

LU Committee

From: Robert Carroll
Sent: Wednesday, March 22, 2017 4:08 PM
To: LU Committee
Subject: FW: CR17-39 [STRH 5-year BAN]

Robert Carroll

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From: Lawrence Carnicelli [mailto:Lawrence@RAMaui.com]
Sent: Wednesday, March 22, 2017 3:33 PM
To: Robert Carroll <Robert.Carroll@mauicounty.us>
Subject: CR17-39 [STRH 5-year BAN]

Aloha Bob,

As you know, your Land Use Committee recently passed LU-7 out of committee is scheduled to be heard as CR17-39 by the County Council Friday. I have reached out to you a few times to discuss this so I thought that I would at least send you an email. As you know RAM contends this bill will harm the real estate industry and attacks the rights of property owners. Therefore RAM will be in OPPOSITION to CR17-39.

While RAM opposes this bill in defense of property rights and support of legal proprietorship of short term housing we understand that this measure may still pass. If that is the case we urge these amendments be strongly considered.

Needed Amendments (if passed):

- 1) *"The dwelling unit has been owned by the applicant for at least five years prior to the date of application starting with any new home purchase six months after the date of enactment of the ordinance."*

There are several unintended consequences to this bill. The most egregious is the stripping of rights from current homeowners. There needs to be additional language included to protect current homeowner's rights and the rights of new buyer's that are in escrow. It only makes sense this take effect on sales after enactment.

- 2) *"The dwelling unit has been owned by the applicant for at least five years prior to the date of [application] issuance of the permit."*

As stated above the permitting process can take years for some people. We contend that even if this becomes law homeowners should still have right to apply prior to 5 years. However, the issuance of the permit takes place at the 5 year mark.

- 3) *"The dwelling unit [has been owned] was purchased by the applicant for at least five years prior to the date of application;"*

Many people transfer title to their properties for numerous reasons. The current language used would automatically disqualify harmless assignment of title transactions even though it was not a sale.

Additional Suggested Amendments (if passed):

- 1) Exception of a six (6) month grace period. Applications submitted within six (6) months after the date of enactment of the ordinance are not subject to the five-year ownership requirement.
- 2) Exception for houses with a building value over \$3,200,000 (a value already in the code)
...OR...
Exception for houses only within the Kapalua, Kaanapali, Wailea, Makena districts or reside directly oceanfront. Keeping the integrity of our neighborhoods and short term rentals in the resort areas.
- 3) Exception for previously permitted properties. Properties that already have had a short-term rental home permit where the new owner applies for a new permit within three (3) years of purchasing the property are exempt from the five-year ownership requirement. Currently the permits are non-transferable so the existing permits are no longer valid once a property is sold to a new owner. In this case, the new owner would have three (3) years to apply for a new STRH permit. The reasoning behind this was to allow properties already vetted as appropriate short-term rentals and not in the long-term residential housing market when sold to continue as a short-term rental.
- 4) Decrease the moratorium timeline from 5 years to 3 years. If the intent is to curb speculation 3 years is a long enough time on the real estate cycle timeline.

If you have any questions or if you would like to discuss this in more detail please call or email me directly. As always, thank you for your time and I look forward to speaking with you again soon.

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