

BILL059(22)
Testimony

MISC. COMM. 29

COUNCIL

COUNCIL Meeting

Meeting Date: Jan 25, 2023 @ 10:00 AM

Support: 0

Oppose: 2

I wish to comment: 1

Name: Natalie Iwasa	Email: iwasajunk@mail.com	Zip: 96825
Representing: Self	Position: I wish to comment	Submitted: Jan 23, 2023 @ 11:19 PM
Name: Elaine Evans	Email: elaineevans@mac.com	Zip: 96816
Representing: Self	Position: Oppose	Submitted: Jan 24, 2023 @ 12:18 PM
Name: Robert Fox	Email: rfoxent@gmail.com	Zip: 96822
Representing: Self	Position: Oppose	Submitted: Jan 24, 2023 @ 12:25 PM

TO: Members of the Honolulu City Council

FROM: Natalie Iwasa

DATE: Wednesday, January 25, 2023

SUBJECT: Bill 59 (2022), Historic Homes Exemption from Real Property Taxes –
AMENDMENT REQUESTED

Aloha Chair Waters and Councilmembers

Thank you for this opportunity to provide testimony on Bill 59 (2022), which makes a slight change to the law regarding renewal and cancellation of the 10-year dedication period.

Several Oahu Real Property Tax Advisory Commissions (ORPTAC) have recommended that this particular exemption be removed/reduced or that the minimum tax be increased. From the 2022 ORPTAC:

B. Historic Properties Exemptions under ROH Sections 8-10.22 and 8-10.30.

The Commission recognizes that there have been significant improvements in the administration of the historical properties program as specifically addressed in the City Auditor's Report Nos. 13-023 and 19-074.

The Commission reiterates the recommendation made by the 2019 Commission that the exemptions provided to historic residential and commercial real properties be amended **to increase the minimum real property tax from \$300 to \$1,000**. Should the City Council concur with the recommendation to revise and increase the minimum RPT imposed on these properties, this Commission also suggests the City Council **consider a means-based qualification**, as well as **whether the historical properties program itself continues to serve a necessary and beneficial purpose to the City and its taxpayers**, i.e., **repeal**.

Emphasis added.

Given the very likely increase in real property taxes landlords will continue to face, the city council should be seriously considering the recommendations the ORPTACs have made. Taxpayers who have no exemptions available to them are subsidizing those who do.

Therefore, at a minimum I support increasing the real property taxes historic properties are required to pay from \$300 to \$1,000, and ask that the bill be amended to reflect this change.

Dear Councilman Waters:

When I moved into my little historic cottage on Wilhelmina Rise in 2002, my then 82-year old aunt came to see my “new” digs. Before she left, she asked if she could come back occasionally just to spend time here – whether I was home or not. I said, “of course,” but asked why she wanted to do this. She said, “because it feels like *real* Honolulu.”

I’ve since learned that maintaining this *real* feel is a very expensive – and unrelenting – proposition.

It would cost far less to replace the wood shingle roof with nearly maintenance-free asphalt shingles, double-hung and hand-cranked (and sometimes cranky!) wood windows with vinyl windows, glass doorknobs and cabinet pulls with Home Depot fixtures.

Handymen and tradesmen of all sorts are a frequent presence – painting to protect no-longer-available wide-plank redwood walls, repairing termite damage and tenting, replacing leaky pipes, and trimming the decades old mango tree that provides the fruit for ono chutney.

Everyone who visits (friends, workmen, mail carriers, even solicitors!) tells me how much they admire my cottage. They and the strangers who are drawn into our traditional “motor court” by the historic plaques on the walls of our five cottages enjoy seeing what it was like to live in Honolulu before high-rise condos dominated the skyline.

I feel very fortunate that my landlord appreciates the historic character of the cottages and is willing to pay the considerable additional cost to keep them in the condition they were when built in 1936. I fear that if the property tax on historic homes is increased, he will be forced either to lower his maintenance standards or raise my rent to a level I cannot afford in retirement.

How sad it would be – not only for me, but for everyone who appreciates Honolulu’s history – if my landlord can no longer afford to maintain these cottages as faithfully as he has or –

Heaven forbid! – replaces them with new, more financially viable monster homes.

My aunt is gone now, but I hope the way of life she remembered so fondly will live on at Hale Nani Court for many more decades. If passed, Bill 59 (2020) would remove the financial incentive my landlord receives and make it more difficult for him to justify preserving them. Please vote against it.

If you or any members of the Honolulu City Council would like to see an authentic pre-war Honolulu home – one that could double as the movie set for *From Here to Eternity* – I invite you to visit me any time.

Mahalo and e komo mai!

Elaine Evans
1526-B Wilhelmina Rise

As an owner of a historic property in the Valley of Manoa, I want to urge this City Council not to increase the property taxes on historic homes as it will severely and negatively impact our efforts to have owners register their homes on the historic list of preserved places. This place like so many other places on the planet is losing its cultural heritage and history. Developers with no sense of time or place only wish to make money. It is a business for them and I understand that. However, as a Council your responsibilities extend further than just making money. Your "business" is the protection and welfare of our island home. We have just witnessed the passing of the last Royal Princess of Hawaii which even the State of Hawaii acknowledged and participated in. That dignified procession and ceremony touched us all, as we wept for the passing of one of the most excellent protectors of Hawaiian history we have seen in this century. Her generosity and strength helped to save the Iolani Palace, a registered Hawaiian historic landmark. Had more "business-oriented" minds had their sway, the land of the Iolani would be a parking lot today. All of the other beautiful mansions of the Alii on this island were destroyed and no one even mourned their destruction. Instead, we have high-rise buildings and parking structures instead of the living history of Hawaii.

There must come a time when we realize that preserving the history of this nation, this land, comes before any financial considerations. A people without history are lost and have no grounding. We have suffered enough on these islands with the imposition of religion, mandated dress codes, making the Hawaiian language illegal and finally the wrongful overthrow of our nation and Monarchy. The Hawaiian people, once counted in the millions are now only a few thousand, due to imported diseases and expatriation.

Finally, we have seen a resurgence of Hawaiian Pride and a renaissance of Hawaiian culture from the people in song, dance, and art which has bloomed from the 1970s through the present. The Hawaiian language is now a source of pride. Our music is honored around the world, and the Hawaiian culture is the basis for all of your tourist dollars which supports 85% of our State income stream.

Yet, here we are again trying to squeeze the last drop of blood out of those who are dedicated to preserving the history of our islands. Owning a historic property is an expensive venture and a personal commitment. One cannot put up a cheap plastic fence or replace beams with fiberglass. We must use all original materials to maintain the structural elements of our houses. My home was built of salted redwood made from the gigantic trunks of trees hauled behind huge shipping vessels coming from Washington and Oregon across the Pacific Ocean. Try purchasing that wood today. As preservationists, we pay the money to maintain the integrity of our homes.

Everything in my home is from the time of King Kalakaua or before. maintaining that collection takes commitment, money and effort. I am required by law to open my property on the second Saturday of each month, and I do so happily. I share this home with our people so that they can get a sense of what Hawaii was like at the turn of the century. We do not come from grass shacks and lauhala mats alone. Our nation was equal to European nations in housing, culture, jewelry, couture, and etiquette. Our King traveled the entire world to bring us equal standing with other countries so that we signed treaties with all major nations. A visit to the Iolani Palace would inform you all.

When the white planters overthrew the Monarchy they spent 10 years auctioning off every single thing in the palace as a humiliation technique to "break the spirit" of the Hawaiian People. Only through the dedication and fierce pride of the Hawaiian people have we regained the furnishings that now are

displayed within.

I wonder how much money comes into your coffers from the "tourist attraction" of the Iolani Palace.

That brings me to another thought. When you travel to Holland, or Germany, or France or Russia, you do not go to see new high-rise buildings. You are there to see the historic places associated with those countries. Were it not for the "idiocy of King Ludwig II building Linderhof, or Neuschwanstein, Germany would not have the thriving tourist trade it has today. Historic Places are the reason people come to visit any nation.

If we make it even more financially unfeasible for people to preserve their historic residences, we will lose this particular historic charm of old Hawaii. We need historic places not only for our own grounding of character and pride of place but also for our economy. Once you bulldoze the Queen Emma Summer Palace, you lose another reason for people to come to Hawaii.

Each historic home on the registry is significant to our overall attraction. People have made Hawaii the number 1 tourist destination on the planet. It is our job now to preserve what we have. If we do not, we will lose everything in the future.

No one goes to see denuded mountains, polluted and cemented-up streams, poisoned fishponds, or artificial lakes and fenced-in preserves. I am sorry, people want to see authentic things.

Our people have struggled to maintain their homes given all the restrictions which have been placed upon us. We pay over and over again to keep our historic properties in a fine condition which is required by law.

Now the challenge before us is to spread the word about historic preservation throughout our island home. We must preserve the character of Manoa, Nuuanu, Haleiwa, etc. for if we do not, we will lose in the end.

Everything is connected, and you as Council members must grasp this truth. If you make it hard for people to want to be on the historic registry, then in this downward spiraling economy they will sell out to Developers and leave.

Have we not had enough examples of foreign money coming here, tearing down homes to build Monster Homes? The money they made has not stayed in Hawaii. It went directly to Shanghai.

So I have to ask you..... who benefits from this add-on tax? It isn't much, but if it dissuades one person from preserving their historic residence it has proven its harm.

Think seriously about this extra money. Is it worth it? Does it serve the greater good, or just pay more salaries to our government employees? Given the recent corruption being exposed on all levels of local government, the argument for paying their salaries is rather weak. I think it is time to right the ship of state first, then think about adjusting taxes.

Only this past two weeks this bureaucracy increased taxes on every person on the island. It is not justified and is not warranted. It doesn't match appraised values, and it does come from any statistical research at all. It is simply a MONEY GRAB for bureaucrats. The people know this. Even the Governor

is trying to put out the fire set by this capricious tax increase.

Be warned, eventually, the people will not stay silent, nor turn a blind eye. When you put their families at risk, and when you remove families from the island due to your taxes, then you may regret your actions as the people react in ways you never anticipated.

If you think the FBI was harsh on some of our representatives and inspectors, wait until you face the wrath of the Hawaiian People.

Normally Hawaiians are quiet by nature, but you have just lit a fuse that may not be easily extinguished.

I hope you think carefully and with reverence for these islands as you approach your decisions today.

Robert E. Fox