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February 3, 2015

**TESTIMONY OF MEL RAPOZO
COUNCIL CHAIR, KAUA'I COUNTY COUNCIL
ON
HB 1452, RELATING TO ZONING
Committee on Tourism
Wednesday, February 4, 2015
9:30 A.M.
Conference Room 312**

Dear Chair Brower and Committee Members:

Thank you for this opportunity to submit testimony in strong support of HB 1452, relating to zoning and single-family transient vacation rental units. My testimony is submitted in my capacity as Council Chair of the Kaua'i County Council.

HB 1452 is similar to a proposal that was submitted by the Kaua'i County Council and the Hawai'i State Association of Counties, and authorizes the Counties to permit by ordinance the amortization or phasing out of nonconforming single-family transient vacation rental units or nonconforming single-family transient vacation units over a reasonable period of time. This will eliminate some of the enforcement challenges the counties face due to the statutory zoning authority of the counties.

For the reasons stated above, I ask for your favorable support. Again, thank you for this opportunity to submit testimony.

Sincerely,

MEL RAPOZO
Council Chair, Kaua'i County Council

AB:dmc

Bernard P. Carvalho, Jr.
Mayor



Michael A. Dahilig
Director of Planning

Nadine K. Nakamura
Managing Director

Dee M. Crowell
Deputy Director of Planning

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Testimony before the House Committee on Tourism
HOUSE BILL 1452 Relating to Zoning

February 4, 2014 at 9:30 am

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

Honorable Members of the Committees:

On behalf of the County of Kaua'i Planning Department, I offer testimony in **SUPPORT** of this measure as it provides a home rule tool for counties to address 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 full Senate for consideration. Mahalo for your consideration.

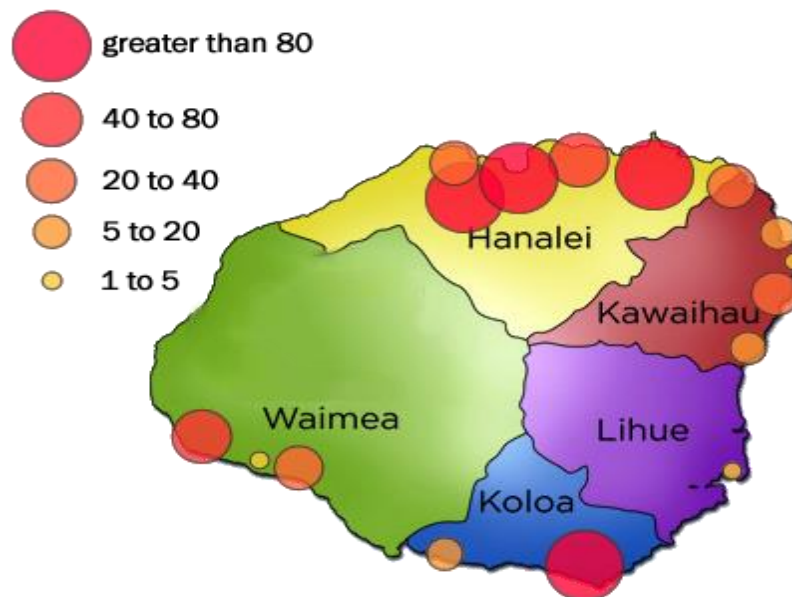
February 3, 2015

**Testimony before the House Committee on Tourism
HOUSE BILL 1452 Relating to Zoning**

February 4, 2014 at 9:30 am

Honorable Members of the Committee,

I am in **strong support of passing H.B. 1452**. 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 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

I concur with the legislative finding that single-family transient vacation rentals are more similar to resort use than residential use and am in support of clarifying the counties' zoning authority by distinguishing single-family residential use from single-family vacation rental use and allowing the county to mitigate the cumulative impacts and diminish the intensity of uses. Please pass HB1452.

Mahalo,
Caren Diamond
PO Box 536
Hanalei, HI 96714

Testimony before the House Committee on Tourism

HOUSE BILL 1452 Relating to Zoning

February 4, 2014 at 9:30 am

Honorable Members of the Committee:

I am in **strong support** of H.B. 1452 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 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 the increase of units, the occupancy rates for vacation rentals are about 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 illegal vacation rentals are not amortized? Is there liability for the county or state government if the safety of residents and visitors in this evacuation area decreases?

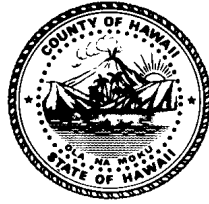
The below is a sample of the intensity of vacation rentals within the Wainiha area of the Hanalei District.



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, they range from 2 to about 14 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 Kuhio Highway from Ha'ena, crossing 11 one-lane bridges or culverts, then crossing the Hanalei Bridge up to Princeville (outside the evacuation zone).

William P. Kenoi
Mayor



Duane Kanuha
Director

Bobby Command
Deputy Director

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Testimony Before the House Committee on Tourism
HB 1452, Relating to Zoning

February 4, 2015 at 9:30 am

Submitted by: Duane Kanuha, Planning Director, County of Hawai'i Planning Department

Honorable Representative Tom Brower, Chair and Representative. Takashi Ohno, Vice Chair, and Members of the House Committee on Tourism:

On behalf of the County of Hawai'i Planning Department, I offer testimony in **SUPPORT** of HB 1452 as it provides the authority for counties to address the persistent issue of single-family transient vacation rentals being established in residential and agricultural districts.

Over the years, single-family transient vacation rentals, similar to resort uses, have proliferated within residential and agricultural districts on the Island of Hawai'i. As with other counties, the current legislation leaves us defenseless with respect to enforcement. These vacation rentals are short term accommodations currently required by the State Office of Taxation to pay Transient Accommodation Taxes and General Excise taxes and operate similar to a hotel. They are more appropriately established in zoned districts with similar type uses.

We respectfully request that your Committee approve the measure as is, and forward to the full Senate for consideration. Mahalo for your consideration.