



Posted on: Wednesday, June 29, 2005

Neighbor vs. neighbor at packed hearing on B&Bs

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City Council proposals to crack down on illegal vacation rentals but allow more bed and breakfasts cleared their first hurdle yesterday following a packed hearing that highlighted the divisiveness of the issue.

Scores of people squeezed into a room at Honolulu Hale and spilled out into the hallway as the Zoning Committee passed the proposals without objection.

While it's months before any final decision, the proposed regulations would require vacation rentals and bed and breakfasts to list license numbers on all advertising, including Internet postings, or face fines of as much as \$5,000. There are an estimated 1,200 unlicensed vacation rentals operating on O'ahu.

The rules define vacation rentals as homes rented for less than 30 days without **What's at stake** being occupied by the owner. Bed and breakfasts, in contrast, are rooms rented by an owner who lives in the house.

The new rules would allow homeowners to register as a legal bed and breakfast if certain conditions are met. This would be the first time since 1989 that the city allowed registration of new bed-and-breakfast units.

The roughly 50 people who testified were split between those who said vacation establishments are disrupting neighborhoods and those who argue the units are well-managed and contribute to the local economy.

"We spent a lot of money to have a nice, private neighborhood, and I would hate to see it disrupted," said Kailua resident Warren Stenberg, who complained about a Mainland-owned vacation rental next door that he said brings visitors "by the van loads."

Stenberg said visitors should remain in Waikiki, not in residential neighborhoods. "This is our sanctuary," he said.

Strict house rules

North Shore resident Delores Sandvold, who has been managing vacation rentals for years, said her clients cause fewer problems than long-term rentals, adding that they sign a contract with strict house

The proposals: Unlicensed bed and breakfasts and vacation rentals – homes rented for less than 30 days without the owner present – would be fined up to \$5,000. For the first time since 1989, homeowners could register bed-and-breakfast units, meaning rooms rented in a home occupied by the owner, as long as most neighbors don't object.

What's next: The proposals are tentatively scheduled for a full City Council vote on July 6 at the council chamber. The meeting, which also will address other issues, begins at 10 a.m.

rules and are subject to fines if they don't abide by them.

"We've had probably less than five complaints in 25 years," she said. "Everyone knows that they're renting in residential neighborhoods and people need to go to work, so they're very, very compliant with all the rules.

"Try to shut down this kind of an industry, you're not going to be able to do it."

The proposals passed by the Zoning Committee would allow B&B owners or operators in certain zoning districts to rent out up to three bedrooms of their house. They would need one parking space for each room. The permit would be denied if more than 50 percent of the neighbors oppose the operation.

Meanwhile, vacation rentals and bed and breakfasts advertising without a permit number would be fined up to \$1,000 for the first violation and up to \$5,000 for the third violation within one year.

Proposals opposed

The proposals were largely opposed by those on both sides of the issue. Some said they don't go far enough to halt illegal operations and others said the proposed permitting requirements should be less restrictive.

Councilwoman Barbara Marshall, co-author of the proposals, said the proposals are the result of more than two years of work and that the council will continue to work with both sides on the issue.

"I think that we can discuss this forever and ever and never come to any conclusion, but I think that we need to have it out there," Marshall said.

Councilman Todd Apo called the measures a step in the right direction but said he was hesitantly supporting the measure to continue discussions.

"As I look at it right now, I don't believe that the current (resolutions) are the ... right, ultimate answer," he said, adding that he sees good points on both sides of the issue. "It's a balance between, obviously, our zoning issues as well as how much should government be involved in regulating what the market is doing."

Councilwoman Ann Kobayashi said she wants to enforce the law, not legalize vacation rentals. She suggested perhaps seeking a change in state statutes, which Deputy Corporation Counsel Don Kitaoka said prohibits the city from imposing a civil fine before giving a violator a chance to correct the problem.

"I look at (vacation rentals) not as how to deal with them but more how do we protect our residential areas," she said. "That's the only way I'm going to look at this — how do we keep our residential areas protected from any kind of home business, whether it's a (vacation rental) or an auto repair or a store in someone's house."

Lengthy process

The proposals, introduced by Zoning Committee Chairwoman Marshall and council Chairman Donovan Dela Cruz, have a long process ahead and will likely be changed along the way. They now advance to the full council and, if approved, must go through a review by the city Department of Planning and Permitting and the Planning Commission and a series of council and committee votes.

In 1989, the City Council banned the issuance of new permits for vacation rentals and B&Bs in an effort to prevent the proliferation of the units. But many say the law is unenforceable, and city officials say verifying illegal operations is difficult because an inspector must catch a vacation renter at the site.

There are now 60 licensed bed and breakfasts and 942 vacation rentals, but it's generally acknowledged that there are many more operating illegally.

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[Back](#)

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