'25AUG22 PM 2:46 CITY CLERK

PLANNING COMMISSION
KOMIKINA HOʻOLĀLĀ

CITY AND COUNTY OF HONOLULU

650 SOUTH KING STEET, 7TH FLOOR • HONOLULU, HAWAIʻI 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6041
WEBSITE: honolulu.gov/dpp

RICK BLANGIARDI
MAYOR
MEIA

PANE MEATOGA, Chair *LĀLĀ*
RYAN J. K. KAMO, Vice Chair *HOPE LĀLĀ*
NATHANIEL KINNEY
HILARIE ALOMAR
MELISSA MAY
KAI NANI KRAUT
JOY KIMURA
ELENA BRYANT
JASON WOO

August 20, 2025

The Honorable Tommy Waters
Chair and Presiding Officer
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaiʻi 96813

Dear Chair Waters and Councilmembers:

SUBJECT: Transmittal of Request for Amendments to Revised Ordinances of Honolulu ("ROH") Chapter 21, 2021 (The Land Use Ordinance ["LUO"]), Relating to Registration Requirements for Bed and Breakfast Homes and Transient Vacation Units

The Planning Commission held a public hearing on August 20, 2025 on the above subject matters. One public and no written testimonies were received. The public hearing was closed on August 20, 2025.

The Planning Commission voted 7:0 to recommend approval of the Department of Planning and Permitting's (DPP) initiated draft bill, attached as Exhibit B of the enclosed DPP report and recommendation dated August 6, 2025.

DEPT. COM. 658

Should you have any questions, please contact me at (808) 768-8007.

Sincerely,

Pane Meatoga III, Chair
Planning Commission

Enclosures

ACKNOWLEDGED:

Rick Blangiardi, Mayor
Office of the Mayor

ACKNOWLEDGED:

Dawn Takeuchi Apuna, Director
Department of Planning and Permitting

Michael D. Formby, Managing Director
Office of the Managing Director

Authorization Dawn Takeuchi Apuna Director
Advertisement Aug. 8, 2025
Public Hearing Aug. 20, 2025

DEPARTMENT OF PLANNING AND PERMITTING
KA ʻOIHANA HOʻOLĀLĀ A ME NĀ PALAPALA ʻAE
CITY AND COUNTY OF HONOLULU

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PHONE: (808) 768-8000 • FAX: (808) 768-6041 • WEBSITE: honolulu.gov/dpp

RICK BLANGIARDI
MAYOR
MEIA

DAWN TAKEUCHI APUNA
DIRECTOR
PO'O

BRYAN GALLAGHER, P.E.
DEPUTY DIRECTOR
HOPE PO'O

REGINA MALEPEAI
2ND DEPUTY DIRECTOR
HOPE PO'O KUALUA

August 6, 2025

RECEIVED
2025 AUG -7 P 3:14
DEPT OF PLANNING AND PERMITTING
CITY & COUNTY OF HONOLULU

MEMORANDUM

TO: Pane Meatoga III, Chair
and Members of the Planning Commission
Planning Commission

FROM: Dawn Takeuchi Apuna, Director
Department of Planning and Permitting ("DPP")

SUBJECT: Request for Amendments to Revised Ordinances of Honolulu ("ROH") Chapter 21, 2021 (The Land Use Ordinance ["LUO"]), Relating to Registration Requirements for Bed and Breakfast Homes and Transient Vacation Units

Ordinance 24-14 (Exhibit A) was adopted by the City Council on June 5, 2024, and signed into law by Mayor Rick Blangiardi on June 25, 2024, to amend the registration requirements for bed and breakfast homes and transient vacation units (collectively "short-term rentals") found in Article 5 of the LUO. Ordinance 24-14 was a DPP-initiated amendment that was supported by the City Council and many members of the public because it removed unnecessarily, onerous, and time-consuming documentation for short-term rental registration within zoning districts where registration is allowed.

Subsequently, Ordinance 25-2 (Bill 64 [2023], CD2, FD2), which involved the repeal and replacement of Article 5 of the LUO, was adopted by the City Council on December 11, 2024, and signed into law by Mayor Blangiardi on January 3, 2025. Most of the provisions in Ordinance 25-2 have a 270-day implementation delay, so they will be effective September 30, 2025. This repeal and replacement will inadvertently "rollback" the updated short-term rental registration requirements of Ordinance 24-14 on September 30, 2025. Therefore, transmitted for your consideration and appropriate action is a DPP-initiated draft bill (Exhibit B) to amend ROH § 21-5.70-3(a), relating to registration requirements for bed and breakfast homes and transient vacation units, to reinstate the amendments adopted under Ordinance 24-14.

Please note, the purpose and intent of this bill is to reintegrate the City Council's previously approved (and currently in effect) ordinance language (see pages seven through 15 of Exhibit B). These amendments are only about registration requirements for units within zoning districts where short term rentals are already allowed. The draft bill does not propose changes to the definitions, duration, or allowable zoning districts for short-term rentals. When comparing Ordinance 24-14 to the proposed draft bill, please note that because of the formatting changes in Ordinance 25-2, the corresponding sentences will not have the same layout in the outline format. Also, based on legislative drafting conventions and the new format, this draft bill includes the

subsections that were not included in Ordinance 24-14. These subsections, for which no amendments are proposed, are about permitted districts for short-term rentals, short-term rental advertisements, unpermitted short-term rentals, and complaints about short-term rentals.

The main changes reflected in the draft bill (compared to Ordinance 25-2) are summarized here:

A. In addition to the title report, the DPP will accept 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, to confirm all persons owning an interest in the property. Obtaining title reports can cost hundreds of dollars and a significant amount of time. The other listed documentation has provided sufficient information to establish ownership interest in a property while reducing time and cost to landowners.

B. Rather than listing the fee in ROH Chapter 21, the fee is referenced in ROH Chapter 6.

C. A letter from the applicable homeowners association or apartment owners association dated within one year of the date of the registration application is sufficient to confirm that the short term rental is permitted within a multi-unit dwelling. This has been more effective than requiring condominium property regime ("CPR") articles, bylaws, and house rules because these are often outdated or do not provide sufficient information to confirm whether an association allows short-term rentals. Additionally, CPR bylaws are lengthy and take considerable time for DPP staff to review.

D. Renewals must occur no earlier than three months prior to expiration. Ordinance 24-14 added a deadline that registration renewal applications must be submitted to the DPP one month prior to expiration. This gives the DPP sufficient time to process the renewal application before the original license expires.

E. Required documentation for renewal applications have been updated to reflect the changes made for the original application. Also, certain information in the renewal-application is only required upon the request of the Director. This has been effective for managing renewal applications.

F. Other changes are primarily stylistic to conform to legislative drafting standards.

We thank you for your time and consideration. Please contact me at (808) 768-8000 with any questions you may have.

Attachments: Exhibit A and Exhibit B

EXHIBIT A

Ordinance 24-14

EXHIBIT A

HONOLULU CITY COUNCIL
KE KANIHELA O KE KALANA O HONOLULU
CITY AND COUNTY OF HONOLULU

ORDINANCE 24-14

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.

A BILL FOR AN ORDINANCE

(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;~~]

A BILL FOR AN ORDINANCE

[~~(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;

A BILL FOR AN ORDINANCE

(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

A BILL FOR AN ORDINANCE

(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;

A BILL FOR AN ORDINANCE

(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

A BILL FOR AN ORDINANCE

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	

A BILL FOR AN ORDINANCE

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

A BILL FOR AN ORDINANCE

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

A BILL FOR AN ORDINANCE

Type of Application	Fee
(C) Advertisement registration	$50

"

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.

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

ORDINANCE 24-14

BILL 53 (2023), CD2

A BILL FOR AN ORDINANCE

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
BRAD T. SAITO

APPROVED this 25th day of June, 2024.

RICK BLANGIARDI, Mayor
City and County of Honolulu

24-14

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

CERTIFICATE

BILL 53 (2023), CD2

Introduced: 08/31/23 By: TOMMY WATERS - BY REQUEST Committee: ZONING (ZON)

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

Voting Legend: * = Aye w/Reservations

08/31/23	INTRO	Introduced.
09/06/23	CCL	Passed first reading. 9 AYES: CORDERO, DOS SANTOS-TAM, KIA'ĀINA, OKIMOTO, SAY, TULBA, TUPOLA, WATERS, WEYER
10/18/23	ZON	Extension of time reported out for adoption. CR-295 5 AYES: CORDERO, DOS SANTOS-TAM, KIA'ĀINA, SAY, WEYER
11/01/23	CCL	Committee report adopted. 9 AYES: CORDERO, DOS SANTOS-TAM, KIA'ĀINA, OKIMOTO, SAY, TULBA, TUPOLA, WATERS, WEYER
01/10/24	ZON	Extension of time reported out for adoption. CR-12(24) 4 AYES: CORDERO, KIA'ĀINA, SAY, WEYER 1 ABSENT: DOS SANTOS-TAM
01/24/24	CCL	Committee report adopted. 8 AYES: CORDERO, DOS SANTOS-TAM, KIA'ĀINA, OKIMOTO, SAY, TULBA, WATERS, WEYER 1 ABSENT: TUPOLA
05/01/24	ZON	Reported out for passage on second reading and scheduling of a public hearing as amended in CD1 form. CR-130(24) 4 AYES: DOS SANTOS-TAM, KIA'ĀINA, SAY, WEYER 1 ABSENT: CORDERO
05/01/24	ZON	Extension of time reported out for adoption. CR-130(24) 4 AYES: DOS SANTOS-TAM, KIA'ĀINA, SAY, WEYER 1 ABSENT: CORDERO
05/03/24	PUBLISH	Public hearing notice published in the Honolulu Star-Advertiser.
05/15/24	CCL/PH	Committee report adopted. Bill passed second reading as amended, public hearing closed and referred to committee. 9 AYES: CORDERO, DOS SANTOS-TAM, KIA'ĀINA, OKIMOTO, SAY, TULBA, TUPOLA, WATERS, WEYER

05/22/24	PUBLISH	Second reading notice published in the Honolulu Star-Advertiser.
05/22/24	ZON	Reported out for passage on third reading as amended in CD2 form. CR-174(24) 5 AYES: CORDERO, DOS SANTOS-TAM, KIA'ĀINA, SAY, WEYER
06/05/24	CCL	Committee report adopted and Bill passed third reading as amended. 8 AYES: CORDERO, DOS SANTOS-TAM, KIA'ĀINA, SAY, TULBA, TUPOLA, WATERS, WEYER 1 ABSENT: OKIMOTO

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this BILL.

GLEN I. TAKAHASHI, CITY CLERK

TOMMY WATERS, CHAIR AND PRESIDING OFFICER

EXHIBIT B

DPP-Initiated Draft Bill

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

ORDINANCE _____

BILL _____

A BILL FOR AN ORDINANCE

RELATING TO AMENDMENTS TO BED AND BREAKFAST HOME AND TRANSIENT VACATION UNIT STANDARDS AND REQUIREMENTS INITIALLY MADE UNDER ORDINANCE 24-14, BUT INADVERTENTLY OMITTED UNDER ORDINANCE 25-2.

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

SECTION 1. Purpose and Intent. The purpose of this ordinance is to make certain amendments to § 25-5.70-3, Revised Ordinances of Honolulu 2021, as enacted by Ordinance 25-2, relating to bed and breakfast home and transient vacation unit standards and requirements, initially made under Ordinance 24-14, but inadvertently omitted under Ordinance 25-2.

SECTION 2. Section 21-5.70-3, Revised Ordinances of Honolulu 2021 ("Lodging"), as enacted by Ordinance 25-2, is amended by amending subsection (a) to read as follows:

(a) *Bed and breakfast home; Transient vacation unit – standards.*

(1) *Permitted districts.* Bed and breakfast homes and transient vacation units are permitted as described in paragraphs (A), (B), and (C), and as depicted in the figures referred to in paragraph (D); provided that if there is any inconsistency between the descriptions in paragraphs (A), (B), and (C), and the depiction in the figures referred to in paragraph (D), the figures referred to in paragraph (D) will prevail.

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

(i) They are within 3,500 feet of a resort zoning district of greater than 50 contiguous acres; and

(ii) The resort district and the A-1 or A-2 district have been rezoned pursuant to the same zone change application as part of a master-planned resort community;

(B) Bed and breakfast homes and transient vacation units are permitted in the apartment precinct of the Waikiki special district on

the zoning lots identified as tax map keys (1) 2-6-025:005 and (1) 2-6-028:011; and

(C) Bed and breakfast homes and transient vacation units are permitted on certain zoning lots located in the A-2 medium-density apartment zoning district contiguous to the Hoakalei Resort and Lagoon.

(D) The areas in which bed and breakfast homes and transient vacation units are permitted as set forth in paragraphs (A), (B), and (C) are depicted in the following figures:

(i) The areas located within the apartment precinct of the Waikiki special district mauka of Kuhio Avenue, as designated in Figure 21-5.1;

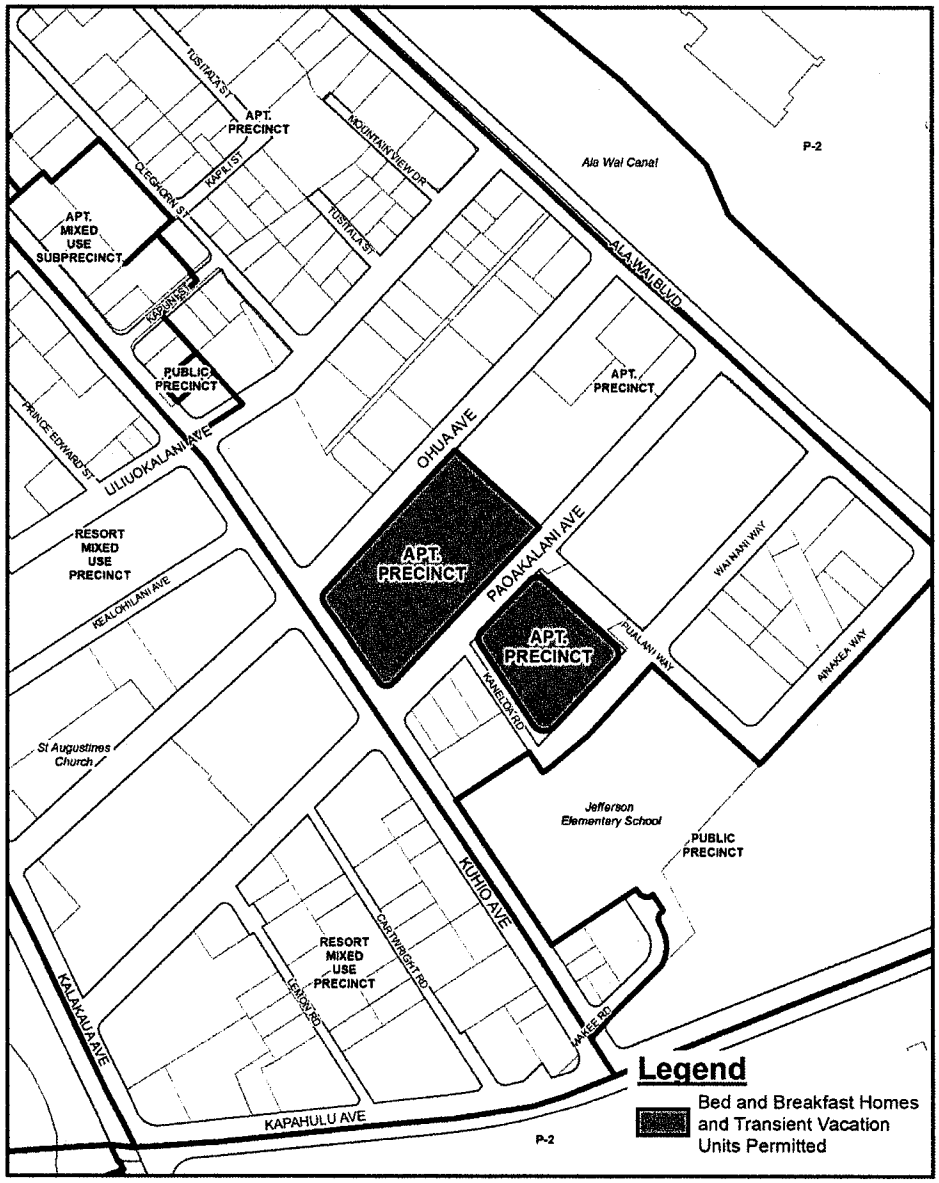
(ii) The areas located within the A-1 low-density apartment zoning district and the A-2 medium-density apartment zoning district situated in close proximity to the Ko Olina Resort, as designated in Figure 21-5.2;

(iii) The area located within the A-1 low-density apartment zoning district situated in close proximity to the Turtle Bay Resort, as designated in Figure 21-5.3; and

(iv) The area located within the A-2 medium-density apartment zoning district located contiguous to the Hoakalei Resort and lagoon, as designated in Figure 21-5.4.

A BILL FOR AN ORDINANCE

Figure 21-5.1
Bed and Breakfast Homes and Transient Vacation Units
Permitted Areas – Waikiki Special District Mauka of Kuhio Avenue



A BILL FOR AN ORDINANCE

Figure 21-5.2
Bed and Breakfast Homes and Transient Vacation Units
Permitted Areas – Close Proximity to the Ko Olina Resort

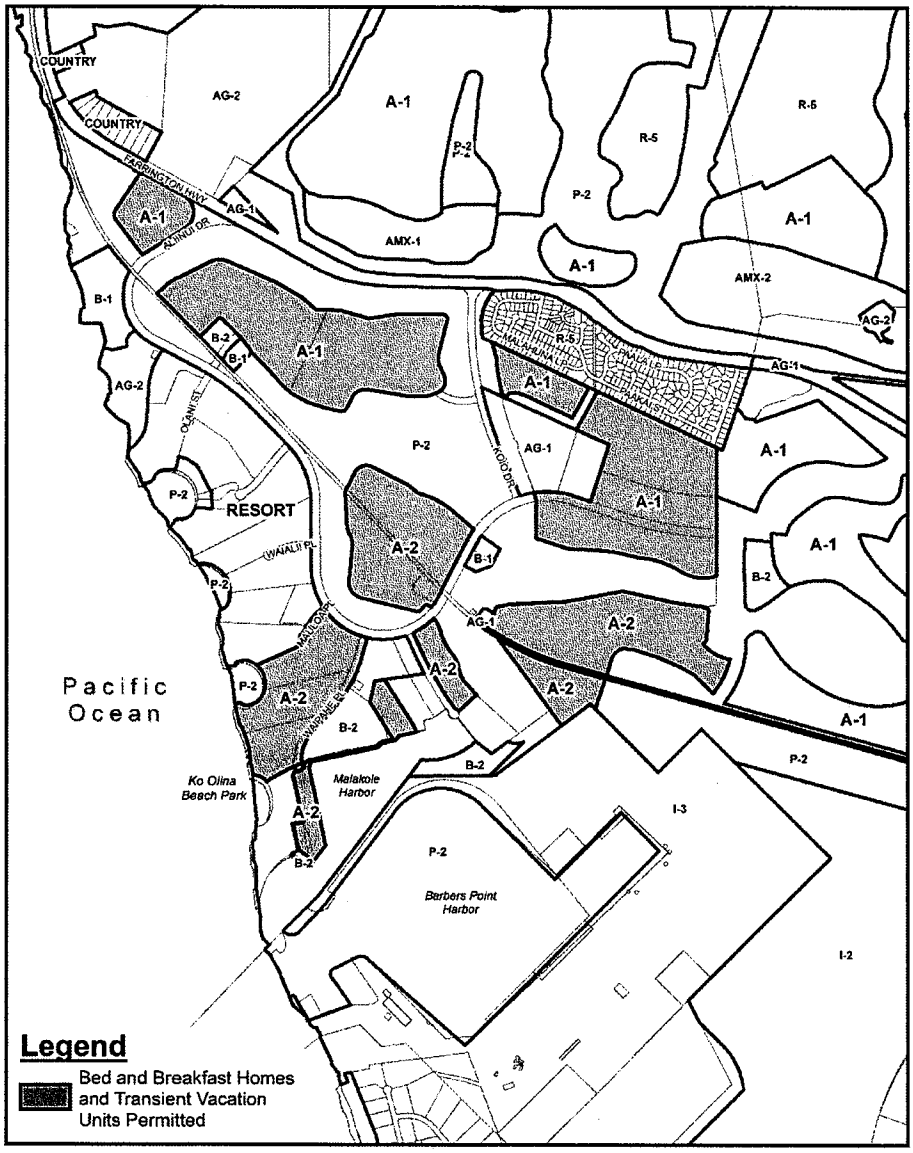


Figure 21-5.3
Bed and Breakfast Homes and Transient Vacation Units
Permitted Areas – Close Proximity to the Turtle Bay Resort

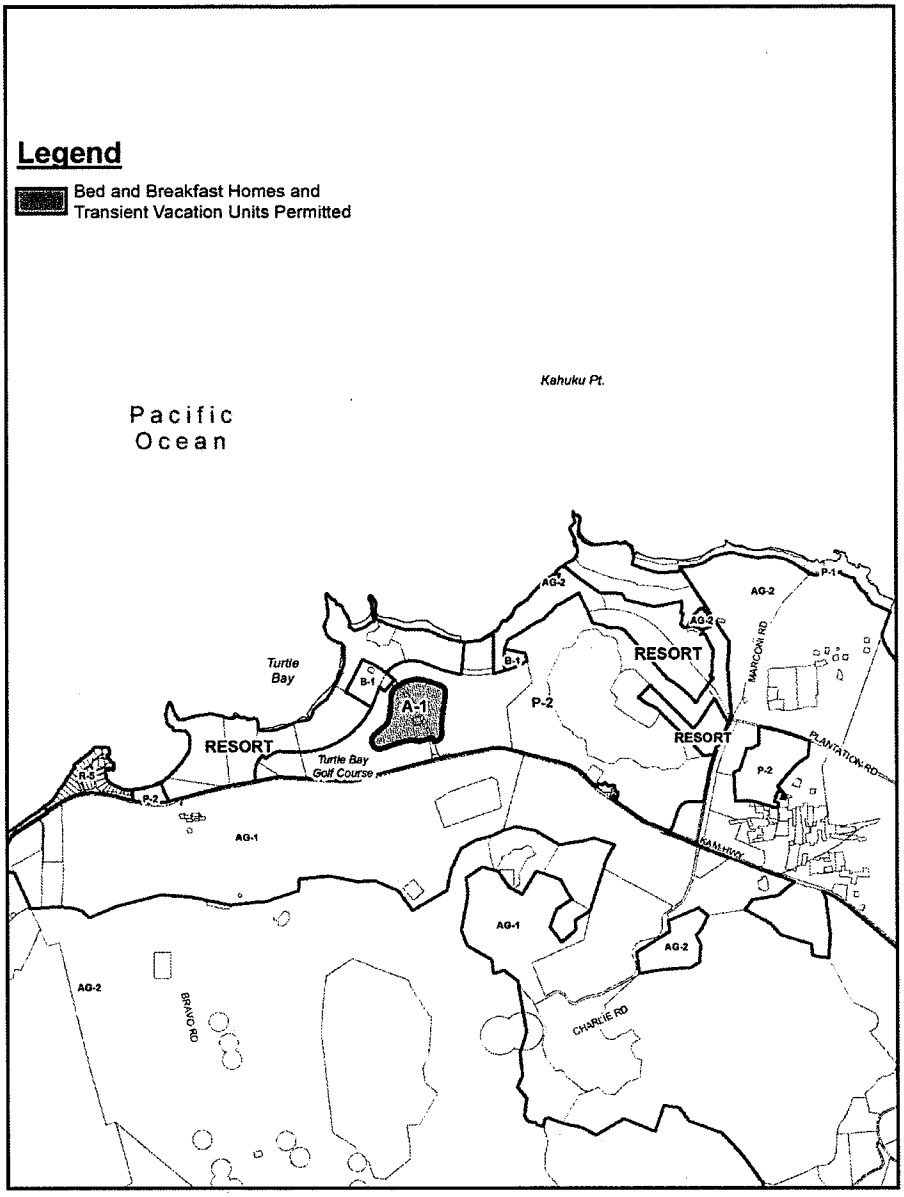
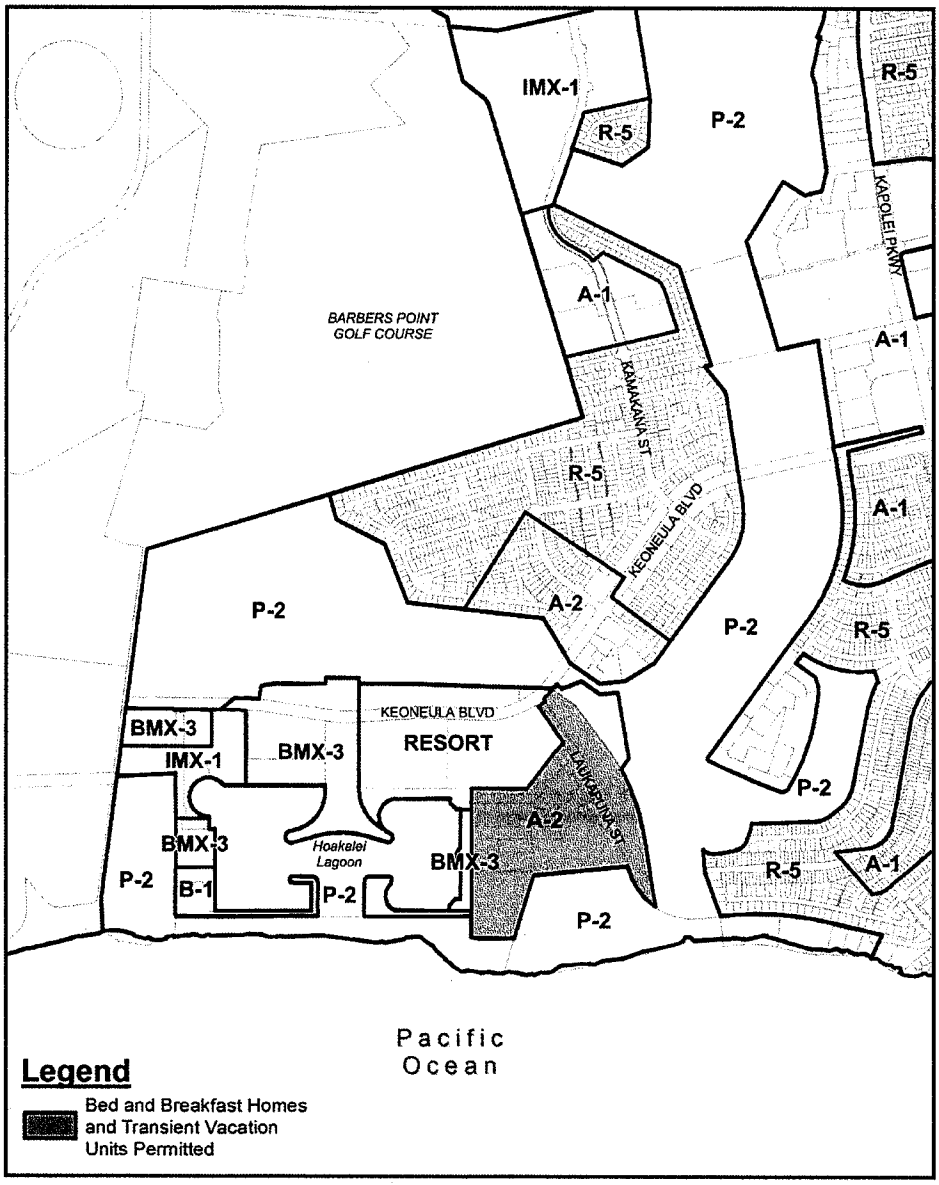


Figure 21-5.4
Bed and Breakfast Homes and Transient Vacation Units
Permitted Areas – Contiguous to the Hoakalei Resort and Lagoon



(2) *Requirements:* 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 paragraph (C):

(A) *Registration:*

(i) 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 director, and submit the following [in] with the initial application for registration:

(aa) 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;

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

(cc) 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;

(dd) [~~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;

(ee) 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)(B)(iii)(dd);

(ff) [~~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~~];

(gg) The informational binder required under subdivision (2)(C)(vi); [~~provided that a copy of a registration certificate need not be included;~~] and;

(hh) [~~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:

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

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

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

(ii) 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.

(B) *Registration renewal.*

(i) 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:

(aa) [~~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;

(bb) 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;

(cc) 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;

[~~(dd) 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;~~

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

[~~(ff)~~](ee) [~~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 (2)(C)(iv); and

[~~(gg)~~](ff) [~~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~~].

(ii) The director may deny the renewal of a registration if:

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

(bb) 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

(cc) Where other good cause exists for denial of the renewal application.

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

(i) Functioning smoke detectors must be installed in each room that is suitable and used for transient occupant sleeping accommodations, and each hallway connected to such room. In addition to smoke detectors, functioning carbon monoxide detectors must be installed in each room that is suitable and used for transient occupant sleeping accommodations, and each hallway connected to such room, if the room is served by natural gas, propane, or other combustible gas;

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

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

(bb) 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;

(cc) 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

(dd) 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;

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

(iv) *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;

(v) *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;

(vi) *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:

(aa) 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;

(bb) *Parking plan:*

(AA) For bed and breakfast homes and transient vacation units that are not located in a [~~multifamily~~] multi-unit 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 [~~multifamily~~] multi-unit dwelling, a parking plan identifying the location and number of parking stalls within the [~~multifamily~~] multi-unit 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;

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

(dd) 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;

(ee) 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;

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

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

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

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

(viii) 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;

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

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

(bb) 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

(cc) The director determines that good cause exists for revocation of the registration; and

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

(y) 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.

(3) *Advertisements.*

(A) *Definitions:* As used in this paragraph, unless the context otherwise requires:

(i) "Advertisement" means the display or transmission of any communication that may cause a reasonable person to understand that a dwelling unit or portion thereof is available for rent. Advertisements include but are not limited to written and spoken words, emails, text messages, electronic and hard copy publications, flyers, handbills, signs, websites, and expressive images.

(ii) "Person" means a legal person or a natural person, consisting of individuals and all types of business and legal entities, including but not limited to associations, nonprofit organizations, trusts, estates, partnerships, corporations, and limited liability companies.

(B) *Prohibition:* Advertisements for specifically identified bed and breakfast homes and transient vacation units, or for the lease or rental of other specifically identified dwelling units where the advertisement may reasonably be read as being an advertisement for the lease or rental of a bed and breakfast home or transient vacation unit, are subject to this subparagraph.

(i) It is unlawful for any person to advertise or cause the advertisement of a bed and breakfast home or transient vacation unit without including in the advertisement a current registration certificate number obtained pursuant to this section, or a nonconforming use certificate number obtained pursuant to § 21-4.110-1 or § 21-4.110-2, and a tax map key number for the property on which the bed and breakfast home or transient vacation unit is located.

(ii) It is unlawful for any person to advertise or cause the advertisement of a dwelling unit that is not a registered bed and breakfast home or transient vacation unit pursuant to this section or is not operating under a nonconforming use certificate pursuant to § 21-4.110-1 or § 21-4.110-2, for a term of less than 90 consecutive days. Any advertisement for the rental of a dwelling unit that is not a registered bed and breakfast home or transient vacation unit or is not operating pursuant to a nonconforming use certificate as aforesaid may not include daily or less than three-month rental rates, and must include the following statement: "This property may not be rented for less than 90 consecutive days. Rental prices will not be reduced or adjusted based on the number of days the rental is actually used or occupied."

(iii) Within seven days after receipt of a notice of violation of paragraph (A) or (B), the owner or operator of a dwelling unit shall remove, or cause the removal of, the advertisement identified in the notice, including but not limited to any advertisement made through a hosting platform. If the advertisement is not removed within seven days after receipt

of the notice of violation, the following civil fines will be levied against the owner or operator of the dwelling unit:

(aa) An initial fine not to exceed $5,000; and

(bb) A fine not to exceed $10,000 for each day thereafter that the advertisement is on public display.

(iv) The existence of an advertisement that is unlawful under paragraph (A) or (B) will be prima facie evidence that a bed and breakfast home or a transient vacation unit is being operated at the listed address. The burden of proof is on the owner of the subject real property to establish that the property is not being used as a bed and breakfast home or transient vacation unit, or that the advertisement was placed without the property owner's knowledge or consent.

(C) *Exemptions:* The following are exempt from this subdivision.

(i) Legally established hotels, whether owned by one person or owned individually as unit owners but operating as a hotel as defined in § 21-5.70-3(b).

(ii) Legally established timeshare units, as provided in § 21-5.70-3(c).

(4) *Unpermitted bed and breakfast homes or unpermitted transient vacation units.*

(A) *Definitions:* As used in this paragraph, unless the context otherwise requires:

(i) "Unpermitted bed and breakfast home" means a bed and breakfast home that is not:

(aa) Operating under a valid nonconforming use certificate pursuant to § 21-4.110-2; or

(bb) Validly registered under this section.

(ii) "Unpermitted transient vacation unit" means a transient vacation unit that is not:

(aa) Operating under a valid nonconforming use certificate pursuant to § 21-4.110-1; or

(bb) Validly registered under this section.

(B) *Unlawful actions:* It is unlawful for any owner or operator of an unpermitted bed and breakfast home or unpermitted transient vacation unit, or the owner or operator's agent or representative to:

(i) Rent, offer to rent, or enter into a rental agreement to rent an unpermitted bed and breakfast home for fewer than 90 consecutive days;

(ii) Rent, offer to rent, or enter into a rental agreement to rent an unpermitted bed and breakfast home or unpermitted transient vacation unit, where such rental, offer, or rental agreement limits actual occupancy of the premises to a period of less than the full stated rental period, or conditions the right to occupy the rented premises for the full stated rental period on the payment of additional consideration;

(iii) Set aside or exclusively reserve an unpermitted bed and breakfast home or unpermitted transient vacation unit for rental or occupancy for a period of 90 consecutive days or more, but limit actual occupancy of the premises to a period of less than the full stated rental period, or condition the right to occupy the rented premises for the full stated rental period on the payment of additional consideration; or

(iv) Advertise, solicit, offer, or knowingly provide rental of an unpermitted bed and breakfast home or unpermitted transient vacation unit to transient occupants for less than 90 consecutive days. An advertisement for an unpermitted bed and breakfast home or unpermitted transient vacation unit that includes daily or less than three-month rental rates will be deemed to be in violation of this paragraph.

(5) *Complaints:* Any person may submit a written complaint to the director reporting a violation of this subsection regarding bed and breakfast homes and transient vacation units.

(A) A complaint reporting a suspected violation of this section must:

(i) Identify the address of the bed and breakfast home or transient vacation unit that is the subject of the suspected violation, including the apartment or unit number of the dwelling unit if it is located in a multifamily dwelling;

(ii) State all of the facts that cause the complainant to believe that a violation has occurred;

(iii) Identify the provisions of this section that the complainant believes are being violated; and

(iv) Provide the complainant's name and a mailing address where the director may respond to the complaint.

(B) Within 30 days after receiving a written complaint reporting a violation of the provisions of this paragraph, the director shall provide a written response to the complainant either:

(i) Declining jurisdiction over the complaint, in which case the complainant may pursue judicial relief pursuant to HRS § 46-4(b);

(ii) Entering a finding of no violation, which may be appealed to the zoning board of appeals pursuant to Charter § 6-1516; or

(iii) Advising the complainant that the director has initiated an investigation of the complaint.

(6) This subsection does not terminate or supersede private restrictive covenants or other restrictions that prohibit the use of real property as a bed and breakfast home or transient vacation unit.

(7) Notwithstanding any contrary provisions in this chapter, bed and breakfast homes and transient vacation units that do not have a valid nonconforming

use certificate or registration certificate are not permitted in areas where the applicable development plan or sustainable communities plan prohibits the establishment of new bed and breakfast homes or transient vacation units; provided that bed and breakfast homes or transient vacation units may renew valid registration certificates that were initially issued prior to an amendment to the applicable development plan or sustainable communities plan that prohibits bed and breakfast homes or transient vacation units in the plan area.

SECTION 3. Ordinance material to be repealed is bracketed and stricken. New ordinance 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.

A BILL FOR AN ORDINANCE

SECTION 4. This ordinance takes effect upon its approval.

INTRODUCED BY:

_____

_____

_____

_____

_____

_____

DATE OF INTRODUCTION: _____

_____

_____ _____

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