



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII 96813-3077

COMMITTEE ON ZONING, PLANNING AND HOUSING

Voting Members:

Ron Menor, Chair
Tommy Waters, Vice Chair
Brandon Elefante
Ann Kobayashi
Joey Manahan

AGENDA ADDENDUM SPECIAL MEETING COMMITTEE MEETING ROOM FRIDAY, JUNE 7, 2019 10:00 A.M.

SPEAKER REGISTRATION

Persons wishing to testify are requested to register to speak by 10:00 a.m. as follows:

- a. On-Line at <http://www.honolulu.gov/ccl-testimony-form.html>;
- b. By faxing to 768-3827 your name, phone number and the agenda item;
- c. By filling out the registration form in person; or
- d. By calling 768-3825.

Persons who have not registered to testify will be given an opportunity to speak on an item following oral testimonies of the registered speakers.

Each speaker will be limited to a **one-minute** presentation.

WRITTEN TESTIMONY

Written testimony may be faxed to 768-3827 or transmitted via the internet at <http://www.honolulu.gov/ccl-testimony-form.html> for distribution at the meeting.

If submitted, written testimonies, including the testifier's address, e-mail address and phone number, will be available to the public on the City Council's pilot website: www.honolulucitycouncil.com as well as the City's legacy DocuShare Website.

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MATERIALS AVAILABLE FOR INSPECTION

Meeting materials ("*board packet*" §92-7.5, HRS) are available for public inspection at the Council Information and Records Section's service window at Room 202 in Honolulu Hale (530 S. King St.).

Accommodations are available upon request to persons with disabilities, please call 768-3825 or send an email to potto1@honolulu.gov at least three working days prior to the meeting.

The meeting is viewable by: (1) internet live streaming through www.honolulucitycouncil.com and http://olelo.granicus.com/MediaPlayer.php?publish_id=92; (2) televised live broadcast on Olelo TV Channel 55; or (3) after the meeting, viewable at <http://www.honolulucitycouncil.tv>. Copies of older meeting videos may be requested by calling the City Clerk's Office at 768-5822, charges may apply.

These addendum items provide a description of proposed CD2 amendments to Agenda Item No. 2 – Bill 89 (2018), CD1, relating to short-term rentals.

2. **BILL 89 (2018), CD1 – RELATING TO SHORT-TERM RENTALS.** Amending the Land Use Ordinance (“LUO”) to better regulate short-term rentals. (Bill recommitted back to Committee on Planning 5/8/19) (Current deadline for Council action 9/4/19)

PROPOSED CD2 TO BILL 89 (2018), CD1 (Submitted by Councilmember Kobayashi) – The CD2 (OCS2019-0626/6/6/2019 10:40 AM) makes the following amendments:

- A. Amends the language in the “Findings and Purpose” clause in SECTION 1 of the bill to conform with the CD2 amendments below.
- B. Adds a new SECTION 2 to the bill to amend ROH Section 8-7.1(h), relating to real property tax valuations, to establish new real property tax classifications for bed and breakfast homes and transient vacation units. Renumbers subsequent bill SECTIONS accordingly.
- C. Adds a new SECTION 5 to the bill, to add a proposed new Section 21-2.150-3 relating to the use of fines recovered for violations of ordinances relating to bed and breakfast homes and transient vacation units.
- D. In renumbered SECTIONS 6 and 13, amends LUO Tables 21-3 (“Master Use Table”) and 21-9.6(A) (“Waikiki Special District Precinct Permitted Uses and Structures”) to allow transient vacation units as a permitted use subject to standards (“P/c”) in all zoning districts and precincts where bed and breakfast homes are so permitted by the bill. Makes conforming amendments throughout the bill, including amendments to make transient vacation units subject to the same regulatory requirements as bed and breakfast homes.
- E. In renumbered SECTION 9, the registration application and renewal requirements calling for evidence of a real property home exemption for the subject property are amended to instead require evidence of a real property home exemption for a property in the City and County of Honolulu.
- F. In renumbered SECTION 9, amends proposed new ROH Section 21-5.____(b)(1)(E) to require an initial registration fee of \$_____ for transient vacation units, and new ROH Section 21-5.____(b)(2)(E) to require a registration renewal fee of \$_____ for transient vacation units.

Committee on Zoning, Planning and Housing
Special Meeting Addendum Agenda
Friday, June 7, 2019

- G. In renumbered SECTION 9, amends proposed new ROH Section 21-5.____(b)(1)(F) and Section 21-5.____(b)(2)(F), to require liability insurance in the aggregate of not less than \$1 million, or alternatively to require the rental transaction to be conducted through a hosting platform that provides equal or greater insurance coverage.
- H. In renumbered SECTION 9, adds a new ROH Section 21-5.____(b)(1)(K) to require evidence that a dwelling unit proposed for use as a bed and breakfast home: (1) is not an affordable unit subject to income restrictions; (2) did not receive housing or rental assistance subsidies; and (3) was not subject to an eviction within the last 12 months.
- I. In renumbered SECTION 9, adds a new ROH Section 21-5.____(b)(1)(L) and Section 21-5.____(b)(2)(J) to require that an applicant for the registration or registration renewal of a bed and breakfast home or transient vacation unit provide the name and telephone number of an Oahu-based person who is available 24 hours a day, seven days a week to respond to any issues.
- J. In renumbered SECTION 9, adds a new ROH Section 21-5.____(b)(3)(C) to provide that no more than two guests are allowed per bedroom in a transient vacation unit. Re-alphabetizes subsequent paragraphs accordingly.
- K. In renumbered SECTION 9, amends new ROH Section 21-5.____(b)(3)(J) to provide for new development plan area density limits for each of the City's eight development plan areas.
- L. In renumbered SECTION 9, adds a new ROH Section 21-5.____(b)(3)(M) to require the owner or operator of a bed and breakfast home or transient vacation unit to provide to the residents of all adjoining properties the name and telephone number of an Oahu-based person who is available 24 hours a day, seven days a week to respond to any issues .
- M. In renumbered SECTION 9, adds a new ROH Section 21-5.____(b)(3)(N) to provide that a bed and breakfast home or transient vacation unit must not be located within a 1,000-foot radius of another bed and breakfast home or a transient vacation unit, subject to exclusions from the spacing requirement (1) as between bed and breakfast homes and transient vacation units located in the zoning districts subject to the new comprehensive standards and requirements and short-term rentals located in zoning districts and precincts not subject to such standards and requirements, and (2) for bed and breakfast homes and transient vacation units operating under valid nonconforming use certificates.

Committee on Zoning, Planning and Housing
Special Meeting Addendum Agenda
Friday, June 7, 2019

- N. In renumbered SECTION 9, adds a new ROH Section 21-5.____(b)(3)(O) to require the owner or operator of a bed and breakfast home or transient vacation unit to post certain information in a conspicuous place within each dwelling unit.
- O. In renumbered SECTION 11, amends Table 21-6.1 (“Off-street Parking Requirements”) to require one off-street parking per bedroom in a transient vacation unit.
- P. In renumbered SECTION 14, deletes and replaces all hosting platform provisions.
- Q. Adds a new uncodified SECTION 16, which requires the DPP Director to adopt rules to implement and administer SECTIONS 2 through 14 of the ordinance. Renumbers subsequent bill SECTIONS accordingly.
- R. In renumbered SECTION 19, provides that the ordinance takes effect on November 1, 2020 (instead of November 1, 2019); provided that SECTION 14 of the ordinance takes effect on February 1, 2021.
- S. Makes miscellaneous technical and nonsubstantive amendments.

PROPOSED CD2 TO BILL 89 (2018), CD1 (Submitted by Councilmember Anderson) – The CD2 (OCS2019-0641/6/6/2019 4:03 PM) makes the following amendments:

- A. Amends the language in the “Findings and Purpose” clause in SECTION 1 of the bill to:
 - 1. Reflect the nonexpansion of TVU operations and to delete references to real property tax classifications;
 - 2. Provide that the ordinance also includes significant penalties for recurring violations related to short-term rentals, due to the profitability of short-term rental use, and the ineffectiveness of lesser fines; and
 - 3. Provide that the ordinance regulates hosting platforms to increase transparency and accountability for hosting platforms providing booking services for bed and breakfast homes and transient vacation units located within the City.

Committee on Zoning, Planning and Housing
Special Meeting Addendum Agenda
Friday, June 7, 2019

- B. In SECTION 3 of the bill, amends Section 21-2.150-2(c)(2) relating to bed and breakfast home or transient vacation unit violations by providing for minimum and maximum civil fine amounts based on whether the violation is an initial violation or a recurring violation, and by deleting the provision prohibiting the DPP Director from exercising discretion in imposing civil fines.
- C. Adds a new SECTION 4 to the bill, to add a proposed new Section 21-2.150-3 relating to the use of fines recovered for violations of ordinances dealing with TVUs and B&Bs.
- D. Moves the hosting platform regulations (formerly in SECTION 12 of the bill) to a new SECTION 5 of the bill, which creates a new Article 2A in the LUO. Deletes and replaces all hosting platform provisions. Renumbers subsequent SECTIONS accordingly.
- E. In renumbered SECTION 6 of the bill, amends Table 21-3 ("Master Use Table") to:
 - 1. Add a footnote 3 to the bed and breakfast home and transient vacation unit entries; and
 - 2. Amend the footnotes by adding a footnote 3, which provides that notwithstanding any contrary provisions in ROH Chapter 21, bed and breakfast homes and transient vacation units are prohibited and may not operate without a valid nonconforming use certificate in areas where the applicable development plan or sustainable communities plan prohibits or does not permit new bed and breakfast homes or transient vacation units.
- F. In renumbered SECTION 9 of the bill, amends proposed new ROH Section 21-5.__(b)(1), 21-5.__(b)(2), and 21-5.__(b)(3) to delete references to a bed and breakfast home that will be occupied by transient residents for more than 30 days per calendar year (the subsection will apply to all bed and breakfast homes, regardless of the number of days per calendar year they are occupied by transient residents).
- G. In renumbered SECTION 9 of the bill, amends proposed new ROH Section 21-5.__(b)(1)(A) and Section 21-5.__(b)(2)(A) to require: (1) the applicant's name, address, and phone number; (2) the tax map key number for the subject property; and (3) affirmation that the applicant owns the subject property (in addition to requiring affirmation that the applicant is a natural person).

Committee on Zoning, Planning and Housing
Special Meeting Addendum Agenda
Friday, June 7, 2019

- H. In renumbered SECTION 9 of the bill, amends proposed new ROH Section 21-5.____(b)(1)(E), to increase the initial registration fee for a bed and breakfast home to \$1,000 (instead of \$100).
- I. In renumbered SECTION 9 of the bill, amends proposed new ROH Section 21-5.____(b)(1)(I) to require a site plan showing the location of guest off-street parking (in addition to requiring a floor plan showing the location of guest rooms).
- J. In renumbered SECTION 9 of the bill, amends proposed new ROH Section 21-5.____(b)(1)(J), Section 21-5.____(b)(2)(I), and Section 21-5.____(b)(3)(K) to refer to a farm dwelling pursuant to Section 21-5.250 (instead of a residential homesite, as defined in Section 8-7.3(a)).
- K. In renumbered SECTION 9 of the bill, adds a new ROH Section 21-____(b)(1)(K) to require evidence that a dwelling unit proposed for use as a bed and breakfast home: (1) is not an affordable unit subject to income restrictions; (2) did not receive housing or rental assistance subsidies; and (3) was not subject to an eviction within the last 12 months.
- L. In renumbered SECTION 9 of the bill, amends proposed new ROH Section 21-5.____(b)(3)(A) to clarify that dwelling units in detached dwellings used as bed and breakfast homes must be occupied by a family, and renters of any room in the detached dwelling other than the bed and breakfast home guests are not permitted.
- M. In renumbered SECTION 9 of the bill, amends proposed new ROH Section 21-5.____(b)(3)(H) to provide that the owner or operator shall promptly notify the DPP director in writing of the transfer of any interest in the bed and breakfast home, or if the owner or operator will no longer be residing in the bed and breakfast home
- N. In renumbered SECTION 9 of the bill, amends proposed new ROH Section 21-5.____(b)(3)(I) to reduce the development plan area density limit to one half of one percent of the total number of dwelling units in that development plan area (instead of one percent).

Committee on Zoning, Planning and Housing
Special Meeting Addendum Agenda
Friday, June 7, 2019

- O. In renumbered SECTION 9 of the bill, adds a new ROH Section 21-5.____(b)(3)(L) to require the owner or operator of a bed and breakfast home to provide occupants of dwelling units adjacent to or adjoining the dwelling unit used as a bed and breakfast home with a phone number that must be answered 24 hours a day, to call in complaints regarding the bed and breakfast home.
- P. In renumbered SECTION 9 of the bill, adds a new ROH Section 21-5.____(b)(3)(M) to require one off-street parking space for each guest room in a bed and breakfast home.
- Q. In renumbered SECTION 9 of the bill, deletes new ROH Section 21-5.____(b)(4), which provided for the registration of limited short-term rentals (dwelling units to be used as bed and breakfast homes for less than 30 calendar days per year). Renumbers subsequent subdivisions accordingly.
- R. In renumbered SECTION 9 of the bill, amends proposed new ROH Section 21-5.____(c)(2)(A)(ii) to provide that bed and breakfast homes or transient vacation units located in the apartment precinct (in addition to the resort mixed use precinct) of the Waikiki special district must list the street address for that bed and breakfast home or transient vacation unit in all advertisements.
- S. In renumbered SECTION 9 of the bill, amends proposed new ROH Section 21-5.____(c)(4) relating to penalties to provide that violation of the advertising provisions will subject the violator to the civil fines specified in Section 21-2.150-2(c).
- T. In renumbered SECTION 9, adds a new proposed ROH Section 21-5.____(d), to provide for a process recommended by COR by which any person may submit to the DPP Director a written complaint to report a violation regarding bed and breakfast homes and transient vacation units.
- U. In renumbered SECTION 14, amends Chapter 21, Article 10 ("Definitions") to add new definitions of "booking service" and "hosting platform."
- V. Adds a new uncodified SECTION 16, which requires the DPP, no later than six months after the effective date of the ordinance, to establish public complaint procedures, establish procedures to investigate public complaints, and conduct educational community outreach.

Committee on Zoning, Planning and Housing
Special Meeting Addendum Agenda
Friday, June 7, 2019

- W. Adds a new uncodified SECTION 17, which requires the DPP to provide the Council with certain monthly reports. Renumbers subsequent SECTIONS accordingly.
- X. Makes miscellaneous technical and nonsubstantive amendments.

RON MENOR, Chair
Committee on Zoning, Planning
and Housing