



Posted on: Monday, June 27, 2005

EDITORIAL

## **We need B&B, but they must be regulated**

The City Council is grappling with a knotty issue — rentals of residential property as vacation lodgings — that has bedeviled Honolulu for decades. Council members Donovan Dela Cruz and Barbara Marshall have made a respectable start at trying to rein in the illegal operations in a way that's enforceable, if only partially effective.

Many of the complaints about vacation rentals and bed-and-breakfast operations mirror those that can be pressed against a thoughtless neighbor. Too much noisy socializing in the wee hours. Too many cars coming and going.

The difference with the temporary arrangements — paid bookings for stays shorter than 30 days — is that this constitutes commercial activity in a noncommercial area. The more callous operator might argue, "If you don't like the noise, you can move," but in a residential zone, it's the innkeeper who must adapt to the neighbors, not the other way around.

A 1989 moratorium on new permits remains in effect, but certainly there should be a way to support some level of nontraditional accommodations in the mix O'ahu offers its visitors. The experience gives them a more intimate, realistic view of life in the Islands, and many of the lodgers are frequent visitors who have had enough of the conventional hotel-room stay.

In addition, this sector brings in state tax revenue. An industry-financed research group, the Kauaian Institute, has studied the business on the Garden Island and is working on an O'ahu report. Kaua'i operations bring in an estimated \$7 million annually in the transient accommodations tax.

State economic analysts are planning a more comprehensive survey of the number of operations statewide. The revenue surely is consequential,

although it's unclear how much of this money comes from unlicensed lodgings and could be lost if counties crack down on illegal operations.

On O'ahu, community hearings have aired the proposed regulations. New permits would be allowed for B&B as long as the owner alerts the neighbors and receives at least tacit approval from a majority of them. This is a wise move because it would compel the owner to present a workable plan regarding issues such as on-site parking and reasonable hours of operation.

The loudest outcry at these meetings, however, comes from those concerned with vacation rentals, where the homeowner is not residing on the property. It's unfortunate that there was no provision for neighborhood consultation before these permits were issued, but if the proposal passes, all vacation rental and B&B operations would have to post permit numbers in their advertising or face stiff fines. Proponents of vacation rentals say they welcome reasonable regulations that allow them to continue to provide the rentals as an alternative to hotel-stay accommodations.

Even if the tighter rules are adopted, it will take many months before improvements will be felt. That's why it's important for the city to find reasonable solutions here. Revenue from the penalties is money the city needs, and residents deserve neighborhoods where daily life can go on peacefully and lawfully.