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Short-Term Rental (STR) Update

Presented to the Committee on Zoning on January 16, 2025

Agenda Item #5 Informational Briefing

DEPARTMENT OF PLANNING AND PERMITTING

KA ʻOIHANA HOʻOLĀLĀ A ME NĀ PALAPALA ʻAE

DEPT. COM. 28
ZON

Ord. 22-7 Purpose

To better protect the City's residential neighborhoods and housing stock from the negative impacts of STRs by providing a more comprehensive approach to the regulation of transient accommodations within the City.

STREB and Registration Positions, Fills, and Vacancies:	Positions	Vacancies
Investigators	4	2
Planner VII (Branch Chief)	1	0
Planner IV	2	1

Short-Term Rental Registration (as of 1/14/25)

Registration Breakdown	Total
Approved	1,289
Pending Processing	5
Pending Corrections to Submittals	21

Short-Term Rental Registration Fees Collected (10/22/2022 to 1/14/2025)

Total	Tax
$2,610,025.00	Effective July 26, 2024, a 2.35% City Service Fee was applied to all registrations ($1000) and renewals ($500). The 2.35% surcharge has been deducted from the total on the left. Total does not include refunds.

Registration Challenges/Issues:

Difficulty implementing changes to the registration process when DPP is unsure of the documents provided by other agencies.

Upset and frustrated registrants who are waiting on other agencies to provide required documentation.

Total RFIs, NOVs, and NOOs

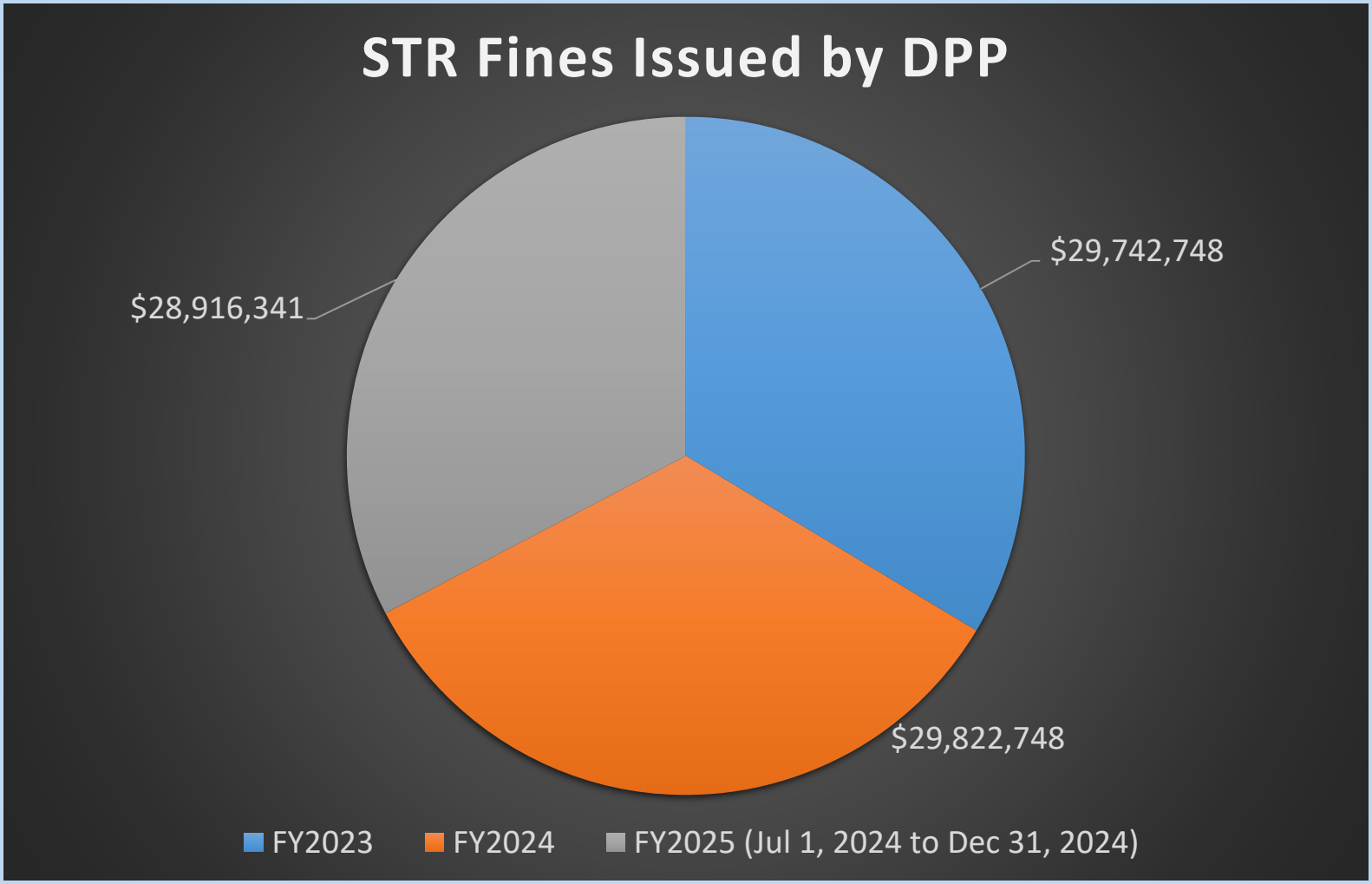
2024	Total
RFIs (Requests for Investigation)	1,345
NOVs (Notices of Violation)	795
NOOs (Notices of Order)	425

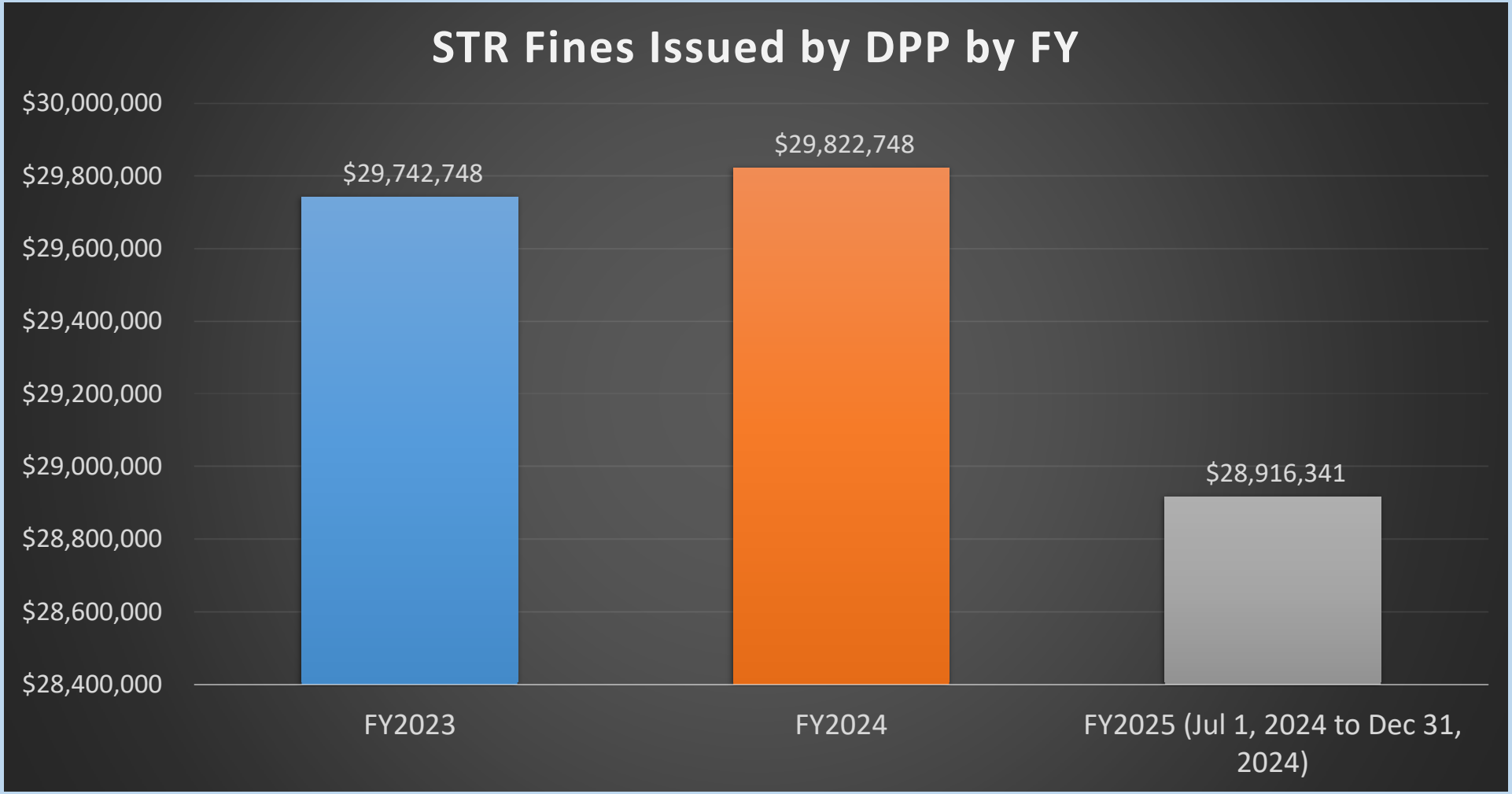
Enforcement Challenges/Issues:

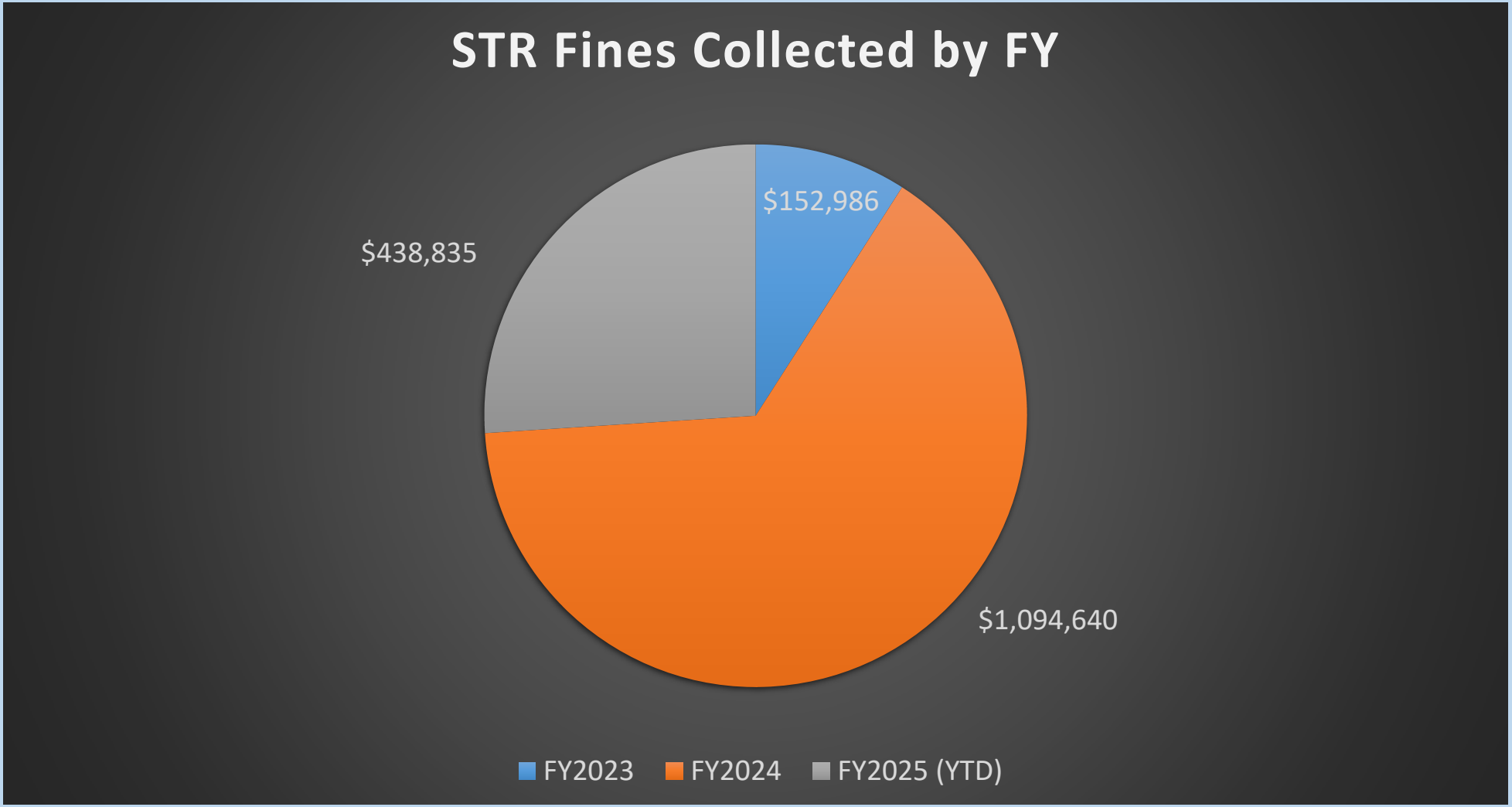
Staffing	Proof of Service
Ongoing recruiting and interviews of prospective applicants.	• Property owner and host refuse/reject delivery of NOVs and NOOs. • Many owners are not residents and argue that they did not receive the notice, even when posted on the subject property.

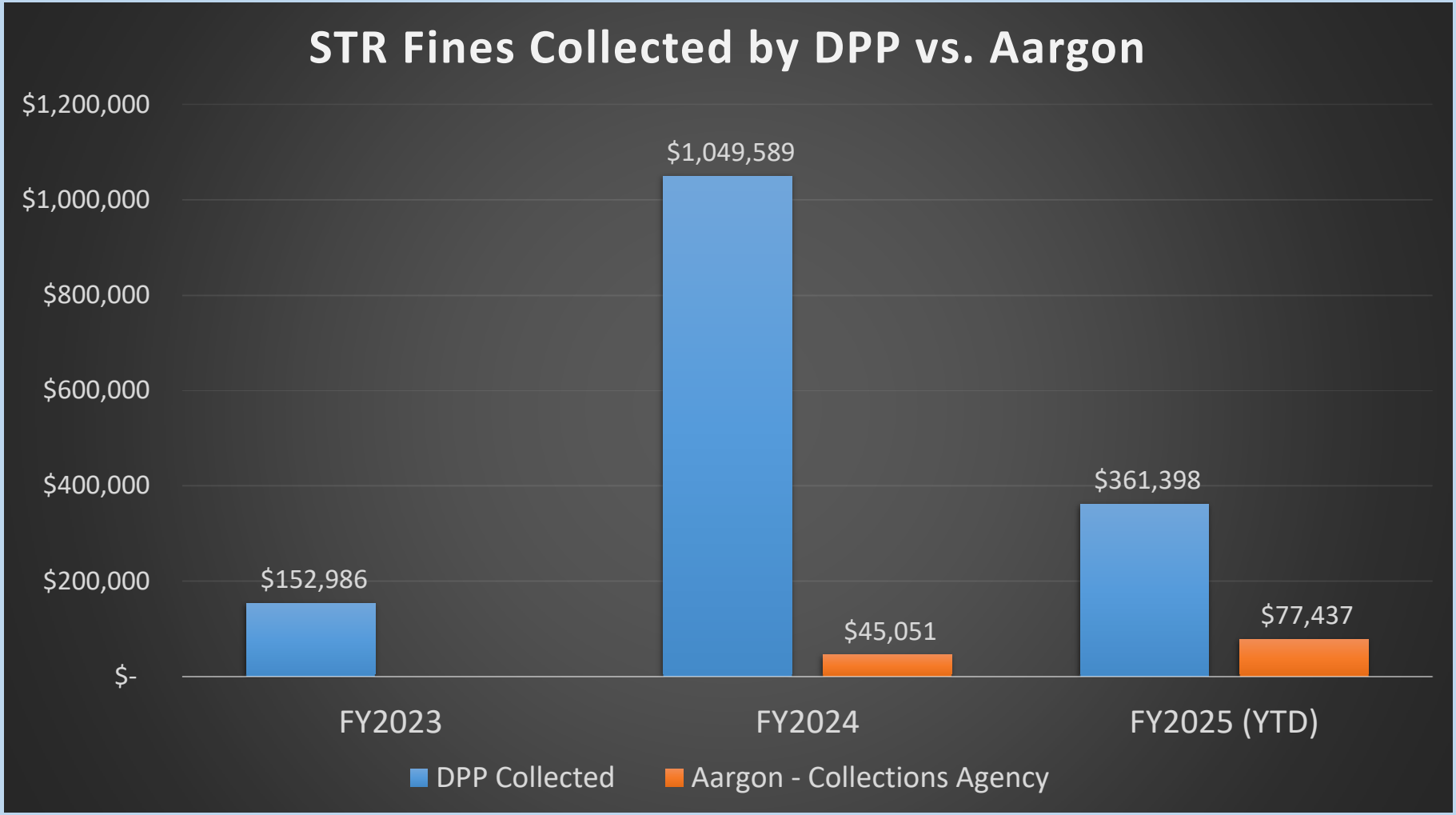
Evasive Advertisements

Listing of properties with fake or no Tax IDs;
Misleading photos and locations;
Non-compliant advertising during evenings and weekends;
Advertising on foreign websites and social media;
Lack of cooperation from other government entities;
Unrealistic enforcement expectations from the public; and
Ordinance holds the property owner responsible, however, there are many cases in which the tenant of a long-term lease is operating an STR.


STR Fines Issued by DPP
$29,742,748
$28,916,341
$29,822,748
FY2023
FY2024
FY2025 (Jul 1, 2024 to Dec 31, 2024)


STR Fines Issued by DPP by FY
$30,000,000
$29,800,000
$29,600,000
$29,400,000
$29,200,000
$29,000,000
$28,800,000
$28,600,000
$28,400,000
$29,742,748
$29,822,748
$28,916,341
FY2023
FY2024
FY2025 (Jul 1, 2024 to Dec 31, 2024)


STR Fines Collected by FY
$152,986
$438,835
$1,094,640
FY2023
FY2024
FY2025 (YTD)


STR Fines Collected by DPP vs. Aargon
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$-
$152,986
$1,049,589
$45,051
$361,398
$77,437
FY2023
FY2024
FY2025 (YTD)
DPP Collected
Aargon - Collections Agency

90 vs. 30 Day Minimum Stay

- Under the federal court's ruling, the City can only enforce ordinance 22-7 *prospectively*.
- STRs established prior to Ord. 22-7 must be treated as nonconforming uses and allowed to operate in the same manner as prior to Ord. 22-7.
- To enforce at 90 days without violating the court's order, DPP would need to identify all STRs operating before Ord. 22-7 and what kinds of rentals they were doing.
- DPP could then only cite them for rentals and advertisements that are shorter in term as compared to their pre Ordinance 22-7 operations.
- This would take substantial resources and create more ZBA appeals.
- To enforce the 90 day rule would shift resources from enforcement to administrative tasks, rulemaking and appeals defense.

Granicus Updates	Key Functions
Ongoing integration of data from the department to aid in the identification of properties.	• Online registration/renewal applications. • Tracking, identifying, and documenting listings that are non-compliant. • Identification of properties will reduce research time for investigators. However, this will not be accomplished till the data integration is completed.

December 5, 2024

HONOLULU
Planning & Permitting
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SHORT-TERM RENTALS (STR)

Are you STR compliant?

You are receiving this notification because an active advertisement was found and it appears you are operating a STR.

Visit our website to determine eligibility and requirements, registration and licensing, advertising requirements, and operational standards and penalties for non-compliance. If your property requires a STR license and you are not in compliance with the applicable laws, you could be facing fines of up to $10,000 per day.

Scan the QR code on the right or visit our website at:
honolulu.gov/dpp/permitting/str

STR enforcement is regulated by Revised Ordinances of Honolulu, Chapter 21, Land Use Ordinance, as amended by Ordinances 22-7 and 24-14.

www.honolulu.gov/dpp str@honolulu.gov



Mahalo

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