HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

ORDINANCE _____

BILL **53 (2023), CD2**

A BILL FOR AN ORDINANCE

RELATING TO REGISTRATION REQUIREMENTS FOR BED AND BREAKFAST HOMES AND TRANSIENT VACATION UNITS.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. The purpose of this ordinance is to address standards and requirements for operating bed and breakfast homes and transient vacation units.

SECTION 2. Section 21-5.730, Revised Ordinances of Honolulu 2021 ("Bed and breakfast homes and transient vacation units"), is amended by amending subsection (b) to read as follows:

"(b) The following standards and requirements apply to bed and breakfast homes and transient vacation units; provided that bed and breakfast homes operating under valid nonconforming use certificates pursuant to § 21-4.110-2, or transient vacation units operating under a valid nonconforming use certificate pursuant to § 21-4.110-1 need only comply with subdivision (3):

(1) *Registration requirements*. The owner or operator of a bed and breakfast home or transient vacation unit shall register the bed and breakfast home or transient vacation unit with the department on a form prescribed by the department, and submit the following [~~in~~] with the initial application for registration:

(A) A title report for the subject property [~~that has been issued or updated within 30 days prior to its submission, and identifies all persons owning an interest in the property;~~], or a copy of the real property tax records listed on the department of budget and fiscal services property records search website, or a copy of a deed or conveyance document, confirming all persons owning an interest in the property;

(B) A valid current State of Hawaii general excise tax license and transient accommodations tax license, and city transient accommodations tax license for the subject property;

(C) For a bed and breakfast home, evidence of a real property tax home exemption for the subject property, and evidence that the

applicant has a minimum 50 percent ownership interest in the subject property;

(D) [~~An~~] The initial registration fee [~~of $1,000~~] for the bed and breakfast home or transient vacation unit[~~;~~] in the amount specified in § 6-41.1;

(E) Evidence that the use as a bed and breakfast home or transient vacation unit is covered by an insurance carrier for the subject property pursuant to subdivision (3)(D);

(F) [~~Confirmation~~] A letter from the applicable homeowners association or apartment owners association dated no more than one year prior to the date of the registration application, confirming that the bed and breakfast home or transient vacation unit is permitted [~~by any applicable homeowners association, apartment owners association, or condominium property regime articles, by-laws, and house rules~~];

(G) The informational binder required under subdivision (3)(F); [~~provided that a copy of a registration certificate need not be included;~~] and

(H) [~~Evidence~~] An attestation by the owner or operator of a bed and breakfast home or transient vacation unit stating that a dwelling unit proposed for use as a bed and breakfast home or transient vacation unit:

(i) Is not an affordable unit subject to income restrictions;

(ii) Did not receive housing or rental assistance subsidies; and

(iii) Was not subject to an eviction within the last 12 months.

Registration will be effective for a period of one year beginning on the date a certificate of registration is issued by the department, and must be renewed annually prior to expiration.

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(2) *Registration renewal requirements.* Annually, no earlier than three months prior to the expiration and no later than one month prior to expiration of the registration certificate, the owner or operator of a bed and breakfast home or transient vacation unit shall apply to renew the registration certificate for a bed and breakfast home or transient vacation unit with the department on a form prescribed by the department, and submit to the department the following [~~in~~] with the registration renewal application:

(A) [~~For~~] Upon the request of the director, for a bed and breakfast home, evidence of a real property tax home exemption for the subject property;

(B) A tax clearance certificate issued by the department of budget and fiscal services [~~certifying~~] or a copy of the real property tax records listed on the department of budget and fiscal services property records search website verifying that real property taxes were assessed at the rates required by § 8-7.1 and paid in full during the preceding tax year; provided that additional documents may be required upon the request of the director;

(C) A tax clearance certificate issued by the State department of taxation [~~certifying~~] or a copy of the State general excise tax and transient accommodations tax payment records listed on the State department of taxation tax online website verifying the payment of State of Hawaii general excise taxes and transient accommodations taxes, and a tax clearance certificate issued by the department of budget and fiscal services [~~certifying~~] or a copy of the Oahu transient accommodations tax payment records listed on the department of budget and fiscal services payment portal verifying the payment of city transient accommodations taxes, for the subject property during the previous tax year; provided that additional documents may be required upon the request of the director;

[~~(D) If there has been any change in ownership of the subject property, an updated title report that has been issued within 30 days prior to the submission of the renewal application to the department;~~]

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[~~(E)~~] (D) [~~A~~] The renewal fee [~~of $500~~] for the bed and breakfast home or transient vacation unit[~~,~~] specified in § 6-41.1;

[~~(F)~~] (E) [~~Evidence~~] Upon the request of the director, evidence that the use as a bed and breakfast home or transient vacation unit is covered by an insurance carrier for the property pursuant to subdivision (3)(D); and

[~~(G)~~] (F) [~~Confirmation~~] Upon the request of the director, a letter from the applicable homeowners association or apartment owners association dated no more than one year prior to the date of the registration renewal application confirming that the bed and breakfast home or transient vacation unit is permitted [~~by any applicable homeowners association, apartment owners association, or condominium property regime articles, by-laws, and house rules~~].

The director may deny the renewal of a registration if: (i) the owner or operator receives one or more notices of order for violation of this subsection within a [~~one year~~] one-year period; (ii) the owner or operator demonstrates an inability to operate a bed and breakfast home or transient vacation unit without causing significant negative impacts to the surrounding community, including but not limited to instances where complaints from the public indicate that noise or other nuisances created by guests disturbs residents of the neighborhood in which the bed and breakfast home or transient vacation unit is located; or (iii) where other good cause exists for denial of the renewal application.

(3) *Restrictions and standards.* Bed and breakfast homes and transient vacation units must operate in accordance with the following restrictions and standards:

(A) Functioning smoke [~~and carbon monoxide~~] detectors and carbon monoxide detectors (if there are any appliances in the bed and breakfast home or transient vacation unit that are powered by gasoline, natural gas, oil, kerosene, propane, charcoal, or wood) must be installed in each transient occupant bedroom and each hallway connected to a transient occupant bedroom;

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(B) Occupancy limits and sleeping arrangements are as follows:

(i) All overnight transient occupants must be registered with the owner or operator of the bed and breakfast home or transient vacation unit;

(ii) Except for studio units, sleeping accommodations for all transient occupants must be provided in bedrooms or other rooms that are suitable for sleeping accommodations (such as a living room with a sofabed). No more than two adults may sleep in each allowable room in which sleeping accommodations are provided;

(iii) The total number of adult overnight transient occupants may not exceed two times the number of rooms provided to transient occupants for sleeping accommodations; and

(iv) The owner or operator shall maintain a current two-year registry setting forth the names and telephone numbers of all transient occupants and the dates of their respective stays;

(C) Exterior signage indicating that a dwelling unit is used as a bed and breakfast home or transient vacation unit is prohibited;

(D) *Insurance coverage required*. The owner or operator must maintain at all times a minimum of $1,000,000 per occurrence in commercial general liability insurance [~~at all times.~~] or homeowner's insurance with business liability coverage. Additional homeowner's insurance umbrella coverage to meet the $1,000,000 in homeowner's insurance business liability coverage is also acceptable. Owners or operators may fulfill insurance requirements through coverage offered by a hosting platform; provided the insurance coverage satisfies the minimum requirements of this paragraph;

(E) *Gatherings restricted*. The property on which a bed and breakfast home or transient vacation unit is located may not be used for gatherings of [~~ten~~] 10 or more individuals who are not registered as overnight transient occupants at the bed and breakfast home or transient vacation unit; and

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(F) *Informational binder required*. The owner or operator shall create a binder that must be placed and maintained in a conspicuous location within the bed and breakfast home or transient vacation unit at all times. The binder must provide guidance to transient occupants on being respectful of neighbors and responding to emergencies. The binder must be made available for inspection by the department upon request. At a minimum, the binder must include the following documents and information:

(i) A floor plan of the dwelling unit used as a bed and breakfast home or transient vacation unit, identifying the location of all transient occupant bedrooms, the maximum occupancy of each bedroom, and the location of all fire exits;

(ii) Parking plan:

(aa) For bed and breakfast homes and transient vacation units that are not located in a multi-family dwelling, a parking plan identifying the location and number of parking stalls available to persons associated with the bed and breakfast home or transient vacation unit (such as owners, transient occupants, visitors, or service providers); the parking plan must include illustrations, drawn to scale, showing the size of designated parking spaces, their location on the zoning lot, and which spaces may be occupied by vehicles of the transient occupants; or

(bb) For bed and breakfast homes or transient vacation units located in a multi-family dwelling, a parking plan identifying the location and number of parking stalls within the multi-family dwelling that may be used by persons associated with the bed and breakfast home or transient vacation unit[~~;~~] (the parking plan may be provided in narrative form without illustrations or graphics[~~;~~]), or a statement that no parking is provided;

(iii) Instructions for trash collection and disposal, including the dates and times of scheduled trash [~~collections;~~] collection;

(iv) A copy of the house rules for the bed and breakfast home or transient vacation unit, which must impose quiet hours between 10:00 p.m. and 7:00 a.m., and for bed and breakfast homes and transient vacation units operating pursuant to nonconforming use certificates and located within the country, residential, or apartment zoning districts, the house rules must prohibit transient occupants from parking vehicles on the public streets in the vicinity of the bed and breakfast home or transient vacation unit;

(v) A list of emergency contacts, which must include a [~~24-hour~~] 24-hour-a-day telephone number for the owner or operator of the bed and breakfast home or transient vacation unit, the 911 emergency telephone number, and the website address for the Hawaii [~~Emergency Management Agency;~~] emergency management agency;

[~~(vi) A copy of the certificate of insurance for the bed and breakfast home or transient vacation unit;~~]

[~~(vii)~~](vi) Copies of the general excise and transient accommodations tax licenses for the bed and breakfast home or transient vacation unit; and

[~~(viii)~~](vii) A copy of the registration certificate or nonconforming use certificate for the bed and breakfast home or transient vacation unit.

(4) Upon reasonable notice, any bed and breakfast home or transient vacation unit must be made available for inspection by the department.

(5) The violation of any provision of this subsection will be grounds for administrative fines and nonrenewal unless corrected before the renewal deadline. Recurring or multiple violations will result in denial of renewal requests.

(6) The director may revoke a registration at any time by issuing a notice of revocation under the following circumstances:

(A) The owner or operator receives more than two notices of order within a [~~one year~~] one-year period for violation of this subsection;

(B) The owner or operator demonstrates an inability to operate a bed and breakfast home or transient vacation unit without causing significant negative impacts to the surrounding community; including but not limited to instances where complaints from the public indicate that noise or other nuisances created by transient occupants disturbs residents of the neighborhood in which the bed and breakfast home or transient vacation unit is located; or

(C) The director determines that good cause exists for revocation of the registration.

(7) Registration as a bed and breakfast home or transient vacation unit is not transferable, and shall not run with the land.

(8) Any change in ownership of the subject property or any change in the operator of the bed and breakfast home or transient vacation unit will require a new registration of the bed and breakfast home or transient vacation unit."

SECTION 3. Section 6-41.1, Revised Ordinances of Honolulu 2021 ("Fee schedule"), is amended by amending subsection (a) to read as follows:

"(a) The fees set forth in the following schedule for applications under Chapter 21 and for variances therefrom must be paid upon application:

Type of Application	Fee
(1) Zone change	$700, plus $300 per acre or major fraction, up to a maximum of $15,000

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Type of Application	Fee
(2) Cluster housing	$1,200, plus $300 per acre or major fraction, up to a maximum of $15,000
(3) Conditional use permit (major), and conditional use permit (minor) for a meeting facility, day-care facility, or school (elementary, intermediate, or high)	$1,200, plus $300 per acre or major fraction, up to a maximum of $15,000
(4) Major project in special districts and downtown building heights in excess of 350 feet	$1,200, plus $300 per acre or major fraction, up to a maximum of $15,000
(5) Plan review use	$1,200, plus $300 per acre or major fraction, up to a maximum of $15,000
(6) Planned development—housing	$1,200, plus $300 per acre or major fraction, up to a maximum of $15,000
(7) Special districts: establishment of, or amendment to	$1,200, plus $300 per acre or major fraction, up to a maximum of $15,000
(8) Conditional use permit (minor), other than for a meeting facility, day-care facility, or school (elementary, intermediate, or high)	$600
(9) Existing use	$600, plus $150 per acre or major fraction, up to a maximum of $15,000
(10) Exempt project in special districts	No permit fee required
(11) Minor project in special districts	
(A) Tree removal	$100 per tree
(B) Other than tree removal	$600
(12) Waiver	$600
(13) Zoning adjustment	

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Type of Application	Fee
(A) Sign master plan	$1,200
(B) Other than for sign master plan	$600
(14) Signs—estimated value of work	
(A) $0.01 to $500	$18
(B) $500.01 to $1,000	$35
(C) $1,000.01 and above	$70
(15) Zoning variance	$2,400
(16) Nonconforming use certificate renewal	$500
(17) Minor modifications	
(A) To approved cluster housing permit; conditional use permit (major); conditional use permit (minor) for a meeting facility, day-care facility, or school (elementary, intermediate, or high); plan review use; planned development-housing permit, planned development-apartment, and planned development-resort; major projects in special districts, and downtown building heights in excess of 350 feet; and zoning adjustment for a sign master plan	$600
(B) To conditional use permit (minor) other than for a meeting facility, day-care facility, or school (elementary, intermediate, or high); existing use; exclusive agriculture site approval; minor projects in special districts other than tree removal; agricultural site development plan; waiver; and zoning adjustment for other than for a sign master plan	$300

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Type of Application	Fee
(C) To temporary use approval	$50
(18) Agricultural site development plan	$600
(19) Planned development—apartment and planned development—resort	$15,000
(20) Written zoning clearance or confirmation, and flood hazard district interpretation	$150 per request or for each tax map key when multiple parcels are involved; or $300 per tax map key for requests involving confirmation of nonconforming status
(21) Temporary use approval	
(A) For a sales office	$100
(B) For other than a sales office	$200
(22) Exclusive agriculture site approval	$600
(23) Flood variance	$600
(24) Zoning district boundary adjustment	$500
(25) Appeals to zoning board of appeals	$400
(26) Environmental document processing, when the department of planning and permitting is the accepting agency	
(A) Environmental assessment	$600
(B) Environmental impact statement	$1,200
(27) Reconsideration	$2,400
(28) Declaratory ruling	$2,400
(29) Bed and breakfast home or transient vacation unit [~~advertisement registration~~]	[~~$50~~]
(A) Initial registration	$1,000
(B) Renewal registration	$500

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Type of Application	Fee
(C) Advertisement registration	$50

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SECTION 4. Ordinance material to be repealed is bracketed and stricken. New material is underscored. When revising, compiling, or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the Revisor of Ordinances need not include the brackets, the material that has been bracketed and stricken, or the underscoring.

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SECTION 5. This ordinance takes effect upon its approval.

INTRODUCED BY:

Tommy Waters (br)

DATE OF INTRODUCTION:

August 31, 2023
Honolulu, Hawai‘i

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____day of _____, 20 _____.

RICK BLANGIARDI, Mayor
City and County of Honolulu

Report Title:
Land Use Ordinance ("LUO") Amendment; Bed and Breakfast Homes ("B&B"); Transient Vacation Units ("TVU"); Registration Requirements (Initial and Renewal); Restrictions and Standards

Description:
Updates the initial and renewal registration application for B&Bs and TVUs with respect to documentation needed to satisfy certain requirements. Grants the Director of Planning and Permitting discretion in determining whether certain items need to be submitted as part of the renewal registration application. Updates restrictions on and operating standards for B&Bs and TVUs. Provides that any change in ownership of the subject property or change in the operator of the B&B or TVU will require a new registration of the B&B or TVU. Moves the fees for initial and renewal registration applications for B&Bs and TVUs into Chapter 6, Article 41, Revised Ordinances of Honolulu 2021.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.