

Maui County Transient Vacation Rental Enforcement

2019 Summary

For the 2019 calendar year, the Planning Department's Zoning Administration and Enforcement Division (ZAED) utilized the services of LODGINGRevs, a web-based Transient Vacation Rental (TVR) monitoring and enforcement company, to help its Zoning Inspectors maximize their effectiveness in eliminating illegal short-term rental homes (STRHs) and bed-and-breakfast operations (B&Bs) in Maui County. LODGINGRevs is based in Colorado and uses customized software to track, manage, and monitor Maui County's rapidly expanding TVR advertisement listings on various internet platforms. In Maui County, there are many types of TVRs: legally permitted STRHs and B&Bs; operations that do not need permits to advertise and operate due to their zoning; "grandfathered" operations; hotels and timeshares; and lastly, illegal properties and units operating without required permits or zoning.

The LODGINGRevs system and the ZAED Inspectors have to first filter through all of these types to eliminate those that are legally operating, and then produce a list of potentially illegal operations; then they must identify the physical location of the operations being advertised, investigate further, and take any necessary enforcement action against operations that are found to be illegal.

The sheer volume of advertisements, between 20,000 and 30,000 at any time, had proven to be overwhelming for the ZAED Inspectors. Without the assistance of LODGINGRevs' software, Inspectors are required to manually organize and decipher tens of thousands of legal and illegal TVR listings. In addition, many advertisements lack identifying information about a property's location within the advertisements, and it is exceptionally-time consuming to confirm a single property being advertised. With the assistance of LODGINGRevs and the persistence and hard work of ZAED Inspectors, Maui County has seen a drastic reduction in illegal TVRs by the end of 2019.

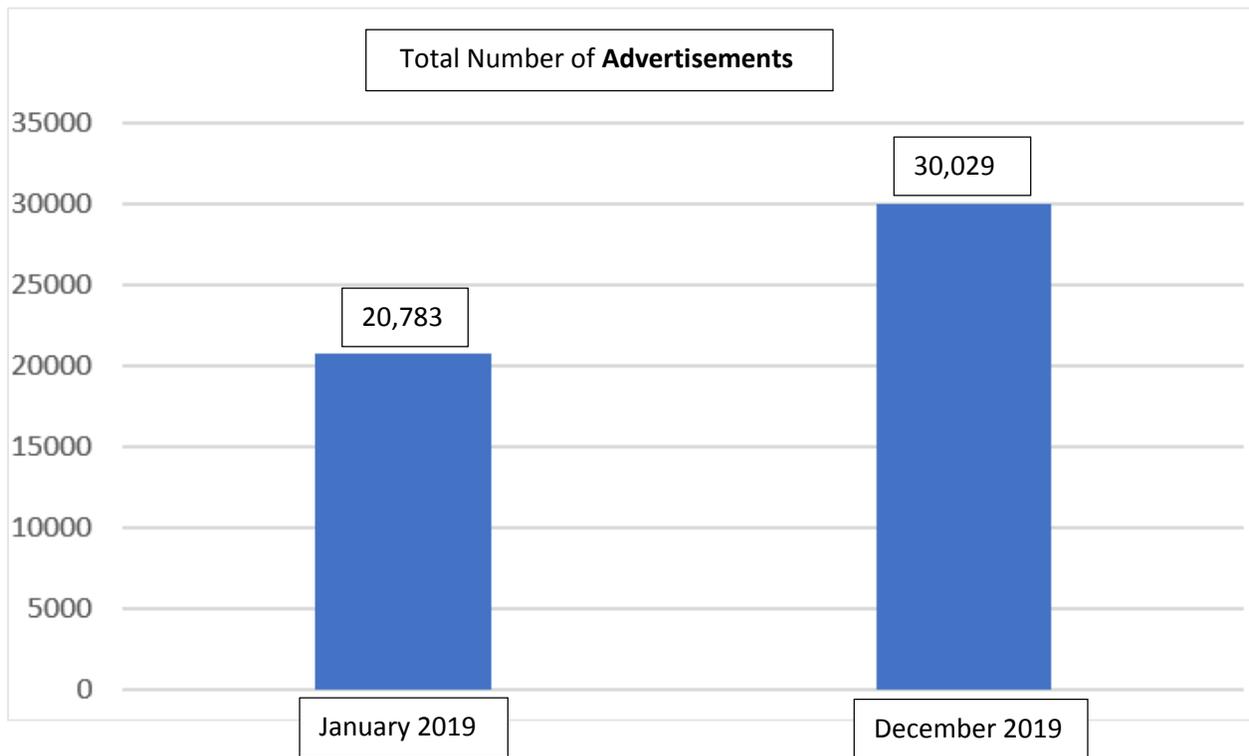
LODGINGRevs utilizes their unique software to check for advertisements multiple times on a weekly basis. The ads are filtered by the software and processed manually to manage new, reoccurring and/or changed listings, and those that have been reactivated. These listings are researched daily by a team at LODGINGRevs to identify compliance on a case-by-case basis; therefore, enforcement action is a continuous and never-ending effort. ZAED Inspectors must confirm many properties that LODGINGRevs cannot identify, especially when some of these properties require a drive-by inspection and when all other methods are unsuccessful.

In 2019 quarters 1 through 4, ZAED Inspectors issued more than 180 Notices of Warning and more than 80 Notices of Violation. Figures have been extracted from the LODGINGRevs database over the last year and a comparative analysis has been prepared for the months of January and December of 2019 demonstrating the Inspectors' enforcement efforts. The Notices of Violation have resulted in ZAED collecting \$50,000.00 in fines from TVR violations issued throughout the 2019 calendar year, with others still pending or being litigated that total in excess of \$300,000.00 in additional fines.

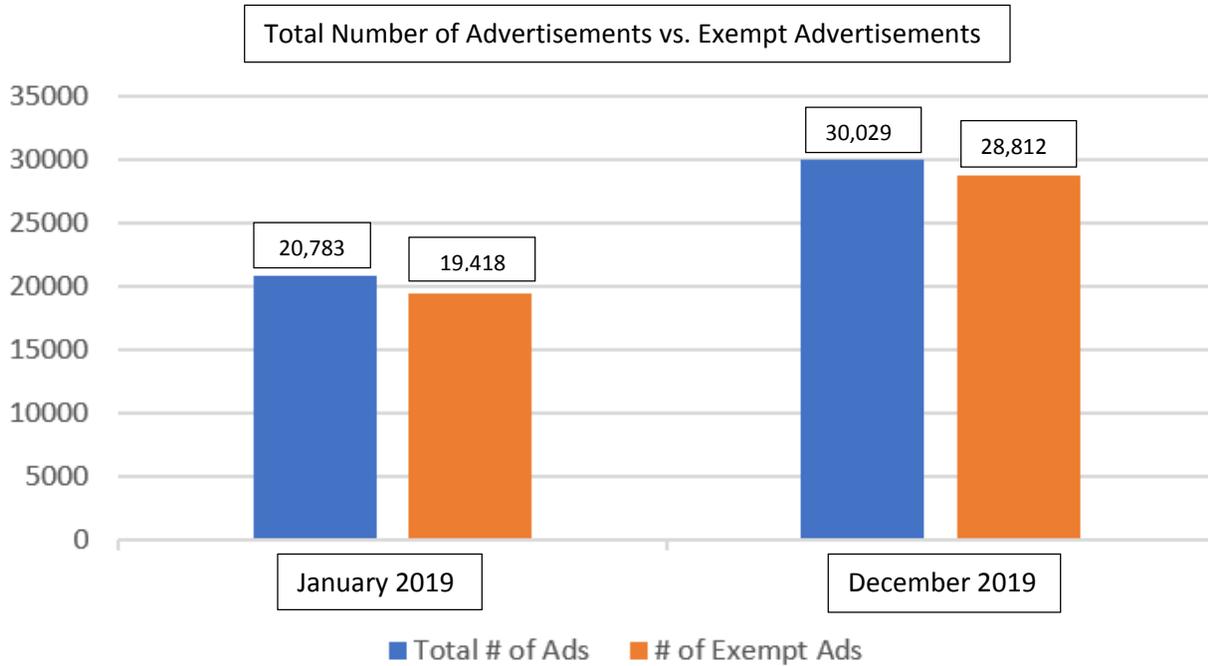
In addition to the Notices of Warning, Notices of Violation and accompanying fines, individuals found to be in violation of the County’s B&B or STRHs ordinances are banned from applying for such permits for two or five years, respectively. The Planning Department maintains a list of individuals subject to such bans; the list currently has 605 names.

ZAED Inspectors are dedicated to maintaining the highest level of compliance of TVRs in Maui County. With the imposition of heftier fines from the 2018 Charter Amendment and required accompanying code and rule amendments, the ban list, and the monitoring capabilities of LODGINGRevs’ latest software, ZAED anticipates that Maui County will see the fewest number of illegal TVRs in recent memory into 2020.

The following graph shows the total number of online advertisements for all TVR properties in Maui County in January and December 2019. The total number of advertisements was 20,783 in January 2019 and was 30,029 in December 2019. An increase of 9,246 advertisements since the beginning of the year indicates, among other factors, that property owners are utilizing more platforms to list their properties. Most properties advertise on multiple platforms/websites; therefore, the number of total advertisements does not indicate the number of properties used for TVR use.



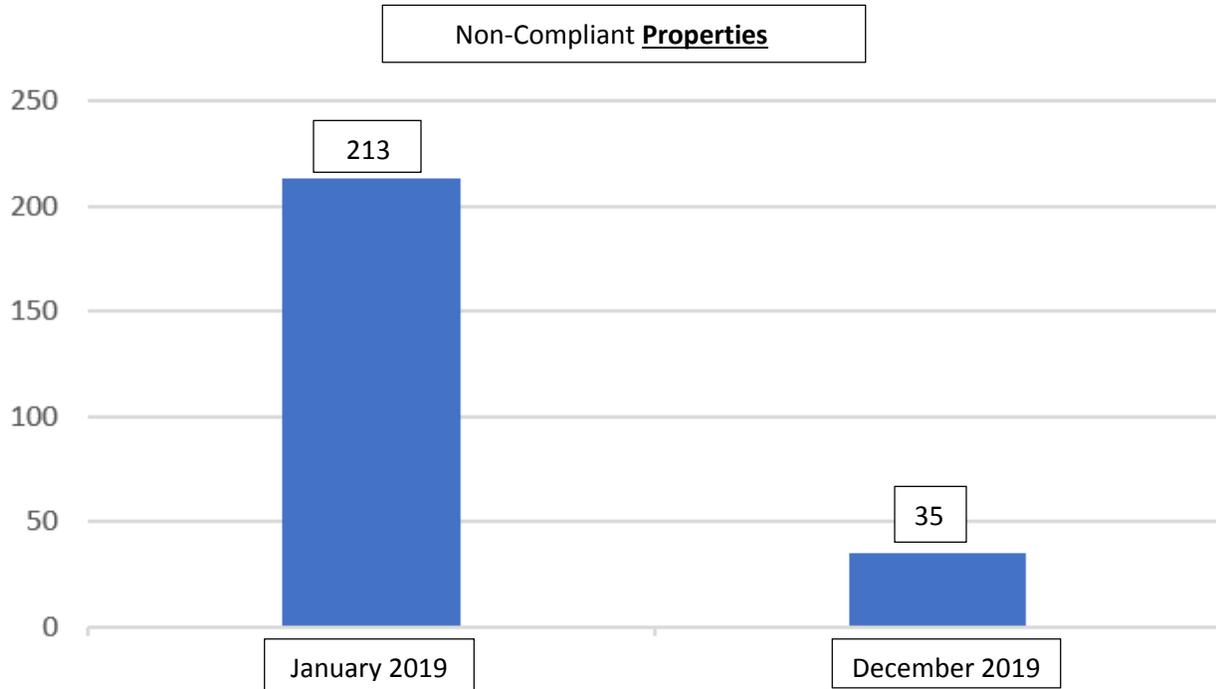
The following graph shows the total number of all advertisements for TVRs and, from those ads, how many are for exempt properties. Exempt properties are primarily apartment or hotel-zoned condominium complexes that do not need a permit to operate due to their existing zoning or other qualifying entitlement. It is estimated that there are over 6,700 units that are exempt in Maui County. The total amount of advertisements includes **ALL** ads, whether the properties are permitted, exempt from needing a permit, grandfathered, or operating illegally without a permit. In January, the difference between total and exempt advertisements was 1,365 and in December it was 1,217. This means a very low percentage of advertisements are for TVRs with permits and TVRs operating illegally.



With properties typically advertising on 2 – 5 platforms, the 1,365 non-exempt ads from January represent an average of between 273 – 683 properties, and the 1,217 non-exempt ads from December represent an average of between 243 – 609 properties. The range in property number averages is calculated by dividing the total amount of ads by the amount of platforms possibly used.

At the end of 2019, there were 379 permitted STRH and B&B homes, making the highest possible total of illegal properties being 230-304. A total of 1,217 non-exempt ads, assuming each property lists on 2 platforms, indicates 609 properties; subtracting 379 permitted operations leaves 230 non-compliant properties. Assuming an average of 3 platforms per property results in approximately 27 unique properties illegally advertising at the end of 2019.

The following graph shows the number of **properties**, primarily single-family homes, illegally operating in January and December of 2019. There is a substantial decrease from 213 properties in January down to 35 at the end of December, with 178 ceasing advertising by the end of 2019.



Many agencies have published a projected number of illegal properties for Maui County. We believe these agencies may lack the information and resources that ZAED has shared with LODGINGRevs resulting in an overestimation. ZAED relies on the data from LODGINGRevs, which monitors more than 30 platforms and manages tens of thousands of advertisements while tracking new non-compliant properties and reoffenders. The figures expressed in this summary are a combination of that data and taking averages to give the most detailed information available concerning the TVR activity in Maui County. Considering that the numbers fluctuate daily due to many factors, it is impossible to track every illegal TVR. Maui County has over 6,700 units that do not require a permit to advertise and operate. The overall goal is compliance and the downward trend in non-compliant properties is very pronounced.

This success is attributable to the ZAED enforcement team: Jay Arakawa, Conklin “Kai” Wright, Tammy Osurman, Gail Davis, Merle Tashiro, Melissa Tokushima, Adam Parness, Peter Stasiuk, Fred Brown and Gary Estanislao. Without their efforts, Maui County would not have had this success.

Heading into 2020, the Planning Department and the ZAED enforcement team will continue with these efforts – and any new technologies or methods that will assist – to ensure that illegal TVR activity in Maui County continues to be curtailed.