

LU Committee

From: Robert Carroll
Sent: Thursday, March 23, 2017 10:38 AM
To: LU Committee
Subject: FW: Short Term Rentals Bill
Attachments: S-T RENTAL LETTER.docx

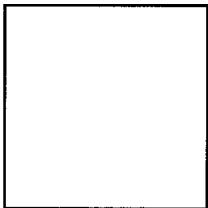
From: Sherri Williams [mailto:sherriwilliams@hawaiilife.com]
Sent: Thursday, March 23, 2017 9:41 AM
To: Riki Hokama <Riki.Hokama@mauicounty.us>; Robert Carroll <Robert.Carroll@mauicounty.us>
Subject: Short Term Rentals Bill

I am submitting the attached letter in opposition of this bill passing in its current state. Please read and take into consideration the economy of the island of Lana'i. We are very different from Maui and even from Molokai, we want and need affordable rentals to support our economy.

Thank you. See attached

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March 23, 2017

TO: Ricki Hokama, Councilmember for Lana'i
Robert Carroll, Councilmember and Chair Land Use Committee

RE: Short Term Rental Standards and Restrictions Bill

The County Council's Land Use Committee recently passed a bill out of committee targeting short-term rental homes with new restrictions and standards; *"The dwelling unit has been owned by the applicant for at least five years prior to the date of application."* This bill would establish a 5-year ownership requirement for Applicants applying for short-term rental home permits. This would fundamentally be a **Prohibition on Short-Term Rental Housing** discouraging homeowners from legally running an STRH and fueling the illegal "black market" to new heights.

The island of Lana'i depends on legal rentals as an offering for affordable rentals in order to enable tourists and Kamaaina alike to visit our island. The recent renovation of The Four Seasons Hotel Lana'i has risen to a price point that does not fit into every budget. Hotel Lana'i, with a limited number of rooms, is constantly full and many would-be visitors go elsewhere on their vacation. Additionally, the Historic District of our City is a place that many people prefer to the big Hotels and have embraced Lana'i over the years and wish to return time and time again.

Our retail community located around Dole Square depends on visitors and already have seen a slow down due to not enough affordable rentals available, particularly in high season. The island of Lana'i and our economy would be **NEGATIVELY EFFECTED** by a bill such as this proposed restriction. We urge the County Council to vote No and consider modifications and/or exceptions to the proposed language to exclude the island of Lana'i from this type of restriction.

THIS BILL COULD CRIPPLE THE ISLAND OF LANA'I'S ECONOMY AND FORCE THE CLOSURE OF MANY BUSINESSES THAT DEPEND ON TOURISM TO SUPPORT THEIR RETAIL STORE, RESTAURANT, OR ACTIVITY.

WHAT IS DRIVING THIS NEW RESTRICTION? There are no studies or statistics that show new purchasers of homes are a cause of any harm to short-term or long-term housing. This bill will not solve any problems and does nothing to help the families of Maui or Lana'i. However, it will cause harm to the economy. There is no justification or connection for the 5-year banishment. By forcing more homeowners to operate illegally, the County is losing out on collected GET and TAT. Also, there is no gain in revenue from legal operators who must remove the exemption from their real property tax bill.

The real issue with short-term housing springing up all over our neighborhoods is the lack of enforcement of current law. While there needs to be a remedy for that, this does not do such. This bill does nothing to address the growing number of illegal operators and is specifically geared to stop legally operating STRHs.

Sincerely,

Sherri Williams, (12 year full-time resident of Lana'i)
R (S) Hawaii Life Real Estate Brokers (808) 565-7688