



B&B and TVU and TVR HOUSING IMPACTS

O'ahu is an isolated rental housing market. Those requiring rental housing have nowhere else to go. The market is already tight and homelessness a pervasive problem – largely fueled by the high cost of rental housing. The high cost is due to more people and more money chasing a relatively fixed rental housing supply.

The Hawai'i Tourism Authority and state Department of Business, Economic Development and Tourism (DBEDT) estimated that there were 2,025 vacation rental units, including both B&Bs and TVUs. These are mostly illegal, as there are less than one thousand such units operating with a Nonconforming Use Certificate (NUC).

A study conducted by the Kauaiian Institute states that TVRs (B&B or TVU) represent 2.4% of all housing outside of urban Honolulu.

AND THESE NUMBERS REFLECT “PROHIBITED” STATUS

Imagine what they will turn into when **“prohibited” becomes “permitted”** with Council Bill 6 passage?

Bill 08-6 includes a 500 ft. exclusion rule, meaning no new B&B can be within 500 feet of each other. A density study conducted by Mr. Robert Retherford (a population and demographics expert) and submitted to the Council as testimony on Bill 6 answered the question as to how many actual new B&Bs could be created with the allowable density – **4,310!**

But there are likely to be legal challenges to the 500 ft exclusionary rule, causing it to be disregarded by the DPP director when issuing new permits. Then the number will reflect the market and could be anything.

B&B or TVU – the house leaves the O'ahu family rental market. Bill 6 states “Accessory roomers shall not be permitted in bed and breakfast homes.” That means that once a new “permit” is issued, that house cannot rent other rooms long-term. Experience on O'ahu already shows us that in most cases, B&B homes are never again available as rental housing because they cannot legally offer other rooms for rent.

IN THE TOP - OUT THE BOTTOM

Proponents of new B&B permitting tell us that the high-end houses used for B&Bs are not within reach of the poor or homeless anyway, so this will not impact them.

That is wrong – they will be directly impacted and they will be the most impacted.

It works like this:

- One more high-priced house leaves the rental market to become a B&B.
- That occupant takes their high income to a slightly lower cost house and displaces someone from that rental price range
- That displaced someone moves into a slightly lower cost house and displaces someone else yet again,
- This continues until we reach the lowest rental price rung where someone ends up with no house.

There is no other way for it to work.



CITY COUNCIL BILL 6 paves the way for affordable
BEACH FRONT housing for local families