

**RES23-033  
Testimony**

**MISC. COMM. 179**

COUNCIL

## **COUNCIL Meeting**

Meeting Date: Apr 19, 2023 @ 10:00 AM

Support: 0

Oppose: 1

I wish to comment: 1

Name: Ted Kefalas	Email: tkefalas@grassrootinstitute.org	Zip: 96813
Representing: Grassroot Institute of Hawaii	Position: I wish to comment	Submitted: Apr 18, 2023 @ 10:32 AM
Name: Choon James	Email: ChoonJamesHawaii@gmail.com	Zip: 96762
Representing: CountryTalkStory.com	Position: Oppose	Submitted: Apr 19, 2023 @ 07:44 AM



April 19, 2023

10 a.m.

Honolulu City Council Chambers

**To: Honolulu City and County Council**

**Councilmember Tommy Waters, Chair**

**Councilmember Esther Kiaʻāina, Vice Chair**

**From: Grassroot Institute of Hawaii**

**Ted Kefalas, Director of Strategic Campaigns**

RE: RESOLUTION 2023-33 — DETERMINING THE REAL PROPERTY TAX RATES FOR THE CITY AND COUNTY OF HONOLULU FOR THE FISCAL YEAR JULY 1, 2023 TO JUNE 30, 2024

***Comments Only***

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer its comments on [Resolution 2023-33](#), which would set Honolulu County’s property tax rates for fiscal 2024.

The Institute appreciates the Council’s efforts to provide homeowners tax relief; however, we also would like to share with you our analysis of two possible changes to the county’s property tax rates, in case you decide changes to the rates would be a good way to provide tax relief.

For context, the rates currently proposed in this resolution would generate approximately \$1.71 billion in property tax revenues, up from about \$1.5 billion last year.<sup>1</sup>

**Scenario 1: A 10-cents-per-\$1,000 rate cut**

Our first scenario considers the effect a rate cut of 10-cents-per-\$1,000 would have on the owners of Residential, Residential A (tier 1), Commercial, Industrial, Agricultural, Preservation

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<sup>1</sup> [“City and County of Honolulu Real Property Tax Valuation for Tax Year 2022 - 2023,”](#) Technical Branch, Real Property Assessment Division, Department of Budget and Fiscal Services, City and County of Honolulu. August 2022.

and Vacant Agricultural properties.<sup>2</sup> Such a cut would save the owners of these properties about \$26.7 million.

**Scenario 1: 10-cents-per-\$1,000 rate cut**

Class	Rates	Assessed value	Revenue
Residential	0.0034	\$197,803,526,000	\$672,531,988
Residential A 1	0.0044	\$29,223,862,003	\$128,584,993
Residential A 2	0.0105	\$16,159,324,000	\$169,672,902
Commercial	0.0123	\$23,445,116,033	\$288,374,927
Hotel and Resort	0.0139	\$17,603,467,000	\$244,688,191
Industrial	0.0123	\$14,355,571,033	\$176,573,524
Agricultural	0.0056	\$1,394,616,030	\$7,809,850
Preservation	0.0056	\$471,296,000	\$2,639,258
Vacant agricultural	0.0084	\$43,193,000	\$362,821
Bed and breakfast home	0.0065	0	0

**Scenario 2: Revenue freeze**

Our second scenario considers the effect of a revenue freeze.

If tax revenues from the Residential, Residential A (tier 1), Commercial, Industrial, Agricultural and Preservation classes were frozen at fiscal 2023 levels and rates were adjusted accordingly, this would result in about a \$126 million tax reduction.

**Scenario 2: Revenue freeze**

Class	Rates <sup>3</sup>	Assessed value	Revenue
Residential	0.00321	\$197,803,526,000	\$634,513,000
Residential A 1	0.00311	\$29,223,862,003	\$90,980,000
Residential A 2	0.01050	\$16,159,324,000	\$169,672,902
Commercial	0.01200	\$23,445,116,033	\$281,263,000
Hotel and Resort	0.01390	\$17,603,467,000	\$244,688,191
Industrial	0.01116	\$14,355,571,033	\$160,236,000

<sup>2</sup> On Maui, Mayor Richard Bissen has proposed a similar 10-cents-per-\$1,000 reduction for certain owner-occupied units in his fiscal 2024 budget. See Melissa Tanji, [“Mayor’s \\$1B budget request calls for a slight increase.”](#) The Maui News, March 25, 2023.

<sup>3</sup> Rates rounded to the nearest thousandth.

Agricultural	0.00534	\$1,394,616,030	\$7,450,000
Preservation	0.00550	\$471,296,000	\$2,591,000
Vacant agricultural	0.00850	\$43,193,000	\$367,141
Bed and breakfast home	0.00650	0	0

## Conclusion

The scenarios outlined above are just two suggestions for how the Council could provide tax relief in light of the county’s higher property tax assessments.

In an upcoming report — which we would like to share with you upon its release — we discuss other ways the County could provide property tax relief, including exemptions, tax credits and programs intended to benefit small businesses.

The District of Columbia, for example, offers a tax credit to qualified small retailers who have operated in D.C. for a certain number of years.<sup>4</sup>

Such a relief program in Honolulu could target startup entrepreneurs and small businesses that are the backbone of any healthy economy.

Whichever policies you adopt, we look forward to continued dialogue on this important issue.

Thank you for the opportunity to testify.

Sincerely,

Ted Kefalas  
 Director of Strategic Campaigns  
 Grassroot Institute of Hawaii

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<sup>4</sup> [“Small Retailer Property Tax Relief Credit Frequently Asked Questions \(FAQs\),”](#) Washington, D.C., Office of Tax and Revenue, accessed Jan. 23, 2023.

REGULAR MEETING  
CITY COUNCIL CHAMBER  
5TH SESSION  
WEDNESDAY, APRIL 19, 2023  
10 A.M.

## **OPPOSE RESOLUTION 23-033**

DETERMINING THE REAL PROPERTY TAX RATES FOR THE CITY AND COUNTY OF HONOLULU FOR THE FISCAL YEAR JULY 1, 2023 TO JUNE 30, 2024.

Aloha Chair Tommy Waters, Vice-Chair Esther Kia'aina, and city council members:

I OPPOSE RESO 23-033 with the hope that the following general parameters be deliberated to truly help the residents of Oahu.

First, we need to decide whether we want to help the residents here or to continue to make decisions that will push more and more residents out of Hawaii. We have all known neighbors who have left. Example: AMERICAN IDOL

[https://www.youtube.com/watch?v=S\\_MAesZsnMk](https://www.youtube.com/watch?v=S_MAesZsnMk) Iam Tongi from Kahuku revealed to the whole nation in February 2023 that his family was priced out of paradise. He's now living in Washington. He's shown here helping another party sell this t-shirt.



## **Some parameters to deliberate property taxes:**

1. Hawaii has a top median property value of \$1 million. Hawaii continues to have one of the highest credit card debts, mortgage debts, but lower salary income compared to states like Washington and CA.
2. The repeated fallacy that Hawaii has one of the cheapest property taxes in the nation cannot be an excuse for politicians and others to impose higher and higher property taxes.
3. County RP taxes appear to be low because it does not pay for school taxes. But whether it's STATE income taxes or county taxes, the sources of taxes are taken from the same pool of residents.
4. Furthermore, other states may have a higher property rate but some states have NO income taxes. Many states have lower-priced homes.
5. Hawaii also has very high home insurance rates, maintenance fees rates, construction costs and materials, food, gas, vehicles, and so on.

## **APPRAISAL VALUATION**

6. The county property valuations have basic appraisal valuation irregularities. Land APPRECIATES in value. Improvements have shelf life that DEPRECIATES in value. Most of the valuations that we have reviewed show no such consistent basic appraisal valuation. Many improvements show enormous valuation increase that contradicts the actual conditions of the homes and structures. *“ All I did was mow my lawn. I need a new roof, and the kitchen is original. But my property went up \$400,000,00!”*
7. A lot of the valuations do not reflect actual market values. But, obviously higher valuations benefit the city because it produces more revenues.
8. It's bias to think that a \$1 million or \$2 million or a \$3 million or a \$4 million homes is automatically a luxury home and those owners must be rich or affluent. Many of these million dollar homes are owned by kama'aina who have lived here for generations or decades. They are paper rich but cash poor and laden with escalating costs.



9. Too many of Hawaii property owners are burdened by gentrification. Not many residents want to sell and move out of Hawaii. But many have been forced to do so due to escalating costs of living.
10. These solutions must be long range. Does the city want to push out the middle class?
11. Does the city want to see kama'aina neighborhoods become gentrified to the point of losing the residents who make Hawaii Hawaii?
12. Residential A is a problematic program. I remember testifying before Ann Kobayashi's Budget Committee that \$1million threshold is not a luxury home. Tenants will end up being negatively impacted because landlords cannot bear the taxation burdens alone.
13. Landlords who rent to long-term tenants must be valued because they are providing a housing service to the city. Developers and others in the housing sector received millions of dollars in tax incentives or grants and so on.
14. If the city is serious about stabilizing the housing crisis, it needs to have a paradigm shift. Residents are not Money Trees. Many are working paycheck to paycheck and holding 2-3 jobs.
15. Keep in mind about this irony. With time, the property generally appreciates in valuation, the costs of property taxes, maintenance, insurances, utilities INCREASES. Health and other expenses increases. However, the retirees' earning power DECREASES.
14. Again, it's bias to think that all kupuna are affluent and have a steady stream of income to keep up with the costs of living.
16. Raising the exemption helps a little but when the ratio of the assessment valuation exponentially outpaces the bandage \$300.00 proposal. It's insufficient.
17. The city needs to shed the mentality that the only option a city has is to raise taxes, fees and more taxes. The city needs to trim the pork and fat in its budget.
18. Some politicians talk about forgoing city services or raising taxes as the only option. But it must be noted that in 2012, the PORTER REPORT for the Honolulu

Rapid Transit System warned the city them that the city cannot afford to support its core services and the costs of the Rail.

## SUGGESTIONS:

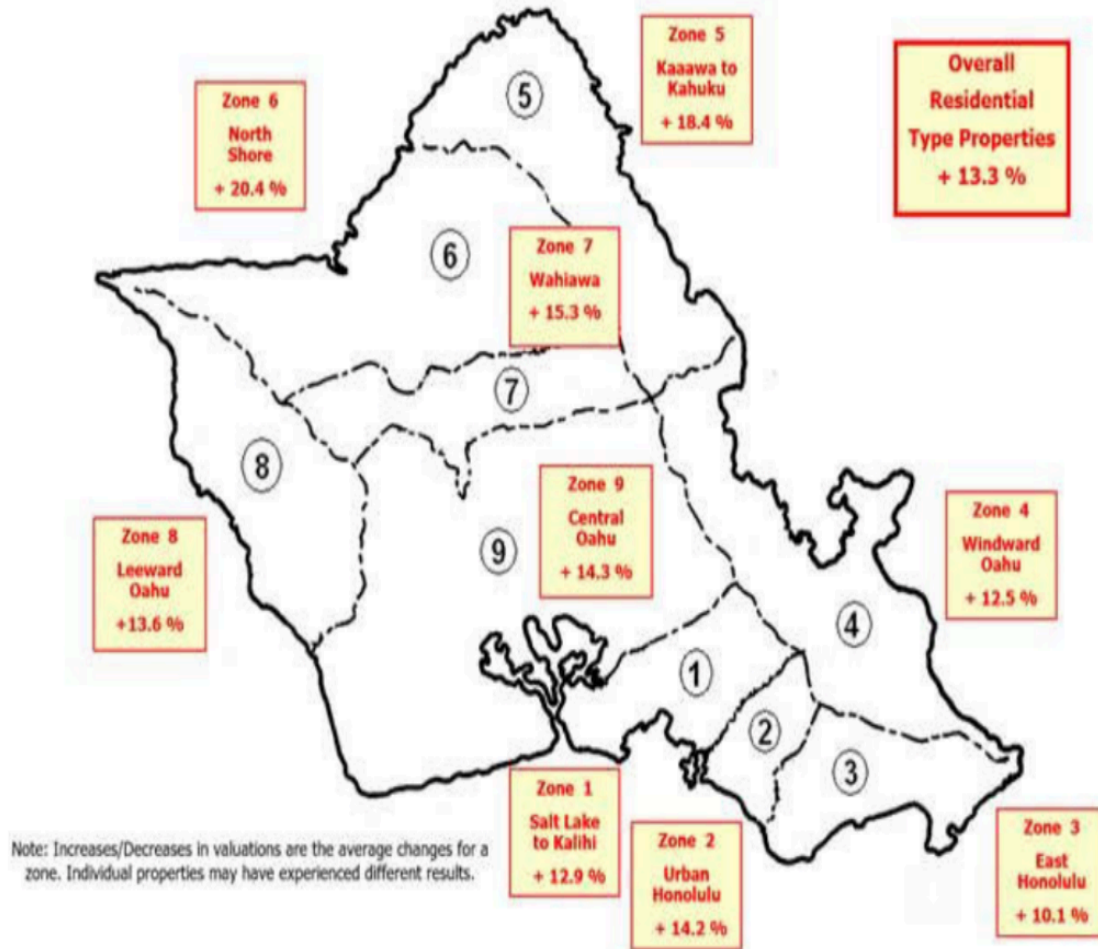
Supposedly, the total value of all real property increased to \$343.07 billion from \$305.27 billion, an increase of 12.4%. The city also has COVID funds.

1. **REDUCE** the CLASS (A) Residential rate to \$2.00 for this fiscal year to offset sharp valuation increases this year. Many owners are still recovering from COVID impacts.
2. Resident A owners who can show a long-term one-year lease at affordable rental rates should be exempted from the Residential A rates but at the \$3.50 rate. They are providing a housing service to residents. The city provides millions of dollars of tax and other incentives to developers to create “affordable housing”. Reward these existing landlords who have been providing stable housing service to long-term residents.
3. Property owners who are 65 years and up and have lived in Oahu for twenty years or more should be provided a **property tax cap** with no further property tax increases for the kama’aina ohana. This will stabilize the housing for intergenerational kama’aina households. This benefit becomes unavailable when the property is entirely sold to a non-familial buyer.
4. Owner-occupant Property owners who are 65 years and up and have lived in Oahu for twenty years or more are exempted from the \$6.50 property tax rate for Bed and Breakfast. Not every one will do it but those who do it probably need that income to support themselves. Keep in mind that most retirees appreciate their own privacy in their homes. It takes much effort to be a host.

All this can be done if there is a political will to put our Residents First. The city can trim its pork and fat from its budget. We have observed the Honolulu city budget sessions for over a decade.

Mahalo,  
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[www.CountryTalkStory.com](http://www.CountryTalkStory.com)

## Percentage Change In Taxable Gross Valuations For 2023 Residential Type Properties by Zone (includes new parcels, additions/alterations to existing parcels)



Homeowners in areas like Oahu's North Shore and towns like Kahuku face property assessments of 20% or more, which are driving up their tax bills even as tax rates remain flat.

**Some of our property increased by 30% - 50% when our improvements are in need of major renovations and upkeep.**

## Honolulu Property Tax Revenue

Fiscal Year 2014 - 2023

\*In thousands

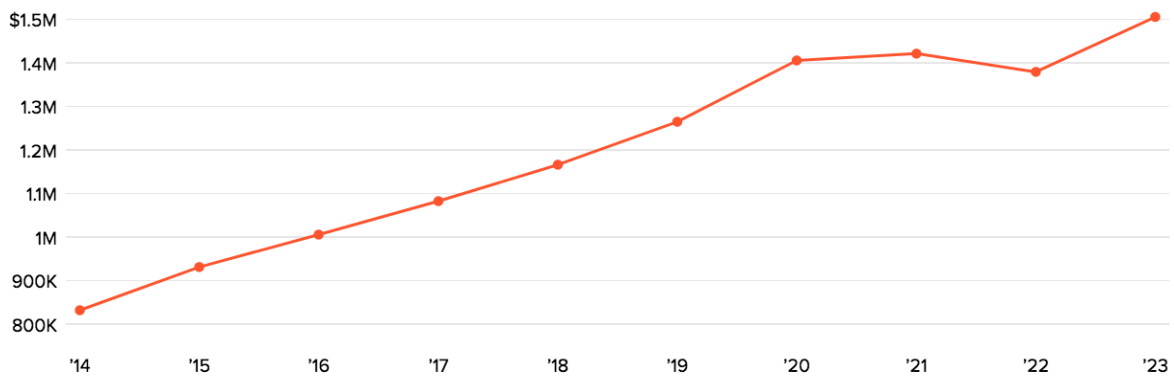


Chart: Civil Beat/2023 • Source: City and County of Honolulu

*Despite rates remaining stable, increases in property assessments have driven property tax collections in Honolulu up more than 80% in the past decade, rising from just over \$800 million in 2014 to over \$1.5 billion in fiscal 2023. Skyrocketing assessments suggest the increases in 2024 will exceed those of recent years.*

<https://www.civilbeat.org/2023/01/honolulu-homeowners-are-shocked-at-new-property-tax-bills-heres-something-that-could-help>

**Property valuation can only go up. There may be cyclical dip trends but it always goes up. We are already numb to hearing about million dollar shacks.**

## TAX EXEMPTIONS EXAMPLE:

**HISTORIC HOMES:** This is a 2010 publication. The values have escalated. I'm not basing a judgment on these historic homes but to raise awareness of the wide disparity. Homes that are priced in the \$6Million and up are paying tax payments of \$1,000 a year. A struggling owner of a lower priced home who pays a much higher amount of annual property taxes can be foreclosed with a tax lien.

# Hidden homes get big tax breaks

- By [Rob Perez](#)
- Sept. 12, 2010



SELL / CRUSSELL@STARADVERTISER.COM

DENNIS ODA / DODA@STARADVERTISER.COM

The two exempted homes at 3115 Noela St. after the hedges were cut.

The city is giving major property-tax breaks to nearly 250 owners of historic homes — forgoing nearly \$1 million in annual revenue — without adequately enforcing key requirements of the exemption program.

The biggest breaks are going to owners of homes with assessed values of at least \$1 million, saving them thousands of dollars in taxes each year.

But some of the homes cannot be seen or are barely visible from public streets despite a requirement that reasonable visual access be provided. Failing to meet that requirement undermines one of the main public benefits of the taxpayer-subsidized program.

Owners of homes lacking visual access are supposed to allow the public onto their property at least 12 days a year for "visual visitations," according to city regulations. Yet no homeowner to date has been required to comply with that provision.

The city acknowledged that its oversight of the program has become inconsistent over the years because of a shortage of staffing and training. It said it doesn't have the resources to be able to check homes annually to ensure compliance.

And even though the city inspects each property before deciding whether to grant the 10-year, automatically renewable exemptions, the Star-Advertiser found several cases approved within the past few years in which the public views of the dwellings were completely or largely obscured.

City files show the city did not raise the view issue with any of those owners. All had signed exemption applications stating that reasonable visual access would be provided. They also certified, as all applicants do, that the pre-exemption taxation level was a material factor threatening the continued existence of their historic homes — a certification the city doesn't verify.

"This is benign neglect," Tax Foundation of Hawaii President Lowell Kalapa said of the city's lax oversight. "They're neglecting to enforce the standards that they themselves have set."

The idea behind the visual access is to give the public the opportunity to see and appreciate the aesthetics of Honolulu's historically significant dwellings, which can be costly to maintain. In return, the homeowners pay only \$300 in annual property taxes — regardless of the value of the property — if they get the full exemption. Most do.

That \$300 flat rate — it was only \$100 until this year — is among the most generous historic preservation incentives offered to homeowners in the country, according to a Star-Advertiser review of a 2007 state-by-state survey by the National Trust for Historic Preservation. The neighbor islands have their own programs, but few homeowners on those islands take advantage of the exemptions.

On Oahu, the Star-Advertiser found about 20 examples of homes that were getting the tax breaks even though the public views were largely obscured. Most of those homes were assessed for more than \$1 million. Some were approved for exemptions as recently as late last year.

Sightlines to the homes were blocked or obscured by high walls, thick tree and plant growth, other residences or the topography of the neighborhood. Some dwellings were hidden from view on private roads or at the end of long driveways, with signs warning against trespassing.

At 3115 Noela St., where the main residence at the foot of Diamond Head was assessed for more than \$3 million and a second one was valued at nearly \$2 million, the owners received exemptions in November even though the dwellings were hidden behind a solid wall of vegetation fronting the property. When the Star-Advertiser went there last month, the shrubbery was so thick one could barely see a fenced-in tennis court just on the other side. From a narrow driveway, a tiny corner of a roof line was visible — and little else.

## WHO IS ELIGIBLE

*A home must meet several key requirements to qualify for city property-tax breaks:*

- » Home must be on the State Register of Historic Places.
- » Public must have reasonable visual access to home.
- » If home not visible from public area, homeowner must allow the public to come onto the property for "visual visitation" at least 12 days yearly.
- » Homeowner must certify that paying pre-exemption property taxes is a material factor threatening the continued existence of the historical property.
- » Dedicated use of property can't change during exemption period.

*Sources: City records and data*

## BY THE NUMBERS

**240:** Approximate number of Oahu homeowners who benefit from the program

**\$262.5M:** Total value exempted

Because of the exemption, the tax bill for the main residence falls to \$300 this year, compared with more than \$11,000 in 2009, according to city records. The tab for the second dwelling also drops to \$300, compared with \$6,700 last year.

**\$900,000:** Property taxes foregone by city  
**\$300:** How much a homeowner pays annually if receiving full exemption  
**10:** Number of years in the exemption period, automatically renewable

Both homes are owned by the Zadoc Brown family, a prominent kamaaina clan noted for, among other things, its support of Hawaiian history projects.

After the family received a certified letter from the Star-Advertiser last week inquiring about the visual-access issue, a member e-mailed the newspaper to indicate that both homes were now visible from the street. The vegetation fronting the property had been substantially cut, opening views to both homes.

A family representative did not respond to a subsequent request for comment.

Poor oversight of the exemption program adds a new wrinkle to a recent controversy over the city's handling of property tax issues. The city came under fire last month because of changes made to classifications for about 240 property owners. The city changed the classifications from residential to commercial or industrial to address concerns about equity from nearby property owners. The changes resulted in tax bills increasing fourfold for affected residents.

The city is "balancing the budget by taking from the poor and giving to the rich — quadrupling taxes on homeowners in industrial and commercial areas while providing generous tax exemptions to historic homes," said government watchdog activist and database developer Holly Huber.

Huber customized a database of city property tax records and provided it to the newspaper, enabling the Star-Advertiser to perform a computer-assisted analysis of the exempted historic homes. Using that as a guide, the newspaper went to the neighborhoods and discovered the sightline problem.

Prompted by the Star-Advertiser's findings, the city said it intends to review all historic-home exemptions for compliance. Those found violating the regulations risk losing their exemptions and could face payment of back taxes. The city also said it plans to train staff and provide checklists to ensure compliance.

The intent of the exemption program, created in the mid-1980s under Mayor Frank Fasi, is considered worthwhile by many preservationists and others. Preserving historically significant homes is seen as beneficial for the overall community, fostering greater appreciation of Hawaii's past. It also is seen as beneficial for specific neighborhoods, helping maintain stability and property values.



Hawaii is the only state in the country that offers property-tax exemptions for historic residences statewide, according to Kiersten Faulkner, executive director of the Historic Hawaii Foundation. "This really is something to be proud of and protect," she said.

Theoretically, homeowners who save money on their property taxes can use those savings toward the high cost of preserving the homes, which must be on the State Register of Historic Places before qualifying for the exemption program.

But if the dwellings aren't visible to the public, the community benefit is significantly undermined, according to historic preservation experts.

"That weakens the requirement for public access," said Bob McCullough, associate professor of historic preservation at the University of Vermont. "It's a very important issue."

The majority of Oahu's exempted homes are easily seen from public streets, serving up a tapestry of distinctive architectural styles over the past century.

And while the newspaper found visual-access problems with homes at a wide range of assessed values, the problem seems more pronounced at the high end.

Of the 10 exempted historic residences with the highest assessed values, for instance, half had views that were obstructed enough to raise compliance questions, according to the Star-Advertiser review.

Among those benefiting from the program is acting Mayor Kirk Caldwell, who saw his property tax tab drop from nearly \$5,500 in 2005 to \$100 in 2006, several years before he started working for the city.

Caldwell, whose home was featured last year in a walking tour of historic Manoa dwellings, noted that the city has not received any complaints about the lack of visual access or lack of enforcement for the program. The city says it typically monitors the program through the complaint process and that the responsibility for complying with the requirements is on the homeowner.

But because the rules haven't changed in 25 years, Caldwell has directed the city to work with the historic foundation and others to review the regulations, especially pertaining to visual access, to ensure that preservation is balanced with public benefits.

"Any person interested in Hawaii's history, especially its architectural history, should have visual access to these properties," Caldwell said in a statement.

Although the view to Caldwell's home is partly obscured by trees, he said he believes his home fully complies with the letter and spirit of the law.

University of Hawaii law professor Jon Van Dyke, who also is getting the exemption, likewise said his Round Top Drive home meets the spirit of the law — even though it's at the end of a private roadway and not visible from Round Top. A neighbor demanded that a Star-Advertiser reporter and photographer leave the private roadway recently as they were searching for Van Dyke's residence.

Van Dyke said the 1920s-era home is visible from parts of Kahala, Waikiki and atop Diamond Head, where, miles away, he once spotted his residence after hiking to the top of the world-famous landmark. "You can definitely see it if you know where to look," he said.

Van Dyke also said he and his wife frequently host functions at their residence, giving those in attendance the opportunity to see it. "We've done our best to adhere to the spirit of the law," he said.

Lynn Lalakea also is trying her best to adhere to that spirit.

After getting the Star-Advertiser letter inquiring about visual access, her 83-year-old husband, Thomas, cut big chunks from the hedges blocking the view of their historic home from Dowsett Avenue. "We like the new look," she said. "People are commenting about how beautiful our home is."

## Not in plain sight

*Homeowners who get major property-tax breaks from the city for their historic residences are supposed to ensure that the public has reasonable visual access to the homes from public property. When the Star-Advertiser visited some higher-end properties last month, the obstructed views raised questions about whether such access was available. Here's what we found among exempted properties with assessed values of at least \$1 million:*

### **2251 Mohala Way, Manoa**

» **Assessed value:** \$1,036,400

» **Owner:** Edward K. Chung III, Patricia A. Chung

» **Home size:** 1,649 square feet

» **Year built:** 1922

» **Homeowner comment:** The home, which also has an Armstrong Street address, is better viewed from that street. The residence was featured a few years ago in a walking tour of Manoa homes.

**Property taxes:**

2001: \$1,406

2002: \$1,495

2003: \$1,719

2004-2009: \$100 annually

**3300 Tantalus Driv, Tantalus**

» **Assessed value:** \$1,137,500

» **Owner:** Thirty-Three Hundred Tantalus LLC

» **Home size:** 6,758 square feet

» **Year built:** 1952

» **Homeowner comment:** The Liljestrand House is open to the public and financially difficult to sustain, an owner said. A lawyer representing the owner said the property is in full compliance with all applicable statutes, rules and regulations pertaining to property taxes. No information, however, was provided on when the house is open to the public.

**Property taxes:**

2001: \$2,368

2002: \$3,161

2003: \$3,783

2004: \$4,515

2005: \$4,976

2006: \$9,222

2007: \$5,860

2008: \$4,471

2009: \$4,585

2010: \$300

**4191 Round Top Drive, Tantalus**

» **Assessed value:** \$1,278,300

» **Owner:** Jon Van Dyke, Sherry Broder

» **Home size:** 4,824 square feet

» **Year built:** 1919

» **Homeowner comment:** The residence is visible from parts of Kahala, Waikiki and atop Diamond Head. Many functions also are held there, allowing attendees to see the home.

**Property taxes:**

2001-2009: \$100 annually

2010: \$300

**1947 Judd Hillside Road, Manoa**

» **Assessed value:** \$1,309,600

»

**Owner:** Martin D. and Dorothy C. Eichelberger

» **Home size:** 1,676 square feet

» **Year built:** 1933

» **Homeowner comment:** Although the home is on a private road and has a sign indicating such, the owner says the public is allowed to go onto the road to view the residence. "Anyone can walk or drive on the street," said Martin Eichelberger.

**Property taxes:**

2001-2009: \$100 annually

2010: \$300

**2954 Hibiscus Place #2, Diamond Head**

» **Assessed value:** \$1,249,100

» **Owner:** M. Robert Chaffee Jr., Paul Sklansky

» **Home size:** 1,561 square feet

» **Year built:** 1939

» **Homeowner comment:** Although the home is on a private road with a sign warning against trespassing, people interested in viewing the home are allowed to drive or walk on the road. "Such visitors have never been stopped in the past, nor will they be in the future," Chaffee wrote in an e-mail. The home also is visible from a distance from various vantage points, including lookouts on Diamond Head.

**Property taxes:**

2005: \$3,744

2006: \$4,934

2007: \$6,318

2008: \$100

2009: \$100

2010: \$300

### **33 Pilipu Place, Kailua**

» **Assessed value:** \$1,602,900

» **Owner:** Allan Cadgene

» **Home size:** 5,926 square feet

» **Year built:** 1928

» **Homeowner comment:** The owner could not be reached for comment. The home can't be seen from the beginning of this private road. The city says people can go onto private roads to view historic homes unless the owners already have designated days for viewing.

#### **Property taxes:**

2005-2009: \$100 annually

2010: \$300

### **2726 Hillside Ave., Manoa**

» **Assessed value:** \$1,849,100

» **Owner:** Kirk Caldwell, Donna Tanoue

» **Home size:** 2,928 square feet

» **Year built:** 1917

» **Homeowner comment:** The residence is visible from Hillside and Oahu avenues and from a public right-of-way along one side of the property. Visitors were welcomed to the home as part of the 2009 Historic Homes Walking Tour in Manoa.

#### **Property taxes:**

2001: \$1,991

2002: \$2,190

2003: \$2,467

2004: \$2,726

2005: \$5,479

2006: \$100

2007: \$100

2008: \$100

2009: \$100

2010: \$300

**1942 Judd Hillside Road, Manoa**

» **Assessed value:** \$2,623,700

» **Owner:** Marsha A. Bohnett Trust

» **Home size:** 5,268 square feet

» **Year built:** 1926

» **Homeowner comment:** The owner could not be reached for comment. The residence is further up this private road. The city says people can go onto private roads to view historic homes unless the owners already have designated days for viewing.

**Property taxes:**

2001: \$812

2002: \$751

2003: \$771

2004: \$833

2005: \$1,329

2006: \$1,762

2007: \$1,665

2008: \$1,665

2009: \$1,731

2010: \$797

**3115 Noela St. #2, Diamond Head**

» **Assessed value:** \$1,769,300

» **Owner:** Ka Lei Noela LTD Partnership

» **Home size:** 1,180 square feet

» **Year built:** 1964

» **Homeowner comment:** The home is now visible from Noela. The hedges were recently cut to open the view.

**Property taxes:**

2002: \$3,338

2003: \$3,162

2004: \$3,086

2005: \$3,545

2006: \$6,020

2007: \$7,850

2008: \$7,566

2009: \$6,711

2010: \$300

**2954 Hibiscus Place #1, Diamond Head**

» **Assessed value:** \$2,136,500

» **Owner:** Robert Simyar Trust

» **Home size:** 2,700 square feet

» **Year built:** 1939

» **Homeowner comment:** Although the home is on a private road with a sign warning against trespassing, people interested in viewing the home are allowed to drive or walk on the road. The home also is visible from a distance from various vantage points, including lookouts on Diamond Head.

**Property taxes:**

2005: \$3,983

2006: \$4,939

2007: \$7,192

2008: \$100

2009: \$100

2010: \$300

**247 Dowsett Ave., Nuuanu**

» **Assessed value:** \$2,482,500

» **Owner:** Thomas K. and Carolyn C. Lalakea

» **Home size:** 4,821 square feet

» **Year built:** 1940

» **Homeowner comment:** Prompted by the newspaper's inquiry, the hedges fronting the property were cut to open the view from Dowsett Avenue.

**Property taxes:**

2001: \$3,840

2002: \$4,518

2003: \$5,382

2004-2009: \$100 annually

2010: \$300

**1612 Alewa Drive, Alewa Heights**

» **Assessed value:** \$2,768,300

» **Owner:** Frederick Brossy family

» **Home size:** 6,528 square feet

» **Year built:** 1939

» **Homeowner comment:** Although the home can't be seen from Alewa Drive, the owners for years have allowed the public to drive up the long, sloping driveway to view the home, according to Fred Brossy, whose children own the home. That was part of the agreement when the home was placed on the State Register of Historic Places, Brossy said. There's no sign at the foot of the driveway, however, indicating the public has such access.

**Property taxes:**

2001-2009: \$100 annually

**3115 Noela St. #1, Diamond Head**

» **Assessed value:** \$3,101,400

» **Owner:** Zadoc Brown family

» **Home size:** 4,278 square feet

>> **Year built:** 1948

» **Homeowner comment:** The home is now visible from the street. (The hedges fronting the property were cut after the newspaper inquired about obstructed views).

**Property taxes:**

2002: \$6,428

2003: \$6,668

2004: \$7,097

2005: \$8,214

2006: \$11,240

2007: \$14,396

2008: \$14,382

2009: \$11,130

2010: \$300

**5329 Kalaniana'ole Highway, Aina Haina**

» **Assessed value:** \$3,605,800

» **Owner:** Richard K. and Susan M. Mirikitani

» **Home size:** 2,457 square feet

» **Year built:** 1936

» **Homeowner comment:** Advertises free public tours, hosts school, community events, rents property for weddings, has website detailing historic significance.

**Property taxes:**



2001: \$8,045  
2002: \$6,614  
2003: \$7,537  
2004-2009: \$100 annually  
2010: \$300

**3065 Diamond Head Road, Diamond Head**

- » **Assessed value:** \$5,737,500
- » **Owner:** Kaluahole Land Trust
- » **Home size:** 4,105 square feet
- » **Year built:** 1937
- » **Homeowner comment:** The home is in full compliance with exemption regulations. It is completely visible from the beach, and officials said that satisfied the visual requirement.

**Property taxes:**

2001: \$10,847  
2002: \$11,666  
2003-2009: \$100 annually  
2010: \$300

**2616 Pali Highway, Nuuanu**

- » **Assessed value:** \$6,915,700
- » **Owner:** Holy-Eye LLC
- » **Home size:** 7,040 square feet
- » **Year built:** 1904
- » **Homeowner comment:** The public can come onto the property from 10 a.m. to 5 p.m. the first Sunday of each month to view the home, which is used for Buddhist services and meditation classes.

**Property taxes:**

2001: \$27,780  
2002: \$28,466  
2003: \$32,771  
2004: \$35,119  
2005: \$35,339  
2006: \$35,550  
2007: \$23,381  
2008: \$100

2009: \$100

2010: \$300

**CORRECTION:** The 2010 property-tax tab for Kirk Caldwell's historic Manoa home is \$300. A chart in a previous version of this story said it was \$100.



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**RESOLUTION**

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DETERMINING THE REAL PROPERTY TAX RATES FOR THE CITY AND COUNTY OF HONOLULU FOR THE FISCAL YEAR JULY 1, 2023 TO JUNE 30, 2024.

WHEREAS, Article VIII, Section 3, and Article XVIII, Section 6, of the Constitution of the State of Hawai'i, as amended, grant to the counties the authority to assess, impose, and collect real property taxes; and

WHEREAS, Section 8-11.1(b) of the Revised Ordinances of Honolulu 2021 ("ROH"), provides that the City Council shall annually set the tax rate or rates for the classes of real property established in accordance with ROH § 8-7.1(c)(1); and

WHEREAS, under said ROH § 8-7.1(c)(1), the following classes are established as general classes for purposes of real property taxation:

- (A) Residential;
- (B) Hotel and resort;
- (C) Commercial;
- (D) Industrial;
- (E) Agricultural;
- (F) Preservation;
- (G) Public service;
- (H) Vacant agricultural;
- (I) Residential A; and
- (J) Bed and breakfast home; and

WHEREAS, under ROH § 8-11.1(h), rates for property classified as Residential A must be assigned to the following two tiers based on the valuation of the property:

- (1) Residential A Tier 1 tax rate: applied to the net taxable valuation of the property up to \$1,000,000; and
- (2) Residential A Tier 2 tax rate: applied to the net taxable valuation of the property in excess of \$1,000,000; and

WHEREAS, ROH § 8-6.2 provides for the assessment and levying of real property taxes on a fiscal year basis beginning July 1 of each calendar year and ending June 30 of the following calendar year; now, therefore,



**RESOLUTION**

BE IT RESOLVED by the Council of the City and County of Honolulu that the following rates be, and are hereby, determined as the respective rates at which real property in the various general classes in the City and County of Honolulu shall be taxed per \$1,000 of assessed value for the Fiscal Year July 1, 2023 to June 30, 2024:

		Tax Rate Per \$1,000 Net Taxable Real Property Value
Class (A)	Residential	\$ 3.50
Class (B)	Hotel and resort	\$13.90
Class (C)	Commercial	\$12.40
Class (D)	Industrial	\$12.40
Class (E)	Agricultural	\$ 5.70
Class (F)	Preservation	\$ 5.70
Class (G)	Public service	\$ 0.00
Class (H)	Vacant agricultural	\$ 8.50
Class (I)	Residential A	
	Tier 1:	\$ 4.50
	Tier 2:	\$10.50
Class (J)	Bed and breakfast home	\$ 6.50

BE IT FURTHER RESOLVED that this resolution takes effect upon its adoption and applies to the Fiscal Year July 1, 2023 to June 30, 2024; and



**RESOLUTION**

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BE IT FINALLY RESOLVED that copies of this resolution be transmitted to the Mayor, the Managing Director, and the Director of Budget and Fiscal Services.

INTRODUCED BY:

*Tommy Wahi*  
*Resident Orders*

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DATE OF INTRODUCTION:

**MAR 03 2023**

Honolulu, Hawai'i

Councilmembers