From:	Lauray Walsh
To:	Planning LPC Testimony
Subject:	Hawaiʻi County Council Bill 147, Relating to Transient Accommodations
Date:	Sunday, June 28, 2026 6:56:37 PM

Aloha!

I wish to comment on the Testimony submitted in the May 12th CDP Meeting Minutes RE: Bill 147, in which Chair Pelletier stated...
"the AC should ask that unhosted short-term vacation rentals be removed as an allowable use in multifamily residential and commercial neighborhood districts.

In addition Committee Member Kirchner stated that...
"allowing short-term rentals in multifamily residential zoning reduces the supply of long-term rentals and drives up long-term rental costs. Removing short-term rentals from multifamily residential zoning would make future multifamily zoning more acceptable to the public because it would be more clearly tied to housing for residents rather than investor-owned vacation rentals."

I am a 25 year resident of Kailua Kona, and I agree with these statements, as I am unable to enjoy the security of a place to call home, because of the Short Term Vacation Rental industry. Why are kamaʻāina being forced out of one of the most desirable parts of our town, which are the multifamily condos along Alii Drive? For over 2 years I have been unable to find a long-term rental at the beach.

I appreciate and support the council's attempts to create a bill that will further regulate STVRs, so we who live and work in Kona can continue to do so, and not be driven to rural areas or worse to the mainland, due to no affordable long-term housing availability.

All this said...
My Testimony also pertains to Bill 104 (passed in 2024), which created the Long-Term Rental (LTR) property tax classification. This bill perplexes me. Here's why...

It further exacerbates the long term rental problem, rather than help it, as it was intended to do because the bill allows **properties rented to the same tenant for 6 consecutive months** or longer **to qualify for a significantly lower tax rate** (e.g., $7.75 per $1,000 of net assessed value) compared to standard Residential Tier 1 ($11.10) or higher-tiered second home classes ($14.50). You do not need to be a Hawaii resident to qualify for the LTR program; out-of-state owners can use it.

In a misguided effort to provide more long-term housing, the council has decided to reward homeowners who rent their home for 6 months. This is NOT a long-term rental.

With all due respect... how does this solve the lack of long-term rentals? Does the County Council believe that 6 months is a long term rental? **Has anyone on the County Council considered what it would be like to have to move every 6**

months? Because that's what's happening here in Kailua Kona, and to me personally.

Bill 104's rules has many loopholes, whereby a landlord can use the tax break to rent to a local resident for six months, and then leave the home empty, or use it themselves for the rest of the year. They do not have to renew your lease when the six months are up. It allows landlords to keep their options open. They can even leave the home empty for up to a year claiming they are making renovations. In the meantime they can rent as an STVR and no one would be the wiser. **How is this helping the long-term rental market? And who is going to police this?**

Another loophole that is being used (and this can be seen simply by looking at Zillow or Craigslist over an extended period of time as I have) is **inflating the cost of a rental**. Long-term rentals at condos along Alii Drive and Kuakini Highway, that just a year ago rented for $2500 to $3000 are now being advertised for $4500 to $6k and more. This is not inflation. Instead...

This appears to be a direct result of Bill 104, because if a Landlord can show they are actively advertising the unit, they can receive the lower property tax rate, and do anything they want with it in the meantime, such as leave it vacant, use it for STVR, or stay in it themselves. So **advertise at unrealistic inflated rates**, and no one will rent. You are within the rules and receiving a discount on property taxes because you are *supposedly* renting long term. **Again, who will police this?**

For someone looking for a stable home, moving every six months creates a great deal of stress, high costs, and constant worry. Six months is far too short to provide true housing security for our local community.

Thank you for your listening, and your kind consideration when passing legislation on STVRs.

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