

**Councilmember Nestor R. Garcia**  
Floor Leader  
Chair, Council Committee on Transportation & Public Works

TRIP REPORT  
County of Maui  
October 16 - 17, 2008

**Introduction**

The Honolulu City Council is considering one of a probable series of measures to regulate short-term rentals; in this first instance, bed and breakfast homes. Bill 6, CD 1 passed 2<sup>nd</sup> reading and public hearing on Oct. 16<sup>th</sup>, and has been forwarded to the Zoning Committee for further consideration. In an effort to learn how other jurisdictions are dealing with this issue, I traveled to Maui to hear from those in the industry, as well as my counterparts on the Maui County Council, along with the County's Director of the Department of Planning.

I also discussed a measure that will come before the councils of the neighboring counties that would deal with what I refer to as the "double-charging" of property taxpayers on all counties for the right to access government proceedings via cable television. The Honolulu City Council passed its version of the measure – Resolution 08-206, FD 1 – during its floor session on September 24, 2008, for inclusion in the 2009 Hawaii State Association of Counties (HSAC) 2009 legislative package (NOTE: this resolution was subsequently approved by the HSAC Executive Committee at its meeting on Oct. 20<sup>th</sup> – subject to a vote by the individual counties for inclusion in the 2009 HSAC legislative package). I was designated by the chair of the Honolulu City Council to represent our council on HSAC. I sit on the HSAC Executive Committee as its Secretary.

**Short-term rentals – the scenario on Oahu**

The purpose of Bill 6, CD1, is to remove the prohibition on new bed and breakfast homes and to establish such short-term rentals as a conditional use in the residential districts subject to standards and restrictions, including a minimum separation distance, and to require a conditional use permit (minor) for the use. The standards and restrictions, and the permitting process, are intended to minimize the impact of bed and breakfast homes in residential areas and maintain the integrity and character of residential neighborhoods.

By way of background, two such measures (one from the City Council, the other from the Administration) were rejected by the city's Planning Commission, when the panel met and voted on the measures on January 30<sup>th</sup>, 2008. In Departmental Communication No. 775, dated October 9, 2008, the city's Department of Planning and Permitting stated the administration's position:

*"We support, in principle, allowing new B&Bs on a limited basis. That is, all new B&Bs should be subject to the safeguards proposed in Bill 6, which include the minimum spacing (500-foot separation distance) standard, the prerequisite for over 50 percent owner approval within a 300-foot radius, and the general Conditional Use Permit (CUP) requirements delineated in the LUO.*

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The testimony against B&Bs in residential areas can be gleaned from the position of the community advocacy group, 'Keep It Kailua'. Here are a few of the group's points:

*"B&Bs are visitor accommodation businesses, mini-motels, which by definition are incompatible with residential areas."*

*"B&Bs adversely alter the character of a residential neighborhood. They change a neighborhood toward one oriented to resort transients instead of that suited to permanent long-term living."*

*"B&Bs increase the value of the property sanctioned for such use while depressing the value of properties surrounding the use."*

*"B&Bs take rental units away from local residents needing long-term rentals for permanent housing."*

*"Allowance of B&Bs in residential areas is tantamount fo 'spot zoning'."*

### **Short-term rentals – the scenario on Maui**

While both counties are struggling with this issue – the dynamics are different. In Maui county (the island of Maui was ranked as the 'Best Island in the World' for the 14<sup>th</sup> year in a row in the recent Conde Nast Traveler Readers' Choice Awards), the economy has taken a harder hit with the current financial crisis, the drop-off in tourism, and the shut-down of employers such as Molokai Ranch.

With the administration of Mayor Charmaine Tavares, the county has also taken a harder position with non-permitted short-term rentals. The Mayor has claimed that the explosion of these rentals has created a long-term rentals crunch and damaged the quiet character of residential neighborhoods. Still, on Maui, there is also a controversy over what to do with short-term rentals on agricultural and rural properties – so-called "gentleman estates" with little in the way of actual farming being conducted on these properties.

On Oct. 14, the county's planning director, Jeff Hunt, proposed a new idea. Hunt told me in a private meeting with him that he estimates there are about 1,200 B&Bs and TVUs in Maui County – most without permits. Hunt told me that dealing with the short-term rental issue was one of his first priorities when he took the job as Planning Director. Now he has called for caps on the number of B&Bs, which won preliminary approval from the Maui County Council's Planning Committee. Director Hunt has come up with a number for Maui – 302. He said the islands of Molokai and Lanai can each set its own cap, if either chooses to do so.

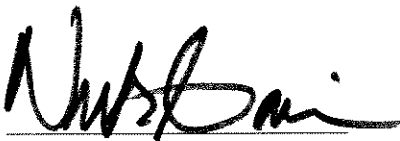
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Again, the caps, and the general focus thus far, applies only to B&Bs (defined in Maui's Zoning Ordinance Chapter 19.54 as those rentals in which "*the owner-proprietor or lessee-proprietor shall be a resident of the county and shall reside, on a full-time basis, within the single-family dwelling unit being used as the bed and breakfast home*").

I spoke to the chair of the council committee with jurisdiction on this matter – Councilwoman Gladys Baisa of the Planning Committee – and she supports the concept of caps. I also sat down with representatives of the industry – members of the Maui Vacation Rental Association – who operate both bed and breakfasts and transient vacation rentals. They claim they are "a major contributor to Maui's broad-based economy" and "an important segment of Maui's visitor industry. They pointed to surveys that have shown that "60% of Maui's residents approve of vacation rentals, with regulations, while less than 20% oppose this property use and 20% had no opinion."

Finally, as the Council's representative to the Hawaii State Association of Counties, I also met with Council Member Danny Mateo, chair of the Maui County Council Policy Committee, the committee with jurisdiction over the 2009 HSAC Legislative package. The package includes several resolutions approved by the Honolulu City Council, including a measure involving the Public/Education/Government (PEG) Access Providers. The measure seeks to have the state assist the counties in enhancing coverage of local government activities (council sessions and council committee meetings).

The meeting concluded with Mateo agreeing to put the HSAC items on the agenda of his committee's next meeting.



Nestor R. Garcia  
Honolulu City Councilman  
District 9

City Council  
City and County of Honolulu


# CLAIM FOR TRAVEL REIMBURSEMENT

Date: 10/28/08

Traveler: NESTOR GARCIA  
 Event: Maui County Trip  
 Location: Wailuku, Maui, Hawaii  
 Dates: From 10/16/08 To 10/17/08

Description	Amount	Notes:
1. Registration Fee	117.05	
2. Airfare	145.00	
3. Hotel	122.56	Rate: No. of Billable Days:
4. Meals	29.22	
5. Ground Transportation	108.05	auto rental
6. Tips		
7. Other	13.80	gasoline
Other	20.00	HIA parking
Other		
8. Adjustment		
<b>TOTAL REIMBURSEMENT</b>	<b>\$438.63</b>	
		<b>TOTAL TRAVEL REIMBURSEMENT: \$438.63</b>

This is to certify that the above data, based upon receipts submitted to Council Administrative Support Services via a CCLTRVL02 form, is accurate. Further, I am claiming reimbursement for expenses associated with a trip in which City business was conducted and personal funds were used to advance payment:

  
 \_\_\_\_\_  
 Signature of Traveler

NOV 19 2008  
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 Date