

Bernard P. Carvalho, Jr.
Mayor



Michael A. Dahilig
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PLANNING DEPARTMENT
County of Kaua'i, State of Hawai'i
4444 Rice Street, Suite A-473, Līhu'e, Hawai'i 96766

Testimony before the House Committee on Water and Land
HB1573 Relating to Zoning

February 12, 2016 at 9:30 am Conference Room 325

By Michael A. Dahilig
Director of Planning, County of Kauai

Chair Yamane, Vice Chair Cullen and Honorable Members of the Committee:

On behalf of the County of Kaua'i Planning Department, I offer testimony in **SUPPORT** of this measure as it addresses a persistent issue whether Single-Family transient vacation rentals should be treated as residential or resort units.

Over years, with the growth in the vacation rental market, Single-Family transient vacation rental uses have gentrified communities by displacing residential areas with resort uses. Further, these vacation rental uses are already required by the State Tax Office to pay Transient Accommodation Taxes, and General Excise taxes- just like a hotel, and in contrast to a neighbor which lives in a community long term for residential purposes.

Vacation rental uses have a place within a community. However, the counties should have the ability to treat this distinct use differently than a typical residential house and place them in an appropriate place. However, the ambiguity in this current provision of the zoning authorization statute provides vacation rental operators room to argue their use is residential and circumvent many regulatory controls, leading to vacation rentals in the middle of workforce areas like Lihue and Kekaha, leading to increased property values for our local residents adjacent to these uses.

The effect of this proposal before this committee strictly aligns this use with the genre of other similar uses like resort, commercial and industrial with respect to the counties' ability to exercise zoning amortization authority. Further, amortization is strictly limited to a "reasonable" time.

Simply put, the proposal is only for authorization, only applies to non-conforming vacation rentals, and would still need to be implemented fully by ordinance.

We respectfully request the committees **APPROVE** the measure as is, and forward to the next Committee for consideration. Mahalo for your consideration.

COUNTY COUNCIL

Mel Rapozo, Chair
Ross Kagawa, Vice Chair
Mason K. Chock
Gary L. Hooser
Arryl Kaneshiro
KipuKai Kualii
JoAnn A. Yukimura



OFFICE OF THE COUNTY CLERK

Jade K. Fountain-Tanigawa, County Clerk
Scott K. Sato, Deputy County Clerk

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Council Services Division
4396 Rice Street, Suite 209
Lihu'e, Kaua'i, Hawai'i 96766

February 10, 2016

TESTIMONY OF MEL RAPOZO
COUNCIL CHAIR, KAUA'I COUNTY COUNCIL
ON
HB 1573, RELATING TO ZONING
House Committee on Water & Land
Friday, February 12, 2016
9:30 a.m.
Conference Room 325

Dear Chair Yamane and Members of the Committee:

Thank you for this opportunity to provide testimony in support of HB 1573, Relating to Zoning. My testimony is submitted in my capacity as Chair of the Kaua'i County Council.

This measure is included in the 2016 Kaua'i County Council Legislative Package, with similar measures included in the 2016 legislative packages of the County of Kaua'i and Hawai'i State Association of Counties. I support this measure which would clarify county zoning authority by distinguishing single-family residential use from single-family vacation rental use, and allowing amortization by ordinance for single-family transient vacation rentals over a reasonable period. It aligns transient vacation rental use with the genre of other similar uses like resort, commercial, and industrial with respect to the counties' ability to exercise zoning amortization authority. Further, amortization is strictly limited to a "reasonable" time.

For the reasons stated above, I urge the House Committee on Water & Land to support this measure. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188.

Sincerely,

MEL RAPOZO
Council Chair, Kaua'i County Council

AMK:mn

COUNTY COUNCIL

Mel Rapozo, Chair
Ross Kagawa, Vice Chair
Mason K. Chock
Gary L. Hooser
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February 10, 2016

**TESTIMONY OF KIPUKAI KUALII
COUNCILMEMBER, KAUA'I COUNTY COUNCIL
ON
HB 1573, RELATING TO ZONING
House Committee on Water & Land
Friday, February 12, 2016
9:30 a.m.
Conference Room 325**

Dear Chair Yamane and Members of the Committee:

Thank you for this opportunity to provide testimony in support of HB 1573, Relating to Zoning. My testimony is submitted in my individual capacity as a member of the Kaua'i County Council, Chair of the Kaua'i County Council Economic Development & Intergovernmental Relations Committee, and member of the National Association of Counties Board of Directors.

This measure is included in the 2016 Kaua'i County Council Legislative Package, with similar measures included in the 2016 legislative packages of the County of Kaua'i and Hawai'i State Association of Counties. I support this measure which would clarify county zoning authority by distinguishing single-family residential use from single-family vacation rental use, and allowing amortization by ordinance for single-family transient vacation rentals over a reasonable period. It aligns transient vacation rental use with the genre of other similar uses like resort, commercial, and industrial with respect to the counties' ability to exercise zoning amortization authority. Further, amortization is strictly limited to a "reasonable" time.

For the reasons stated above, I urge the House Committee on Water & Land to support this measure. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188.

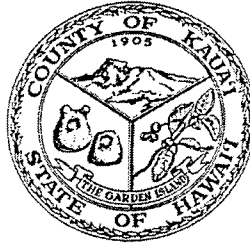
Sincerely,

KIPUKAI KUALII
Councilmember, Kaua'i County Council

AMK:lc

COUNTY COUNCIL

Mel Rapozo, Chair
Ross Kagawa, Vice Chair
Mason K. Chock
Gary L. Hooser
Arryl Kaneshiro
KipuKai Kualii
JoAnn A. Yukimura



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February 10, 2016

TESTIMONY OF MASON K. CHOCK
COUNCILMEMBER, KAUAI COUNTY COUNCIL
ON
HB 1573, RELATING TO ZONING
House Committee on Water & Land
Friday, February 12, 2016
9:30 a.m.
Conference Room 325

Dear Chair Yamane and Members of the Committee:

Thank you for this opportunity to provide testimony in support of HB 1573, Relating to Zoning. My testimony is submitted in my capacity as an individual member of the Kaua'i County Council and as Chair of the Planning Committee of the Kaua'i County Council.

This measure is included in the 2016 Kaua'i County Council Legislative Package, with similar measures included in the 2016 legislative packages of the County of Kaua'i and Hawai'i State Association of Counties. I support this measure which would clarify county zoning authority by distinguishing single-family residential use from single-family vacation rental use, and allowing amortization by ordinance for single-family transient vacation rentals over a reasonable period. It aligns transient vacation rental use with the genre of other similar uses like resort, commercial, and industrial with respect to the counties' ability to exercise zoning amortization authority. Further, amortization is strictly limited to a "reasonable" time.

For the reasons stated above, I urge the House Committee on Water & Land to support this measure. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188.

Sincerely,

MASON K. CHOCK
Councilmember, Kaua'i County Council

AMK:cy

February 12, 2016

The Honorable Ryan I. Yamane, Chair

House Committee on Water & Land
State Capitol, Room 325
Honolulu, Hawaii 96813

RE: H.B. 1573, Relating to Zoning

HEARING: Friday, February 12, 2016 at 9:30 a.m.

Aloha Chair Yamane, Vice-Chair Cullen, and Members of the Committee:

I am Myoung Oh, Government Affairs Director, here to testify on behalf of the Hawai'i Association of REALTORS® (“HAR”), the voice of real estate in Hawai'i, and its 8,800 members. HAR **opposes** H.B. 1573 which provides county zoning authority to distinguish single-family residential use from single-family vacation rental use, and allows amortization by ordinance for single-family transient vacation rentals over a reasonable period.

While we understand the argument for regulating non-conforming uses, it is important to note that there are many property owners who have been legitimately and responsibly running Transient Vacation Rentals (“TVRs”) – and have been collecting and remitting appropriate taxes.

Counties should have the power to adequately control what goes on in their communities. However, we believe that counties already have the authority they need to regulate TVRs via their existing powers to enact zoning ordinances and enforce those ordinances.

For example, in 2009, the County of Maui adopted a permitting system that would allow TVRs and Bed and Breakfast operations (“B&Bs”) in residential areas, and established caps on the number of permitted units in specific neighborhoods and districts. Maui County Council has the authority to either repeal the vacation rental permitting ordinances, or issue a moratorium on new permits until more residential housing is available.

Kauai for example, in 1982, established what are called "visitor destination areas" (“VDA”) via the passage of Ordinance 436. The primary reason for establishing VDA's was to designate areas on the island where resort activity would be permitted, and to preserve other areas of the island for residential, agricultural or other non-resort commercial and non-commercial uses.

Today, TVR's can operate legally within VDA's and can operate outside of the VDA only if a nonconforming use certificate is obtained by the County of Kauai Planning Department. This certificate must have been obtained by March 30, 2009 and the County will permit no additional TVR's outside the VDA after that date.

For the foregoing reasons, we believe counties already have existing powers to enact zoning ordinances and enforce them.

Mahalo for the opportunity to testify.



House of Representatives
The Twenty-Eighth Legislature
Regular Session of 2016

To: Rep. Ryan Yamane, Chair
Rep. Ty Cullen, Vice Chair

Date: February 12, 2015

Time: 9:30 a.m.

Place: Conference Room 325
Hawaii State Capitol

RE: House Bill 1573, Relating to Zoning

Chair Yamane, Vice Chair Cullen and Members of the Committee:

Rental By Owner Awareness Association (RBOAA), is a Hawaii non-profit corporation whose mission is to provide Hawaii property owners with information to help them comply with the applicable State and County regulations, support the Hawaii economy by offering visitors choice of accommodations, and to advocate for the rights of Hawaii vacation property owners. RBOAA members provide transient vacation rentals in full compliance with existing tax and county regulations. RBOAA fully supports full enforcement of existing regulations.

RBOAA fully recognizes the delicate balance in which residents and visitors share the Hawaiian islands. RBOAA's mandate is to defend the rights of vacation property owners.

RBOAA would like to voice our **opposition** to H.B. No. 1573 for three reasons and offers five recommendations.

1. The proposed changes to the zoning act are inconsistent with constitutional property rights of owners to exercise their right to use (including rent) their own properties.
 - a. Implementing a law that would prohibit the exercise of a property owner's right to rent their property based solely upon a time duration may infringe upon their constitutional property rights. Property owners have the constitutional right to use, including rent, their property. By specifically adding transient vacation rentals, and not adding other legal uses of the property, the state of Hawaii is almost certainly infringing on owners' constitutional property rights.

2 | HB 825 RELATING TO TRANSIENT ACCOMODATIONS

- b. Property rental is a landlord-tenant relationship and owners are entering into a lease contract, the duration of which (short term or long term) does not redefine the nature of the transaction.
- c. The Committee will see testimony from other parties stating that vacation rental operations are businesses. This statement is not correct from a legal standpoint, but even it was correct, it would be discriminatory to treat “vacation rental businesses” differently than other home based businesses such as day cares, hairdressers, home offices, home-based sales, mechanical repair shops, etc.
- d. It is also discriminatory to outlaw something based on generalized behavior profiling; in this case, the presumed behavior of visitors as compared to the presumed behavior of residents or tenants.

If the committee concludes that the constitutional rights of property owners should be disregarded, there are two other major problems with this bill.

2. The wording included in the bill “*provided further that a zoning ordinance may provide for the amortization or phasing out of nonconforming single-family transient vacation rental units over a reasonable period of time in an area of any zoning classification*” is too vague.
 - a. There is no framework for how the amortization process would be carried out, including the notification process, the identification process and the timeline.
 - b. There is also no framework for how a property owner would be *compensated for loss of value*. Owners have made significant investments in Hawaii but those investments could be impaired by *subsequent changes to zoning*. The State and the Counties must provide fair and just compensation to owners for loss of fair value.
3. The proposed wording refers to amortization “in an area of any zoning classification”. The wording is unnecessarily broad and the zoning classifications to be included *could reasonably be limited* to some sub-zones of residential and some sub-zones of agriculture without including zoning such as hotel/resort or business zones, for example. The committee may consider certain residential sub-zones to be appropriate for vacation rentals and other sub-zones to be inappropriate, for example.

We believe this bill should be rejected, but if this bill is passed, we would like to recommend five amendments to this bill.

1. RBOAA recommends the State of Hawaii require each *county to submit for approval*, a detailed framework around amortization before the county implements the provisions of this bill. The framework should include how owners and community leaders are consulted, how properties are identified, the compensation payable to owners for loss of value, the timeframe for amortization, the process of any amortization, and other factors as determined.



2. RBOAA recommends the State of Hawaii require each county to submit for approval the specific zoning classifications to be included in this measure, rather than “any” classification.
3. RBOAA recommends the State of Hawaii require each county to adopt a common definition of short term rentals. Some counties use “30 days or less” while other counties, and the State, use “less than 180 days” as the definition of short term rental.
4. RBOAA recommends the State of Hawaii mandate the counties to issue non-conforming permits to all non-conforming vacation rental properties in operation on the date this bill takes effect, *with specific provision to collect any and all taxes in arrears.*
5. RBOAA suggests that the State of Hawaii use portions of existing funds created to support housing to acquire properties affected by zoning changes. The counties or the state could either re-sell the properties or use those properties as rentals to help address the high cost of housing in the state.

RBOAA recognizes, as do the members of this committee, that there are parties in Hawaii who are opposed to any and all transient vacation rentals, regardless of location. The members of the committee recognize the importance of tourism to the Hawaiian economy and therefore the need to provide appropriate accommodation choices to visitors. We respectfully request the committee consider these facts when debating this bill.

Thank you for the opportunity to testify on this measure.

Sincerely,

Neal Halstead
President,
Rentals by Owner Awareness Association

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 10, 2016 1:54 PM
To: waltestimony
Cc: prentissc001@hawaii.rr.com
Subject: Submitted testimony for HB1573 on Feb 12, 2016 09:30AM

HB1573

Submitted on: 2/10/2016

Testimony for WAL on Feb 12, 2016 09:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Charles Prentiss	Kailua Neighborhood Board	Support	No

Comments: Please support this Bill. This Bill is consistent with positions taken by the Kailua Neighborhood Board with respect to the damaging effects of vacation rentals in residential neighborhoods. Their negative impact on residential communities, especially the availability and cost of housing, is well documented. Providing for a reasonable period for current nonconforming vacation rentals to be phased out is consistent with current laws that prohibit new ones.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**Testimony before the House Committee on Water and Land
HOUSE BILL 1573 Relating to Zoning**

February 12, 2016 at 9:30 am Conference Room 325

Honorable Members of the Committee:

I am in **strong support of H.B. 1573** regarding the authority of counties to amortize or phase out nonconforming single-family transient vacation rentals. On Kaua'i, and particularly the North Shore Hanalei District (Hanalei to Ha'ena), the number of transient vacation rental units in our residential neighborhoods has intensified over the past 20 years.

According to US Census data for 2000 and 2010, the number of residential housing units has decreased, and the number of so-called “seasonal” housing units, i.e., vacation rentals, has increased from about **18%** to **36%** during this 10 year period. In addition to this increase, the occupancy rates for vacation rentals are often more than double that of the occupancy rates in a residential unit.¹

The Hanalei District is in the tsunami evacuation zone. What will be the evacuation impacts if the so-called “legal” and the illegal units are not amortized? Is there a liability for the county or state government if the safety of residents and visitors in this evacuation area decreases?

The below Civil Defense map of the Hanalei District Tsunami Evacuation Zone relates to the number of residents and tourists who would need to evacuate – one-way out to the Princeville area.



Mahalo,
Barbara Robeson
PO Box 369
Hanalei, HI 96714

¹ This information is documented by the “sleeps XX” number advertised by vacation rentals. In the Hanalei District, the average for residentially occupied units is less than 3 persons. In a vacation rental they can range from 2 to about 16 occupants per unit. The higher number of occupants in a vacation rental would also increase the number of vehicles exiting the tsunami evacuation zone, i.e., driving along the historic Route 560 Kūhiō Highway from Ha'ena, crossing 11 one-lane bridges or culverts, then crossing the Hanalei Bridge up to Princeville (outside the evacuation zone).

Testimony Submitted to the House Committee on Water and Land
in **Strong Support of HB 1573** Relating to Zoning

Hearing: Friday, February 12, 2016, 9:30 am, House Conference Room 325

February 11, 2016

Aloha Chair Yamane, Vice-Chair Cullen and Honorable Members of the Committee,

I strongly urge you to approve HB 1573.

I live in Hanalei, Kauai. Hanalei is not designated as a "Visitor Destination Area." Hanalei's housing stock is intended to be used for residential purposes. Hanalei's housing stock is not supposed to be used for tourist/transient vacation rentals, which are resort uses, not residential uses. But due to past misinterpretations of Kauai's Comprehensive Zoning Ordinance, over the years more than 40% of Hanalei's housing has been converted to transient vacation rental/resort uses.

In order to restore the residential nature of the community, the non-residential/resort uses of Hanalei's residential housing stock need to be reduced or phased out. But some people claim that HRS 46-4, due to supposed ambiguity over the meaning of "residential use," prohibits the counties from enacting policies to amortize or phase out these resort uses. The resulting debate over the meaning of HRS 46-4 has hamstrung county government's ability to deal with non-conforming resort uses in Hanalei and other residential neighborhoods.

HRS 46-4 quite appropriately intends to protect non-conforming residential uses. But it defies credibility to believe that it was the intent of HRS 46-4's drafters that the wording of HRS 46-4 should enable transient/resort uses to be given the "no amortization/no phase out" status that HRS 46-4 affords to truly residential uses.

It is very important to close the HRS 46-4 wording "loophole," as that loophole prevents the counties from enacting fair and reasonable policies to protect and restore residential communities like Hanalei. HB 1573 would close the loophole that currently allows HS 46-4 to be misused. I therefore respectfully ask that you approve HB 1573.

Thank you for considering this testimony.



Carl Imperato
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Hanalei, HI 96714

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carl.imparato@juno.com

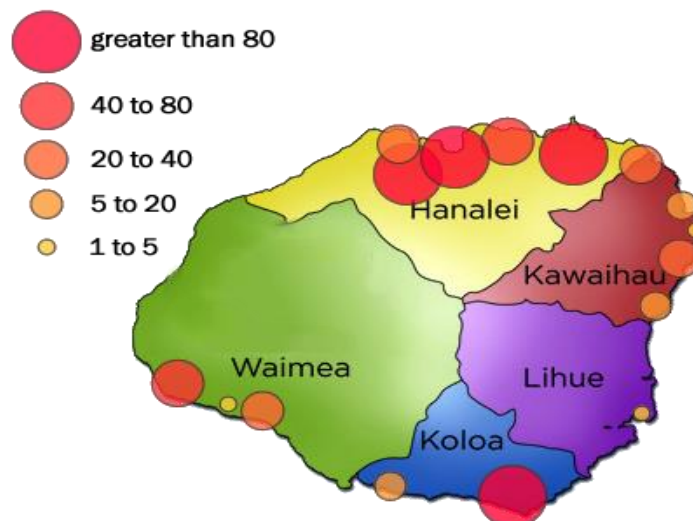
**Testimony before the House Committee on Water and Land
HOUSE BILL 1573 Relating to Zoning**

February 12, 2016 at 9:30 am Conference Room 325

Chair Yamane, Vice Chair Cullen and Honorable Members of the Committee,

I am in **strong support of passing H.B. 1573** which clarifies county zoning authority by distinguishing single-family residential use from single-family vacation rental use and allowing amortization by ordinance for single-family transient vacation rentals over a reasonable period.

The largest concentration of commercial TVRs on Kauai are operating on the North Shore outside of the Visitor Destination Area in residential areas. This has created serious negative impacts from the unprecedented expansion of the Visitor Destination Areas (VDA) in contravention of Kauai's zoning laws.



Map showing the Volume of TVR's outside the Visitor Destination Areas operating in Residential Districts.

The North Shore faces vital issues such as:

- Emergency evacuation
- TVRs increased the non-resident population in tsunami inundation zones
- Lack of residential housing for NS families
- Health, safety, and welfare of residents impacted by TVRs
- Health, safety and welfare of visitors

This proposal appropriately recognizes single-family transient vacation rentals are more similar to resort use than residential use and allows the county to mitigate the cumulative impacts and diminish the intensity of uses. Please approve HB 1573.

Mahalo for your consideration,

Caren Diamond
PO Box 536
Hanalei, HI 96714



LATE

HB1573
RELATING TO ZONING
House Committee on Water & Land

February 12, 2016

9:30 a.m.

Room 325

The Office of Hawaiian Affairs (OHA) **SUPPORTS** HB1573. This measure seeks to facilitate county implementation and enforcement of land use regulations, by clarifying that county zoning powers include the authority to amortize or phase out the non-conforming use of residential units as single-family vacation rentals.

As home prices, rental prices, and homelessness continue to increase, and as our state anticipates additional population growth and an associated demand for more housing over the next decade,¹ land-use planning and enforcement that ensures housing affordability is more critical now than ever before. Unfortunately, notwithstanding county land use ordinances that prohibit their operation in certain areas, illegal vacation rentals have proliferated throughout the state. Such vacation rentals may have removed much-needed units from the residential rental market, and exacerbated the rise in housing costs that now exceed what many state residents are able to afford. For example, a recent study by the Department of Business, Economic Development & Tourism (DBEDT) suggests that the recent increase in demand for single family vacation rentals has already contributed to the overall increase in demand for housing units in our islands.² An increase in vacation rental activity has also correlated with major drops in available residential rental listings, including those for increasingly rare single family units. Without meaningful enforcement mechanisms, the potential impacts of illegal vacation rental operations on the long-term housing market continue to remain unaddressed.

These impacts may particularly affect Native Hawaiians. With Native Hawaiian homeownership rates significantly lower than the state average, Native Hawaiians must rely substantially on the rental housing market.³ More than half of Native Hawaiian

¹ The Department of Business, Economic Development & Tourism (DBEDT) projects that Hawai'i's population will demand an additional 65,991 units in the next ten years. See, DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM, MEASURING HOUSING DEMAND IN HAWAII, 2015-2025, 3 (2015), available at <http://files.hawaii.gov/dbedt/economic/reports/2015-05-housing-demand.pdf>.

² *Id.* at 9.

³ Out of 71,006 Native Hawaiian households, 37,562 households are owner-occupied. This figure is commonly used by most governmental agencies to represent the homeownership rate. Therefore, the homeownership rate for Native Hawaiians is 52.9%, compared to the statewide average of 56.7% of households. See OFFICE OF HAWAIIAN AFFAIRS, OHA DATA BOOK HOUSING TENURE BY RACE-ETHNICITY IN HAWAI'I 2014, available at <http://www.ohadatabook.com/T02-131-15u.pdf>. Notably, this figure includes 8,329 DHHL residential lease "owner-occupied" property units. DHHL ANNUAL REPORT 2014, p. 48, available at <http://dhhl.hawaii.gov/wp-content/uploads/2011/11/DHHL-Annual-Report-2014->

renters, many of whom already live in overcrowded situations, also live in homes they are struggling to afford. Despite the fact that Native Hawaiians participate in the labor force at higher rates than the state average,⁴ Native Hawaiians earn significantly less per capita than the average per capita income.⁵ As a result, Native Hawaiians are particularly disadvantaged by land uses that contribute to increased housing costs and rental housing shortages.

OHA's research also indicates that most housing-insecure Native Hawaiian households include five or more individuals; accordingly, single family rental units are particularly important to improving the overall housing stability of the Native Hawaiian community.⁶ Unfortunately, such rental units are scarce and may have a high potential for conversion to vacation rentals: a recent Affordable Rental Housing Study Update shows dramatic reductions in rental listings over the last three years for both multi-family and single-family units on all islands,⁷ at the same time that the Hawai'i Tourism Authority reported an explosion in advertised vacation rentals. **Notably, the Hawai'i Tourism Authority report found 22,238 individually advertised units in Hawai'i for 2014—units that could otherwise provide residential housing for 117,607 individuals.**⁸

In addition, data does not show that vacation rental operations significantly increase economic opportunities for our beneficiaries. Again, with Native Hawaiian homeownership rates significantly lower than the state average, Native Hawaiians are less likely to own second or additional homes that could be rented as a vacation unit.⁹

County initiatives indicate that curbing the impacts of vacation rental units on housing opportunities for residents may require a stronger enforcement framework, prior to or concurrent with the adoption of permitting or other regulatory changes. For example, in 2009, the County of Maui adopted a permitting system that would allow Transient Vacation Rentals ("TVRs") and Bed and Breakfast operations ("B&Bs") in residential areas, and established caps on the number of permitted units in specific neighborhoods and districts. Despite the permitting requirement, with little enforcement there still appears to be a large and growing number of TVRs and B&Bs operating without

[Web.pdf](#). For non-DHHL properties, the Native Hawaiian homeownership rate is therefore 46.6%, more than 10 percentage points below the statewide rate.

⁴ American Community Survey, 2013, Civilian Labor Force Datapoint, U.S. Census Bureau.

⁵ In 2013, the per capita income for Native Hawaiians was \$9,105 less than the statewide per capita income. See OFFICE OF HAWAIIAN AFFAIRS, INCOME INEQUALITY AND NATIVE HAWAIIAN COMMUNITIES IN THE WAKE OF THE GREAT RECESSION: 2005 TO 2013 (2014) <http://www.oha.org/wp-content/uploads/2014/05/Income-Inequality-and-Native-Hawaiian-Communities-in-the-Wake-of-the-Great-Recession-2005-2013.pdf>.

⁶ OFFICE OF HAWAIIAN AFFAIRS, HAWAII' I RENTERS STUDY 2013: UNDERSTANDING THE HOUSING NEEDS OF NATIVE HAWAIIAN AND NON-HAWAIIAN SECTION 8 HOUSEHOLDS (2013), available at <http://www.oha.org/wp-content/uploads/2015/01/OHA-Hawaii-Renters-Study-2013-Full-Report.pdf>.

⁷ See HAWAII' I HOUSING AND FINANCE CORPORATION, RENTAL HOUSING STUDY 2014 UPDATE (2014), available at <http://dbedt.hawaii.gov/hhfdc/resources/reports/>.

⁸ See INDIVIDUALLY ADVERTISED UNITS IN HAWAII' I (VACATION RENTALS) DECEMBER 2014, available at [http://www.hawaiiitourismauthority.org/default/assets/File/research/accommodations%20studies/Individually%20Advertised%20Units%20in%20Hawaii%20\(Vacation%20Rentals\).pdf](http://www.hawaiiitourismauthority.org/default/assets/File/research/accommodations%20studies/Individually%20Advertised%20Units%20in%20Hawaii%20(Vacation%20Rentals).pdf).

⁹ See supra, note 3.

permits.¹⁰ Not surprisingly, Maui has continued to experience a dramatic decrease in available rental housing for all income levels, with residential rental listings dropping by 80% in some areas over the last three years.¹¹ The Maui Planning Commission has expressed concerns with the lack of available residential housing and the potential conversion of residential units to vacation rentals, and in light of the ongoing lack of enforcement, has asked the Maui County Council to either repeal the vacation rental permitting ordinances, or issue a moratorium on new permits until more residential housing is available.¹² As illustrated by Maui, robust and effective enforcement may be critical to the success of any regulatory scheme for transient vacation rentals.

Given the impact of transient vacation rental uses on housing opportunities for Native Hawaiians and other state residents, OHA urges the Legislature to continue seeking ways to support the meaningful enforcement of county land use regulations with respect to transient vacation rentals. If passed, this measure would provide an important clarification of the counties' land use ordinance enforcement powers, and take a small step towards addressing the enforcement issues that have led to the current proliferation of vacation rental establishments throughout our islands.

OHA therefore urges the Committee to **PASS** HB1573. Mahalo nui for the opportunity to testify on this measure.

¹⁰ While only 130 permits for either a TVR or B&B were issued for Maui County, there were more than 8,000 TVR, B&B, or other short-term rental units advertised on the island in 2014. See *footnote 7*. While the number of those advertised could include units operating in zoning districts (hotel, resort) where their use conforms with zoning ordinance, the disparity between the numbers merits further review.

¹¹ RICK CASSIDAY, MAUI RENTAL MARKET AFFORDABLE RENTAL HOUSING STUDY UPDATE 2014 (2014), available at <http://dbedt.hawaii.gov/hhfdc/files/2015/02/RENTAL-HOUSING-STUDY-2014-UPDATE-COUNTY-OF-MAUI.pdf>.

¹² See Council of the County of Maui Agenda, Regular Meeting of June 5, 2015, No.15-168 available at: <http://www.co.maui.hi.us/Archive.aspx?AMID=226>.