman on the island. Last year we purchased a second condo in the same building. It goes without saying we have always paid the required taxes from such a rental, including resort property taxes.

We **totally oppose** being forced to hand over our property to Aqua-Aston to put in the hotel pool. We cannot express this strongly enough.

The stated aim of the DPP in these proposals is to crack down on illegal vacation rentals. This proposal to make condo owners hand over the keys to the hotel does absolutely nothing to crack down on illegal vacation rentals in residential areas, when in our case, the entire building is in fact legal. All it does is hand the hotel industry free rein over apartments they have no monetary capital involved in.

We already pay resort zone property taxes and now the DPP also want us to accept a 50% income cut by giving the units to the hotel. It is totally unacceptable and I urge you all to reject this entirely.

We find the registration fees also totally unacceptable. I would need to rent one unit out for at 4-5 months of the year just to pay the registration fees and property taxes. If there needed to be a registration fee, why not make it \$250.00 or \$500.00. \$5000.00 is just a money grab, it really is.

Bill 89 when passed provided mechanisms for enforcement, assisted by players such as Air Bnb and VRBO/Expedia.

We would like to make a comment on the proposed change from 30 days to 180 days. We would also oppose this. We assist with managing a few units that are in minimum 30 day buildings (which prior to Bill 89 allowed for short term rentals). We and the owners have abided by these rules and we think the change to minimum 180 day rentals will send property owners to the wall. The value of their asset will decrease and they will be left holding property no-one wants to buy. You won't find a local family of 4 or 5 buying a 1 bedroom condo in Waikiki to live in. You may find a lot of empty 1 bedroom condo's with severely depressed owners wondering how to pay their bills.

We were however shocked, during the public submissions, to find that a licensed realtor was clearly flouting these rules by making up dodgy contracts. If these laws need toughening up in the respect of bigger fines or custodial sentences, we are all for that, and go after the illegal operators. We suspect the lack of enforcement of Bill 89 has likely lead to a situation like this where operators think they have a good chance of getting away with it.

However, we respectfully submit that a blanket change to 180 day minimum rentals will have a dramatic and negative impact on a lot of people, unit owners and travellers alike. The impact of GET and TAT collected I would suggest will be substantial.

We urge you all to turn your back on the current proposals and direct the DPP to commit to providing solutions by working with stakeholders and the community to weed out illegal residential STR's (their stated objective) and leave the resort areas alone.

This bill reeks of collusion with the hotel industry and the outcomes if passed, will be destructive.

Mahalo and thank you for your time.

Martin V. Blandford eg Jage

Martin Blandford and Cindy Taylor

#### To the Honolulu Planning Commission,

My name is Richard Chong, and I am a homeowner of a vacation rental in Kailua. I live in this rental about 1/4 of the year, and my family uses it for much of the remainder of the year. I am able to afford the significant maintenance cost of an oceanfront property by renting it out to one tenant each thirty days. I screen my renters to make sure that they are aware of any concerns of my neighbors – noise, use of public parking spaces, and prohibiting large parties. In fact, all three of my direct neighbors to the north, south and west of my house have encouraged me to continue to rent it out to vacation renters because it enables me to maintain the house in wonderful shape. My neighbors often help me out by moving out the garage, recycle & garden clippings bins to the sidewalk as they are aware that vacation renters are unaware of the schedules.

This small vacation rental employs cleaners (twice a month), pool cleaners (once weekly), window washers (once weekly), gardening crews (once weekly), pest control (once quarterly), painters (annually), plumbers & electricians. I file my GET and TAT taxes monthly, and pay at every filing. I am well aware of the concerns of my neighbors and have gotten to know them well over the years. Being respectful of neighborly concerns is an important issue since the city enforcement of noise & parking violations is quite lax. My neighbors continue to be quite supportive of having short term vacation renters as it does bring them a lot of benefits.

I believe that the Honolulu Planning Commission should develop a sound process for enforcing violations of the current regulations which do not allow for unruly neighbors, loud parties, and messy houses. If the Planning Commission were to adopt an ordinance redefining "short-term" rental periods as 180 days instead of the current 30 day guidance, it would completely eliminate any of the benefits that accrue to myself, my neighbors, the businesses that service my house, and the community. The issue isn't whether or not vacation rentals bring benefits to everyone as they clearly do when managed properly. The issue is that some vacation rentals are mis-managed and allow for unruly tenants, rampant use of public parking, messy homes and owners who don't care.

If the Planning Commission focuses its efforts to enforce violations of bad vacation rental managers instead of just eliminating all vacation rentals, Honolulu would be able to retain the benefits of vacation rentals without the harm that a few mis-managed properties bring to the community. Redefining the "short-term" rental period to 180 days would eliminate any possibility that vacation rentals can bring benefits to the community.

Richard M. Chong 584 Kaimalino Street, Kailua, HI 96734

From: Georgietta Chock [mailto:gkchock1@gmail.com] Sent: Tuesday, September 28, 2021 3:15 PM To: info@honoluludpp.org Cc: Takara, Gloria C Subject: Public Testimony RE: STR BILL

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

I am in total opposition to this bill which is extremely detrimental to the community. Please don't destroy the lives of so many struggling residences who are merely trying to survive during these critical times in our State.

# Please vote **NO** on this bill!

- Reject the bill in its entirety.
- DPP should focus on enforcing the current law (Ordinance 19-18) which was created through a lengthy public process.
- DPP should engage all stakeholders -- not just the corporate hotels -- in developing fair and sensible regulations.

Georgietta K. Chock

From: romeofoxtrot [mailto:kailua@icloud.com] Sent: Tuesday, September 28, 2021 4:55 PM To: info@honoluludpp.org Subject: Oppose DPP 180 min rental day mandate!!!

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#### Madness!!

This is going to badly affect many local residents who depend on monthly rentals. Also this bill obviously has adverse affects on vacated rentals that cannot be re-rented if a tenant leaves prematurely. Madness. Espcially when there is legislature to tax home that are vacant and can be rented. Totally contradictory!!!

Agree and opposed, Juliet Blond From: JaninaRichard [mailto:janinarichard@gmail.com]
Sent: Tuesday, September 28, 2021 3:59 PM
To: info@honoluludpp.org
Subject: DPP 180 min day rental will create more vacant rentals on Oahu...

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

Dear City Council,

If the City Council votes in favor of this DPP proposal with 180 day minimum rental the number of vacant home will increase. Obviously if a tenant leaves prematurely from a rental obligation for a better job the landlord will then required by law to leave that rental unoccupied most likely for months. Not only will the host lose rental income but those looking for a rental will not be available for them to rent. This bill has not be properly assessed and conducting whimsical free market decisions typically has bad consequences on local economies and Hawaii local households.

Sincerely, Richard and Janina From: Ralph Furley [mailto:rfmail2007@gmail.com]
Sent: Tuesday, September 28, 2021 3:52 PM
To: info@honoluludpp.org
Subject: Oppose 180 min day rental proposal from DPP

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

As a local resident this bill will adversely affect local Hawaii households who require flexible rental terms. Many local Hawaii renters have service jobs and requiring us to have min 180 day rental agreements will negatively impact my ability to readily another hiring paying job with a longer commute if the job is located far away from my rental.

Sincerely, Ralph From: pacindadj@aol.com [mailto:pacindadj@aol.com] Sent: Tuesday, September 28, 2021 3:16 PM To: info@honoluludpp.org Subject: STR Draft Bill

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

I vote that all the revisions and recommendations to the STR draft bill be rejected entirely. It is obvious that these changes are crafted by and for the hotel industry to further their monopoly on tourism. Always highlighted are the evils of vacation homes as party dens that ruin a neighborhood and over run it with parked cars and drifters. This is picture is a false narrative and can be nothing further from the truth. When you think about the equation logically and assume 2 "locally based" room mates renting a 2 bedroom apartment, will have 2 cars on the street and friends all over town that can/want to come and check out the new digs, maybe party? In comparison 4 visitors renting the same unit bring only 1 car to the neighborhood and have no friends to invite over for a party. They tour around all day, sleep the night and are in and out of town in 2 weeks, effectively causing less stress on the neighborhood on all fronts. That is the typical short term rental experience.

With the median price of a home now \$1M, having a part of your home to rent out and earn income on is a must in order to survive. A home owner has a right to rent their property to who they choose as long as they pay taxes, which are far reaching here as well. As the same body looks at imposing another 3% TAT it should be noted that the city will be extracting a fee in this transaction as well. We are not fooled by these rules being nothing but a tool for the hotel industry to monopolize the industry and eliminate local competition. It is a fact that large hotel chains like Marriott and Hilton already have "home rentals" in their inventory and plan on expanding that segment to compete with platforms like VRBO (see link below). Be honest and represent the people versus big business.

If the council wishes to address what is plaguing neighborhoods then focus on the monster homes, the homeless population that is everywhere, our crumbling roads infrastructure and finally our ever increasing tax burden, which you do control. The city needs to start piecing together a plan to better regulate and allow owner occupied vacation rentals to survive and expand. The vacation rental narrative has been controlled by the hotel industry in an attempt to later capitalize upon the very type of accommodations they want banned.

Thank you for your attention and vote.

D.K. Holt

600 Ala Moana Blvd. #1509 Honolulu, HI 96813

https://homes-and-villas.marriott.com/en/nearby/vacationhomes?sort=distance&nck=147453428&ck=49814302&lk=1000503440 From: Irmina Fernandez [mailto:ceciliagomezhawaii@gmail.com]
Sent: Tuesday, September 28, 2021 4:01 PM
To: info@honoluludpp.org
Subject: Oppose DPP proposal entirely

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

**City Council** 

I oppose this bill as a landlord I have nothing to do with vacationers by having a monthly rental agreement preferred by local residents.

I wish to testify against this draconian and ill thought out bill by an organization such as DPP that is mismanaged and cant even enforce ordinance 19-18.

Thank you, Irmina Fernandez Tuesday September 28, 2021

Department of Planning and Permitting info@honoluludpp.org

Aloha Director Uchida and Planning Commission Members,

My name is Keith Yoshida and I am an owner of a legal vacation rental property located in a Resort zone. The property is a luxury resort residential condominium comprised of homeowners who live on property and owners, like me, who provide vacation rentals to visitors looking for a resort experience outside of Waikiki.

I respectfully request that first, the proposed bill be rejected or second, that resort zoned property be exempt from the proposed regulations.

The proposed bill should be rejected and instead the focus should be on improving enforcement of Ordinance 19-18, which was adopted by the City Council and the Mayor in 2019. The purpose of the legislation was to reduce or eliminate short term rentals in the residential zones of Oahu and limit short term rentals to resort zones as the resort zones are designed to support visitor accommodations and activities. This was accomplished with Ordinance 19-18, however, seemingly has resulted in "enforcement problems." Rather than redrafting a new Ordinance to replace 19-18 perhaps focusing on enforcement should be the issue since enforcement will still be needed with the new proposed Ordinance.

If the proposed bill is not rejected in its entirety, then properties in Resort zones should be exempt from the proposed regulations as the 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.

Mahalo,

Keith Goshida

Keith Yoshida

The Planning Commission September 28, 2021

Dear Sir/Madam,

My name is David Kanaar, and I am one of the many owners at the Beach Villas Resort in Ko Olina. I am writing as a very concerned owner regarding my investment in the Beach Villas Resort given the pending new regulations.

I respectfully request that the DPP and Planning Commission consider amending the current DPP draft to exempt the Ko Olina Resort Zone from the unreasonably onerous regulations designed to ameliorate the short term rental industry on O'ahu.

I would like to ask that the proposed bill be rejected, and instead have DPP enforce Bill 89 that was just passed in 2019. As I understand it, Bill 89 took three years to implement and was a product of input from the hotel industry, online travel agents, and the short term rental community. That bill included significant penalties for any violations. Please reject the proposed bill in its entirety and enforce Ordinance 19-18 with the cooperation of online travel agents and the short term rental community, who will help weed out illegal short term rentals. I am confident that the citizens of O'ahu will be further ahead if we work cooperatively in a common-sense approach to clamp down on illegal short term rentals. I believe this will be accomplished when the DPP works with the community to enforce the prior passed ordinance.

If the proposed bill is not rejected, I ask that properties in the Resort zone such as the Beach Villas be exempted from the Transient Vacation Unit registration and development standards for the residential community. The purpose of the proposed LUO is to protect the residential neighborhoods from the adverse effects of short term rentals and to make more housing available for local families. These purposes may be fostered by regulations in the residential areas, but there is no correlation with the purposes of this proposed LUO to regulating TVUs inside of the Resort zone. I support The Resort Group, the master developer of the Ko Olina Resort in pointing out that "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...The Resort Zones are designed to accommodate visitors and should be allowed to operate TVUs as envisioned by the 2019 City Council Ordinance....Please consider amending the bill to exclude Ko Olina Resort [and other Resort Zones] from these unnecessarily burdensome restrictions." Please refer to the written submittals received by DPP from The Resort Group on 9/7/2021 at pp. 85-86.

If the proposed bill is not rejected I join with The Resort Group in asking that the provisions regarding Condominium Hotels be amended to allow condominium hotels in Resort Zones to allow individual condo owners to be able to live in their unit as a primary residence (thereby making more long term housing available to locale families, which is a stated purpose of the proposed LUO), allow individual condominium owners to hire local real estate companies to manage their short term rental or to self-manage, set their own rates, and if owners in condominium hotels do not participate in short term rentals to opt out of the Resort Hotel property tax rate, as is the current practice under existing Chapter 8 of the City and County of Honolulu Land Use Ordinance.

I thank you for your kind consideration of these matters, which are of utmost importance to my family.

Mahalo,

David Kandal

David Kanaar Beach Villas Owner Unit O-225

From: Lois [mailto:lbc@hawaiiantel.net] Sent: Tuesday, September 28, 2021 1:13 PM To: info@honoluludpp.org Subject: STR Bill

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

Aloha Members of the Planning Committee,

I've been testifying for 15 years trying to get owner occupied short term rentals permitted. There have been countless discussions over the years, and over time most people have agreed that OWNER OCCUPIED short term rentals are NOT a detriment to the neighborhood. They do not increase housing costs, they are not noisy, by and large they do not take housing away from locals, and they don't create traffic. On the up side, they bring in tax money, they bring in people who shop at local businesses, they help locals afford their property taxes and mortgage, and **they are available for the neighbors to use when they have visiting friends and family.** 

Now new council members who haven't heard all the testimony of the past and just listen to the loudest anti vacation rental voices come in and want to scrap all we've done and start fresh and give it all away to the hotel lobbyists. What the heck is this all about? This all reeks of conflict of interests and misinformation. I'd like an outside firm to do a real study of the pros and cons of the vacation rental industry and not have our council members and DPP staff be influenced by lies, personal interests, and lobbyists.

I've made all the arguments before as to why owner occupied vacation rentals are a win-win for our neighborhoods, and I thought we were getting somewhere but then... Using the excuse that there was a reset because of COVID and we all don't want tourists in our neighborhoods? Nobody wants our State to be overrun by tourists, we want them MANAGED. Vacation rentals in residential neighborhoods don't increase the traffic, they reduce it!

Where will those people wanting to renovate their houses go during renovation, the family members coming to visit family... Not all tourists want to spend time in a concrete jungle in Waikiki. I'm sure many of you have booked B&B's when you travel.

I urge the council to REJECT this bill and go back to working WITH THE STAKEHOLDERS on something that will be a win-win for our neighborhoods.

Lois Crozer

From: Y Yao [mailto:yyao2008@gmail.com] Sent: Tuesday, September 28, 2021 11:28 AM To: info@honoluludpp.org Subject: Please vote No to DPP proposed STR bill

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

Dear Planning Commission,

Please vote NO! You have heard that 99.9% who testified opposed the bill. Please ask DPP to enforce the current bill 19-18. We don't need to waste time and resources on creating a new bill.

\*We are in strong opposition to DPP's proposed bill on TVUs.

\*The proposed bill is a repeat of Ordinance 19-18 which took several years to enact.

\*DPP's efforts will likely result in the same heated and emotional arguments that occurred two years ago.

\*Key stakeholders, including the prior Administration, City Council, hotels, TVU owners, OTAs, and residents came together to pass Bill 89 (in 2019).

\*Instead of a new bill, DPP should promulgate administrative rules to implement Ordinance 19-18.

\* If during the rulemaking process, amendments to Ordinance 19-18 are needed, they can be proposed. <u>A new bill is not required</u>.

\*We encourage the Planning Commission to reject DPP's proposed bill.

From: James Lewis (R) [mailto:jelhawaii@yahoo.com]
Sent: Tuesday, September 28, 2021 10:56 AM
To: info@honoluludpp.org; senriviere@capitol.hawaii.gov
Subject: Reject changes to Residential 30 rental rule (from a Haleiwa long time owner/resident)

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

- Changing the 30 day to 180 day minimum rental will not stop current owners from renting (illegally) any way they want. There was no apparent change in the vacation rentals on the North Shore when the "crackdown" was announced in 2019.
- There are no hotels on the North Shore (Haleiwa). I'd like to be able to rent my house monthly so my friends and family have a place to stay when they visit. What are they supposed to do in the future? Stay in Waikiki or at the Turtle Bay resort that charges an outrageous rate? It seems our government would like to force anyone who is not living here full time to be pushed into staying into a high priced resort area.
- Oahu has become "resident unfriendly". The new owners of the Turtle Bay Hotel won't even let any of their employees on the hotel premises after they are finished work. They have taken out the venue that North Shore residents have enjoyed for many years. The Bay View Lounge and mostly recently the Surfer Bar. It's now all about money and attracting the guests who will spend...spend.
- DPP should focus on enforcing the current law (Ordinance 19-18) which was created through a lengthy public process.

Sincerely,

**James E Lewis** 

-----Original Message-----From: Ainslie Ports [mailto:ainsliegascoigne@hotmail.com] Sent: Tuesday, September 28, 2021 10:28 AM To: info@honoluludpp.org Subject: Str bill

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

No..... no to 6 months ...

I have had three lots of traveling nurses that have stayed in my condo for two months at a time. Once you take that away from them they'll be no rentals less than six months for them to stay in comfortably.

Ainslie Ports (808)679-6182 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 address the following 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 excerpts below are italicized and in quotes.

"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 have established 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 and 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?
- What about the difficulty in issuing and enforcing the sheer volume of exceptions that will be required for military, new movers, and temporary healthcare workers?

"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.

Furthermore, if it were true that establishing bed and breakfast homes increased the surrounding property values, then it would follow that any homeowner in any state could simply establish a BnB and raise the property values in their neighborhood, which is clearly not true. The property values are high because there is high demand for property in appealing cities. The property is not appealing because there are BnBs.

Something which does improve real estate, the working rail system, will most likely increase the demand for those properties on the rail line. Do we now outlaw the rail line because those property values might rise? Wouldn't the same logic apply to improved schools, roads, walkability to shopping, and parks?

And, 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 still 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, nonlocal 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?

<u>Hypothetical scenario of eliminating one bed and breakfast home from Kailua:</u> 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: c kim [mailto:aloha.ckim@yahoo.com] Sent: Tuesday, September 28, 2021 6:12 PM To: info@honoluludpp.org Cc: Takara, Gloria C Subject: Oppostion to 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,

My associates and I have thoroughly and meticulously read over the str bill and I can confidently say that we reject this bill in its entirety. We believe that the DPP should focus on doing more productive things like enforcing ordinance 19-18. The DPP should engage all stakeholders- not just the corporate hotels in developing fair and sensible regulations.

Please do not hesitate to contact us if you have any questions. Have a great day! Warm Aloha,

Christine Kim, J.D. (R) CNE, SRES, SFR RB-20727 President/Principal Broker

## H2O Watermark Pacific Properties LLC

## Hawaii Homes to Opportunities

Cell: (808) 285-4357 Office: (808) 861-5823 Direct Fax: (888) 790-3012 1314 S. King St. Suite 1651 Honolulu, HI 96814 www.H2OWatermark.com RB-20728

www.h2owatermark.com

From: Catherine Eng [mailto:strict.tempo@gmail.com]
Sent: Tuesday, September 28, 2021 6:53 PM
To: info@honoluludpp.org
Cc: Takara, Gloria C
Subject: Opposing amendments to ordinance 19-18

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

Dear sir/madam,

My name is Catherine Eng. I am a resident of Oahu and own a home in Honolulu.

I oppose all amendments to ordinance 19-18.

Please respect the rights of residents to manage their own properties. Please oppose these changes to ordinance 19-18 entirely.

Yours sincerely, Catherine Eng From: Laura Isola [mailto:laisola2@yahoo.com] Sent: Tuesday, September 28, 2021 9:49 PM To: info@honoluludpp.org Subject: Fwd: Please desist in your unethical plot against TVUs now!

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

Sent from my iPhone

Begin forwarded message:

From: Laura Isola <<u>laisola2@yahoo.com</u>> Date: September 28, 2021 at 9:11:36 PM HST To: <u>dpp@honolulu.gov</u> Subject: Please desist in your unethical plot against TVUs now!

Aloha!

I'm attaching snapshots of recent social media conversations where we found your major ethical violation due to obvious conflict of interest at the base of your insane bill trying to abusively benefit hotels at our private owners expenses basically destroying our livelihoods to try to save hotels which we will not allow! It's a bad plan anyway that would just bring everyone down! Please understand that we TUVs are not the cause that hotels are suffering the problem is the pandemic that is making us all suffer!

Please come to your senses and dismiss as a big error in this crazy times the entirety of this insane unethical bill now!

I understand the hotels are struggling but please become aware that we private owners of TUVs are struggling even more!

We are all also currently receiving ZERO bookings because Governor Ige announced to visitors to avoid coming to HI due to delta variant high infections! Our only survival at this time is to rent our unit for 1 or 2 or even again for 6 months like I had to do the entire past year even though I still have to pay the insanely high taxes (\$3,000/y) in the Hotel & Resort property tax category because of the TOTALLY UNFAIR outdated rule of the 5 years commitment to the property tax category! This 5 years rule must be abolished now because during a pandemic that comes and goes in waves we need to rent our unit at its best use for the moment paying the corresponding property taxes for its use and not being stuck in an impossible Hotel category when there are ZERO bookings due to pandemic!

Please understand that for my own survival:

1) I need to be able to move back into my unit if I need or wish to because that is my own private

property and it has been my primary residence sweet home for almost 2 decades.

2) I need to continue to self manage (it's My Job! And it's My precious Home that I will not give up to any cold average hotel pool!!) and rent my unit as TUVs to whoever will book it whenever the pandemic will allow it because this is my livelihood! At a nightly rate being a Condotel without further insane out of touch unaffordable extra "registration" fee! I already pay high TA GE and crazy high Hotel property taxes plus commissions to platforms cleaners and supplies expenses and there is absolutely nothing left for extra fees that frankly sounds like a money grab totally out of touch with our struggling situation!

3) I need to continue to rent my unit long term whenever pandemic gives me ZERO bookings like now because I have fix monthly expenses and limited resources therefore I need to make the best use of my unit according to pandemic waves which as we have seen they are unpredictable!4) I need you to abolish the 5 years rule commitment to the property tax category and instead let me decide each year which is the best use for my unit according to pandemic!

Trusting in your prompt understanding finally coming to your senses dismissing this bill in its entirety because unethical abusive unconstitutional and extremely damaging for the entire community I thank you for your kind attention and I send you my

Best Regards,

Laura Isola

Owner and property manager of studio unit at Hawaiian Monarch in Waikiki

-----Original Message-----From: Laura Isola [mailto:laisola2@yahoo.com] Sent: Tuesday, September 28, 2021 7:03 PM To: Takara, Gloria C Subject: Please vote NO to the bill proposed by dpp against TUVs!

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

Aloha!

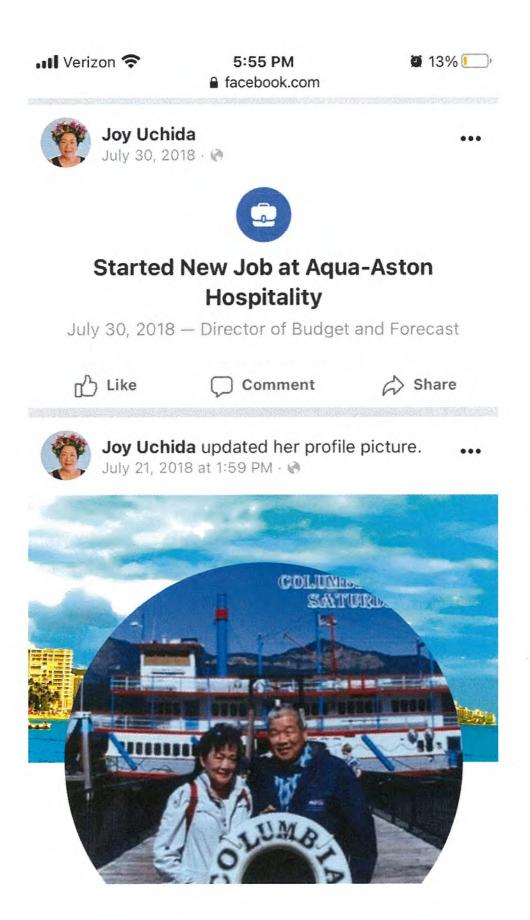
Please take a look at the major conflict of interest/corruption at the dpp level! No wonder dpp wants to benefit hotels destroying our small businesses and livelihoods!

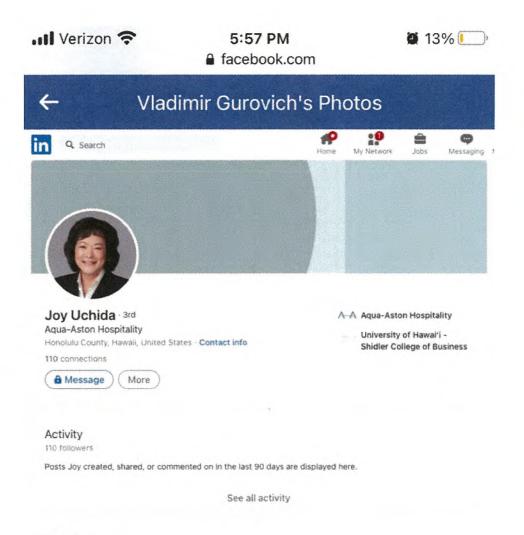
Please VOTE NO to the entirety of this insane corrupted bill that would damage me and so many others in our community including HI taxes revenues! There is currently no demand for vacation rentals due to pandemic we are already struggling! This bill would destroy any chance for us to recover!

Please VOTE NO!

Mahalo!

Laura Isola





#### Experience



#### **AVP Budget and Forecast**

Aqua-Aston Hospitality Jul 2018 – Present - 3 yrs 3 mos Honolulu, Hawaii



#### Controller HPC Foods,

HPC Foods, Ltd Apr 2016 - Jul 2018 - 2 yrs 4 mos Honplulu, Hl



Director Property Accounting Aqua-Aston Hospitality, an Interval Leisure Group Company Apr 2013 – Apr 2016 - 3 yrs 1 mo Walkiki



Corporate Director of Financial Systems Outrigger Enterprises Group

Mar 1987 - Apr 2013 · 26 yrs 2 mos

one thing, wrapping in the handover of all condotel business is something else - that actually has nothing too do with zoning changes

## Aloha Everyone,

DPP director Dean Uchida's wife (Joy Uchida) is a top executive at Aston. This is blatant corruption. This is a serious conflict of interest, as Aston is the main (only?) beneficiary of this proposed bill. Many of the existing condotels and hotels (including Ilikai, Waikiki Banyan, Waikiki Sunset, Luana, Aloha Surf) have front desks that are managed by Aston, while Aston controls only small percentages of the units in each bldg. – and is losing market share fast – this bill will immediately increase their market share from around 10% to 100%. There are numerous conflicts of Interest within DPP and HTA. The very fact Mufi is involved in the drafting and the lobbying considering his personal interests as well is nothing short of shocking. -----Original Message-----From: Anthony Apostol [mailto:antapostol@icloud.com] Sent: Tuesday, September 28, 2021 7:25 PM To: info@honoluludpp.org Cc: Takara, Gloria C Subject: STR 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:

My family and I beg you to include all stakeholders when developing regulations for short term rentals. Families work hard to buy a property and families; especially on the islands need ways to create additional income from those properties. It is not fair that the deep pockets of hotels control DPP and this will all come to light if you continue down the road of unfair regulations.

Please do the right thing!

Anthony

From: coachcooz@aol.com [mailto:coachcooz@aol.com] Sent: Tuesday, September 28, 2021 7:42 PM To: info@honoluludpp.org; Takara, Gloria C Subject: My stand on New Bill and supporting Ordinance 19-18

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

Dear Sirs, again I feel compelled to write you about tomorrows vote on STRs. The 30 day ordinance is a solid work that was never enforced. There are 800 or so legal STR's that work by the rules and support the island with fees, taxes and the Hawaiian spirit. Take this time and the cost to enforce that ordinance and get rid of the 10,000 or so illegal rentals. There lies your problem. Starting something good and sound but not following through. Focus on enforcing the 19-18 Ordinance and keeping the legal 30 rentals open and supporting the island we all love. Keep them in business and all of the people they employ and support. Also discussions on this important matter should be shared with everyone involved not just the Hotels who are only worried about their profit and not what's best for the island. My family visits Oahu every year for the last 9 years and our daughter lived on the island while she attended and graduated from Chaminade Univ. She is now helping people in the Social Worker community and often speaks of her experience in a rental on the island and how she learned to love all that live there. This couldn't of happen at a hotel. Living among the people, walking to stores and restaurants showed her the true island experience and the correct way to treat people. I hope you will consider our thoughts on this matter and reject a new 180 rule and enforce the 30 day rule. don't let the hotels determine the islands future. Sincerely, Brian Couso retired NBA Coach and Scout and fan of Oahu. Mahalo

From: Robin Boolukos [mailto:rboolukos@hawaii.rr.com]
Sent: Wednesday, September 29, 2021 2:52 AM
To: info@honoluludpp.org
Cc: Takara, Gloria C
Subject: opposed to DPPs new bill regarding days of rentals

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

Aloha All,

Please do not approved this bill.

Reasons:

- 1) Many of us rely on income from rentals for daily living.
- 2) We have complied with DPPs request to not rent for less than 30 days, and now we're doing 30+ day rentals.
- 3) Often rentals are to contract workers such as nurses, construction, etc
- 4) People working remotely who want or need to be in Hawaii for family-care reasons.
- 5) Military, temporarily prior to getting into housing or family arriving.
- 6) All who require a furnished unit and temporary housing.
- 7) And whereas most long-term renters have their own furniture, is a reason others won't rent.

Why is the DPP using energy and so focused on ceasing good creative people from earning a living in Hawaii? Why isn't the DPP working on their own department, cleaning up the backlog of permits for home building etc?

Isn't TAT a good source of income for the State and County? At 180 days, TAT goes away, doesn't that matter? Contract workers are needed more than ever in Hawaii, due to we don't have enough workers for the jobs out there, along with our low unemployment. Other States are looking into building contract worker housing, only in Honolulu, the government misses and stifles the community for successfully filing a need. This is looking like a spiral downward for the Hawaii Government, not a success. Doesn't anyone see the long-term bad side affects of this bill?

We need Aloha For ALL!

Mahalo, Robin Boolukos

Sent from Mail for Windows

-----Original Message-----From: Chris Mosier [mailto:chris.mosier@usa.net] Sent: Wednesday, September 29, 2021 6:20 AM To: Takara, Gloria C Subject: Recommendation to Planning Commission

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

We have been retired on the Island for 10 years now and after working for over 40 years, we have invested our life's savings in our Villas in Hawaii.

One item that I want to make sure is considered is that Villa Owners should not be restricted to owning only one unit. Does the government want us to sell our investments in Hawaii at a significant loss and then reinvest those funds in another state or country? We are in a resort community and invested our life's savings into these units, which are legal, and now asked to sell them. This would destroy our retirement savings. Please don't allow this to happen!

.

Regards,

Chris Mosier

From: Jomel Duldulao [mailto:jomeld12@gmail.com] Sent: Tuesday, September 28, 2021 7:01 PM To: info@honoluludpp.org Subject: Vote No on amendments to Bill 89

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

Dear members of the Planning Committee,

My name is Jomel Duldulao and I am an owner of a legal AirBNB at 1911 Kalakaua Apt 608.

I withdrew money from my IRA as down payment for the property and consider this as an investment for my retirement.

If these amendments to Bill 89 are passed we will be forced out of business.

I oppose all amendments to bill 89. Vote no on the bill and enforce current law instead.

Stop punishing law abiding residents trying to make a living and plan their retirement.

Jomel Duldulao

---

Mahalo,

Jomel Duldulao

"Always Advocate Aloha" Kāko'o Mau Me Ke Aloha From: Catherine Eng [mailto:strict.tempo@gmail.com]
Sent: Tuesday, September 28, 2021 6:53 PM
To: info@honoluludpp.org
Cc: Takara, Gloria C
Subject: Opposing amendments to ordinance 19-18

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

Dear sir/madam,

My name is Catherine Eng. I am a resident of Oahu and own a home in Honolulu.

I oppose all amendments to ordinance 19-18.

Please respect the rights of residents to manage their own properties. Please oppose these changes to ordinance 19-18 entirely.

Yours sincerely, Catherine Eng : Tuesday, September 28, 2021 7:42 PM To: info@honoluludpp.org; Takara, Gloria C Subject: My stand on New Bill and supporting Ordinance 19-18

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

Dear Sirs, again I feel compelled to write you about tomorrows vote on STRs. The 30 day ordinance is a solid work that was never enforced. There are 800 or so legal STR's that work by the rules and support the island with fees, taxes and the Hawaiian spirit. Take this time and the cost to enforce that ordinance and get rid of the 10,000 or so illegal rentals. There lies your problem. Starting something good and sound but not following through. Focus on enforcing the 19-18 Ordinance and keeping the legal 30 rentals open and support. Also discussions on this important matter should be shared with everyone involved not just the Hotels who are only worried about their profit and not what's best for the island. My family visits Oahu every year for the last 9 years and our daughter lived on the island while she attended and graduated from Chaminade Univ. She is now helping people in the Social Worker community and often speaks of her experience in a rental on the island and how she learned to love all that live there. This couldn't of happen at a hotel. Living among the people, walking to stores and restaurants showed her the true island experience and the correct way to treat people. I hope you will consider our thoughts on this matter and reject a new 180 rule and enforce the 30 day rule. don't let the hotels determine the islands future. Sincerely, Brian Couso retired NBA Coach and Scout and fan of Oahu. Mahalo

From: Sue Alden [mailto:suealden@gmail.com] Sent: Tuesday, September 28, 2021 6:19 PM To: info@honoluludpp.org Subject: \*\* SPAM \*\* Vote NO on STR Bill

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# To the members of the Honolulu Department of Planning and Permitting,

I am a 70-year old widow struggling to maintain my home.

I implore you with all respect to please reject the proposed STR bill in its entirety. Please establish a group of key stakeholders on rule-making recommendations.

Short terms rental operators cannot and should not be lumped into one category. While I am in a residential neighborhood, my neighbors have not had any issues with my short term rental. I am on-site at all times and operate a clean and quiet environment for visitors that would not otherwise be able to afford to visit Hawaii.

Please please please reject the current proposed bill in its entirety and come up with something that we can all live with. It is ludicrous to propose that 6 months be considered short term.

Respectfully,

Sue Alden 1580 Ulupii Street Kailua, HI 96734 808-392-4523 -----Original Message-----From: Anthony Apostol [mailto:antapostol@icloud.com] Sent: Tuesday, September 28, 2021 7:25 PM To: info@honoluludpp.org Cc: Takara, Gloria C Subject: STR Bill

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To whom it may concern:

My family and I beg you to include all stakeholders when developing regulations for short term rentals. Families work hard to buy a property and families; especially on the islands need ways to create additional income from those properties. It is not fair that the deep pockets of hotels control DPP and this will all come to light if you continue down the road of unfair regulations.

Please do the right thing!

Anthony

From: c kim [mailto:aloha.ckim@yahoo.com] Sent: Tuesday, September 28, 2021 6:12 PM To: info@honoluludpp.org Cc: Takara, Gloria C Subject: Oppostion to Bill

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To whom it may concern,

My associates and I have thoroughly and meticulously read over the str bill and I can confidently say that we reject this bill in its entirety. We believe that the DPP should focus on doing more productive things like enforcing ordinance 19-18. The DPP should engage all stakeholders- not just the corporate hotels in developing fair and sensible regulations.

Please do not hesitate to contact us if you have any questions. Have a great day! Warm Aloha,

Christine Kim, J.D. (R) CNE, SRES, SFR RB-20727 President/Principal Broker

## H<sub>2</sub>O Watermark Pacific Properties LLC

## Hawaii Homes to Opportunities

Cell: (808) 285-4357 Office: (808) 861-5823 Direct Fax: (888) 790-3012 1314 S. King St. Suite 1651 Honolulu, HI 96814 <u>www.H2OWatermark.com</u> RB-20728

www.h2owatermark.com

From: Maria@blondiesstyle.com [mailto:maria@blondiesstyle.com] Sent: Wednesday, September 29, 2021 4:59 AM To: info@honoluludpp.org Subject: STR bill

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Please reject the STR bill. If it passes it will hurt so many people who rely on that income to make ends meet. The hotels will survive but not properly owners. Vote No.

Maria Morgan

-----Original Message-----From: Ken Kribel [mailto:kkribel@icloud.com] Sent: Wednesday, September 29, 2021 4:34 AM To: info@honoluludpp.org Subject: STR Bill

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City council,

The proposed STR bill should be rejected in its entirety. It will hurt so many homeowners. This is not the time to put more pressure on families.

Reject the will of the big hotels who will not suffer like individuals.

There are regulations already in place. Don't over regular the people. Vote NO!

Ken Kribel Waianae From: Robin Boolukos [mailto:rboolukos@hawaii.rr.com] Sent: Wednesday, September 29, 2021 2:52 AM To: info@honoluludpp.org Cc: Takara, Gloria C Subject: opposed to DPPs new bill regarding days of rentals

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Aloha All,

Please do not approved this bill.

Reasons:

- 1) Many of us rely on income from rentals for daily living.
- We have complied with DPPs request to not rent for less than 30 days, and now we're doing 30+ day rentals.
- 3) Often rentals are to contract workers such as nurses, construction, etc
- 4) People working remotely who want or need to be in Hawaii for family-care reasons.
- 5) Military, temporarily prior to getting into housing or family arriving.
- 6) All who require a furnished unit and temporary housing.

7) And whereas most long-term renters have their own furniture, is a reason others won't rent. Why is the DPP using energy and so focused on ceasing good creative people from earning a living in Hawaii? Why isn't the DPP working on their own department, cleaning up the backlog of permits for home building etc?

Isn't TAT a good source of income for the State and County? At 180 days, TAT goes away, doesn't that matter? Contract workers are needed more than ever in Hawaii, due to we don't have enough workers for the jobs out there, along with our low unemployment. Other States are looking into building contract worker housing, only in Honolulu, the government misses and stifles the community for successfully filing a need. This is looking like a spiral downward for the Hawaii Government, not a success. Doesn't anyone see the long-term bad side affects of this bill?

We need Aloha For ALL!

Mahalo, Robin Boolukos

Sent from Mail for Windows

-----Original Message-----From: Chris Mosier [mailto:chris.mosier@usa.net] Sent: Wednesday, September 29, 2021 5:22 AM To: info@honoluludpp.org Subject: Response to Planning Commission's Recommendations

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We have been retired on the Island for 10 years now and after working for over 40 years, we have invested our life's savings in our Villas in Hawaii.

One item that I want to make sure is considered is that Villa Owners should not be restricted to owning only one unit. Does the government want us to sell our investments in Hawaii at a significant loss and then reinvest those funds in another state or country? We are in a resort community and invested our life's savings into these units, which are legal, and now asked to sell them. This would destroy our retirement savings. Please don't allow this to happen!

Regards,

Chris Mosier

From: Maria Stella Leano [mailto:mstella2550@gmail.com] Sent: Wednesday, September 29, 2021 11:12 AM To: info@honoluludpp.org; Takara, Gloria C Subject:

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Aloha Dear Counsel and Elected Officials,

#### I do not support this bill at all, especially the following;

I am a 73-year-old widow, who just purchased a unit in a condo hotel in Waikiki. I don't have any other means to support myself other than the rental unit I just purchased with my savings. I upgraded the unit to a more modern and updated look for about \$30,000. The building where the unit was purchased is old and the hotel pool units are not well maintained at all. Many people in this building own and manage their units. The hotel has not been able to keep any of their units up to date in preteen condition, most of the units have stained carpets, old curtains, and furniture. They have not made any effort to upgrade the rooms. With that being said, I can't imagine allowing the hotel management to take care of my unit, for a fee based on 50% of the revenues! Knowing they lack the ability to take good care of the rooms.

I've worked on the worksheet below, to reflect the average losses for any person who is facing my same situation, I know there are many out there!

It is sad and frustrating that not only we've been hit hard by the pandemic but now the city is after us, trying to take most of our reviews and rights from our private property.

I understand you are planning to collect more funds so DPP can go after whoever does not pay.

1. In the end I wonder, is that worth \$3,125,000? Who would pay that when operating at a loss? We'll end up losing our properties perhaps to the city!

2. Who would buy a property that hardly produces any income at all?

3. People who need affordable housing don't want to leave where the tourists are, we can't mix all of our people in need with all of our tourists, that has never been a good formula.

Hard to say what is the logic behind all of this, if not taking away our property rights.

### Please take a look at this worksheet and reconsider your VOTE.

1.

Average <b>Revenues</b> Per year based on 77%		
average occupancy rate on 2021 per (HTA) \$73,000 – 23%= \$56,210 **Based on	\$56,210	
Average nightly rate (\$200) according to (HTA)		
Expenses		
GET and TAT=		\$8,290
Resort and Hotel property Tax for a Average Condo Hotel assessed Value (\$400,000)1.3 <b>9%</b>		ćr rco
HOAS Average in resort zone (\$650)		\$5,560 \$7,800
Flexible expenses (repairs, maintenance) Average		\$4,000
Registration fee DPP		\$5,000
Property Insurance		\$12,000
Hotels's Percent Charged to manage unit average (40%) of revenues		\$22,484
Total Expenses		\$65,134
Total Gains/Losses	(\$8,924)	

Mahalo for taking the time and allowing me to share my concerns,

Steall Leano

Department of Planning and Permitting,

I ask that you vote against revising the short term rental minimum to 180 days. Regulation of the short term rentals market in Oahu seems like a simple way to address many of the issues raised by opposition. Allow the people who wish to run a short term rental to apply for some type of permit or license. This permit or license mandates some sort of good neighbor clause, wherein the owner of the permit is held responsible for how his/her rental property impacts the neighborhood. If occupants of the rental property are being unruly or bothering the neighbors, then the neighbors being impacted will file a complaint. If the short term rental property receives so many complaints in the year the license or permit can be suspended for a year or two years (some sort of reasonable punishment for a poorly managed business). This would force short term rental property owners to meet a certain standard, this will help keep harmony in the neighborhoods, and would not penalize those owners who keep their guests in compliance. This concept could also be applied regarding permitting or licensing to payment of taxes. If a rental property owner is not paying his/her taxes their permit or license can be suspended.

**Concerned Resident** 

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