

RES24-061
Testimony

MISC. COMM. 115

BUDGET (BUD)

BUDGET (BUD) Meeting

Meeting Date: Apr 1, 2024 @ 10:00 AM

Support: 1

Oppose: 63

I wish to comment: 6

Name: Nicole Crider	Email: nicole.crider1@gmail.com	Zip: 96712						
Representing: Self	Position: Oppose	Submitted: Mar 26, 2024 @ 12:17 PM						
Testimony: Please consider our strong opposition to this Bill. As a local family we feel and know this bill will create a conflict of interest as it will incentivize the department to pursue penalties aggressively for financial benefit, potentially compromising the impartiality and objectivity of penalty enforcement. Moreover, this arrangement could lead to a perception of bias or favoritism, undermining public trust in the enforcement process and raising questions about the fairness and transparency of penalty decisions. In summary, allocating civil penalties funds to the department responsible for imposing the penalties can give rise to conflicts of interest, potentially impacting the integrity and credibility of penalty enforcement processes in Hawaii. Thank you kindly for your consideration!								
Name: Jill Paulin	Email: jillpaulin@gmail.com	Zip: 96712						
Representing: OSTRA	Position: Oppose	Submitted: Mar 27, 2024 @ 09:04 AM						
Name: LILLIE MCAFEE	Email: lilliemcafee@gmail.com	Zip: 96792						
Representing: Self	Position: Oppose	Submitted: Mar 27, 2024 @ 10:37 AM						
Testimony: PLEASE DO NOT PASS Resolution 24-61 AS IS--WE NEED TO LOWER TAXES SUBSTANTIALLY--LOCALS ARE BARELY MAKING ENDS MEET AS IT IS. When the TVU classification was established last year, the Council asked BFS what they thought would be fair rates. BFS responded that it would be fair to put TVUs between Residential and the Hotel Rate because of the "hybrid" nature of these rentals. They suggested \$6.5/ \$1000 for Tier 1 and \$10.5/ \$1,000 for Tier 2. This would have doubled many owners' property taxes. Many relied on this information in deciding to register as a TVU. The proposed rates of \$9.0 for Tier 1 and \$11.5 for Tier 2 result in unreasonable increases year-over-year for owners. Here is the difference in dollars/year and the percentage by property value: <table border="0"> <tr> <td>\$600,000 STR Unit</td> <td>\$3,300 or 157% more</td> </tr> <tr> <td>\$900,000 STR Unit</td> <td>\$5,200 or 165% more</td> </tr> <tr> <td>\$1,200,000 STR Unit</td> <td>\$5,000 or 74% more</td> </tr> </table> A one bedroom unit at Kuilima, for example, would be paying nearly \$800/month in property taxes. This coupled with the recent increases in assessments, has resulted in a \$6,600 increase in taxes or a 377% increase in the last 2 years. 80% of these properties are owned by resident Kupuna that rely on these rentals to remain living on the island. Do we really want to force them to sell their properties to off-island, aggressive investment companies? Or as second homes that stand empty taking away jobs and business from the local communities? How will this help the housing situation? Affordable short-term rentals are needed for displaced residents, newly housed residents, those traveling inter-island for life events or medical needs, our visiting ohana, traveling nurses, emergency contractors and others that need more livable accommodations than a hotel room. These higher rates will severely limit the affordable, furnished temporary housing market for these residents and important visitors. There are currently less than 2,500 TVUs and NUCs on Oahu. The Red Hill crisis alone displaced 4,000 families. On average, there are 2,500 traveling medical personnel needing accommodation on our island every year. You can see that we already have a different type of housing crisis on our hands as an unintended consequence of Ordinance 22-7. This has resulted in continued illegal activity to meet the demand. If property taxes are more than doubled, this will further fuel the illegal activity. Hotels earn approximately 40% of their income from ancillary services such as restaurants, bars, shops, etc. Short-term rentals are not allowed to have these services. Hotels are also densely built allowing for overall lower property taxes per unit. TVUs had to register and renew over the last year and half. The fees and expenses were approximately \$2,000 in total. It is unfair to increase their property taxes by over 150% on top of this. Barely half of those eligible have registered to be legal TVUs. They did not pay the registration/ renewal fees and will pay less			\$600,000 STR Unit	\$3,300 or 157% more	\$900,000 STR Unit	\$5,200 or 165% more	\$1,200,000 STR Unit	\$5,000 or 74% more
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\$900,000 STR Unit	\$5,200 or 165% more							
\$1,200,000 STR Unit	\$5,000 or 74% more							

than half of the property taxes as their neighbors that did the right thing. These excessive fees and taxes punish the legal TVUs and reward those that continue to operate illegally. This will only push more “underground” creating more work for the DPP and undermining the recent laws.

Name: Charles Snider	Email: dm_cs@yahoo.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Mar 27, 2024 @ 10:49 AM

Name: Daniel Muzinich	Email: danielmuzinich@yahoo.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Mar 27, 2024 @ 10:51 AM

Name: Patricia Rolland	Email: pkr@rolland.biz	Zip: 96791
Representing: Self	Position: I wish to comment	Submitted: Mar 27, 2024 @ 11:32 AM

Testimony:
Patricia Rolland
67-225 Kiapoko Street.
Apt. A
Waialua, HI 96791

March 27, 2024

I am a 71-year-old divorced woman who has lived in Hawaii since 1989. I own a legally registered and permitted Kuilima East condo. My condo also provides income for a manager, handyman and a janitorial company who employs 5-6 employees. My ability to retire from my full-time accounting job rests solely on the income from my condo.

TVUs, like mine, provide valuable options for those seeking affordable short-term rentals, i.e. displaced residents, newly housed residents in transitions, inter-island residents coming for medical treatment or family visits, traveling nurses, emergency contractors, temporary military & students. Short-term rentals also provide an affordable alternative accommodation for those traveling on a budget. Not everyone can afford the high rates Hotels and Resorts offer. Many of us with TVUs will be pushed out of the market if the cost to operate continues to out-weight our returns. High property tax rates greatly add to this cost. While I understand and agree that owners of TVUs should pay a higher property tax rate than at the residential rate if an owner/tenant were living in their units, I strongly disagree with the proposed rate of \$9.0 for Tier 1 and \$11.5 for Tier 2 resulting in unreasonable increases year-over-year for owners.

When the TVU classification was established last year, the Council asked BFS what they thought would be fair to put TVUs between Residential and the Hotel Rate. They suggested \$6.50/ \$1000 for Tier 1 and \$10.50/\$1000 for Tier 2. Even at this proposed rate, my tax rate doubled by property taxes!!

Hotels earn approximately 40% of their income from ancillary services such as restaurants, bars, shops, etc. Short-term rentals are not allowed to have these services. Our income from our TVUs is solely from the rent we collect.

Keep in mind, TVUs had to register and renew over the last year and half. The fees and expenses were approximately \$2,000 in total. It is unfair to increase our property taxes by over 150% on top of the new fees!

When you are considering the appropriate tax rate, I implore you to consider the effect on the affordability this will have on the owners of this newly established category.

Thank you for your consideration in this very important resolution.

Patricia Rolland

Name: Gretchen Froerer	Email: gretchenmarie@me.com	Zip: 35802
Representing: Self	Position: Oppose	Submitted: Mar 27, 2024 @ 11:42 AM

Testimony:
Please do not change the property tax rate on my short term rental at the Waikiki Banyan. I am a retired postal worker and what

little money I make from my rental helps me since I am in a fixed income. This proposal and these rates are much higher than what was proposed last year. You seem to be making the assumption that unit owners are rich and can afford these changes, when in fact we are not. We are ordinary people and I feel like I am being punished to push your agenda. Please don't do this to us. I have kept up my NUC, you need to keep up your end.

Sincerely and respectfully,

Gretchen Froerer

Name: Ben Bennett	Email: benrbennett1219@gmail.com	Zip: 96731
Representing: Self	Position: Oppose	Submitted: Mar 27, 2024 @ 12:30 PM

Testimony:

Aloha. My name is Ben Bennett. My family and I live in Kahuku. I am writing to STRONGLY OPPOSE RES 24-61

I think that it's important to start with facts. On O'ahu, the facts related to short term rentals are as follows:

- Short term rentals make up less than 1% of the island's approx 371k housing units.
- By comparison, vacant homes on O'ahu make up 9% of the housing stock.
- 81% of the owners of short term rentals on O'ahu are LOCALS!
- A recent study by the Oahu Short Term Rental Alliance (OSTRA) estimated that LOCAL housekeepers who assist with short term rentals make an average of \$39 / hour vs. similar jobs at hotels which pay \$15/ hour.

Put simply, the proposed rates of \$9.0 for Tier 1 and \$11.5 for Tier 2 result in unreasonable increases year-over-year for owners.

As a legal TVU operating in a resort zone (Turtle Bay), we followed the rules, became licensed and registered and have been current on paying both our state and city/county tax every month. It unfair to increase our property taxes by over 150% for those who are following the rules. Specifically, barely half of those who are eligible have registered to be legal TVUs. Many have not paid the registration/ renewal fees and, as a result, will pay less than half of the property taxes compared to me and my Ohana who are following the law and doing the right thing. Excessive taxation and fees punish the legal TVUs and reward those that continue to operate illegally. This will only push more "underground" creating more work for the DPP and undermining the recent laws.

A one bedroom unit at Kuilima East Estates where we live, for example, would be paying nearly \$800/month in property taxes. This coupled with the recent increases in assessments, has resulted in a \$6,600 increase in taxes or a 377% increase in the last 2 years. More than 80% of these properties are owned by resident Kupuna and Ohana that rely on these rentals to remain living on the island. How many of the large hotel chains are owned by locals? The answer is ZERO! Do we really want to force them to sell their properties to off-island, aggressive investment companies?

Affordable short-term rentals are needed for displaced residents, newly housed residents, those traveling inter-island for life events or medical needs, our visiting ohana, traveling nurses, emergency contractors and others that need more livable accommodations than a hotel room. These higher rates will have sorely limit the affordable, furnished temporary housing market for these residents and important visitors.

If passed, this bill will hurt my Ohana and others who I employ by making short term rentals in resort zones cost prohibitive. Please don't allow a vocal minority (namely the hotels) to mischaracterize the situation or manipulate the council into siding with them. Taxing (and/or eliminating) short term rentals isn't the silver bullet to the housing crisis on O'ahu. Let's start by focusing on enforcement of the current laws and raising revenue that way (you could double the current STR tax revenue by simply enforcing existing laws). Let's work together to come up with creative solutions.

Mahalo,
Ben Bennett

Name: Karen Young	Email: karen402@gmail.com	Zip: 94118
Representing:	Position:	Submitted:

Self	Oppose	Mar 27, 2024 @ 12:59 PM
Testimony: I currently own a condo in Honolulu. These property tax rate increases will decrease my pension & rental income which will decrease nutritious food, heating, water & school supplies that I need to provide for my children. When the TVU classification was established last year, the Council asked BFS what they thought would be fair rates. BFS responded that it would be fair to put TVUs between Residential & the Hotel rate because of the hybrid nature of these rentals. They suggested \$6.5/\$1000 for Tier 1 & \$10.5/\$1000 for Tier 2. This would have doubled many owners property taxes. Many relied on this information in deciding to register as a TVU. The proposed rates of \$9.0 for Tier 1 & \$11.5 for Tier 2 result in unreasonable increases year-over-year for owners. Here is the difference in dollars/year & the percentage of property value: \$600,000 STR unit \$3300 or 157% more \$900,000 STR unit \$5200 or 165% more \$1,200,000 STR unit \$5000 or 74% more. A one bedroom unit in Kuilima, for example, would be paying nearly \$800/month in property taxes. This coupled with the recent increases in assessments has resulted in a \$6600 increase in taxes or a 377% increase in the last 2 years. 80% of these properties are owned by resident Kupuna that rely on these rentals to remain living on the island. Do we really want to force them to sell their properties to off-island aggressive investment companies? Or as a second home that stand empty taking away jobs & business from the local communities? How will this help the housing situation? Affordable short-term rentals are needed for displaced residents, newly housed residents, those traveling inter-island for life events or medical needs, our visiting ohana, traveling nurses, emergency contractors & others that need more livable accommodations than a hotel room. These higher rates will have sorely limit the affordable, furnished temporary housing market for these residents & important visitors. There are currently less than 2500 TVUs & NUCs on Oahu. The Red Hill Crisis alone displaced 4000 families. On average, there are 2500 traveling medical personnel needing accommodation on our island every year. You can see that we already have a different type of housing crisis on our hands as an unintended consequence of Ordinance 22-7. This has resulted in illegal activity to meet the demand. If property taxes are doubled, this will further fuel the illegal activity. Hotels earn 40% of their income from ancillary services such as restaurants, bars, shops, etc. Short-term Rentals are not allowed to have these services. Hotels are also densely built allowing for overall lower property taxes per unit. TVUs had to register & renew over the last year and half. The fees & expenses were \$2000 in total. It is unfair to increase their property taxes by over 50% on top of this. Barely half of those eligible have registered to be legal TVUs. They did not pay the registration/renewal fees & will pay less than half of the property taxes as their neighbors that did the right thing. These excessive fees & taxes punish the legal TVUs & reward those that continue to operate illegally. This will only push more underground creating more work for the DPP & undermining recent laws.		
Name: Catherine Panizzi	Email: crpanizzi@gmail.com	Zip: 96815
Representing: Self	Position: I wish to comment	Submitted: Mar 27, 2024 @ 02:00 PM
Testimony: * When the TVU classification was established last year, the Council asked BFS what they thought would be fair rates. BFS responded that it would be fair to put TVUs between Residential and the Hotel Rate because of the "hybrid" nature of these rentals. They suggested \$6.5/ \$1000 for Tier 1 and \$10.5/ \$1,000 for Tier 2. This would have doubled many owners' property taxes which seemed like a fair outcome. I personally relied on this information in deciding to register as a TVU despite most of my rentals being of 25-30 nights duration. Due to the proposed rates now being discussed, I am now considering canceling my TVU registration and going back to 30 day rentals. * The proposed rates of \$9.0 for Tier 1 and \$11.5 for Tier 2 result in unreasonable increases year-over-year for owners. Here is		

the difference is dollars/year and the percentage by property value:

- * \$600,000 STR Unit \$3,300 or 157% more
- * \$900,000 STR Unit \$5,200 or 165% more
- * \$1,200,000 STR Unit \$5,000 or 74% more

* My one bedroom unit at the Waikiki Banyan, for example, would now be nearly \$6500 per year or over \$540/month in property taxes. This coupled with the recent increases in my property assessment has resulted in a huge increase in taxes of 350% in the last 2 years. It will be impossible for me to pay this increase so I will go back to 30 day rentals. I would have been happy to pay the 6.5% rate that was proposed but now that I will go back to residential rates, the county will be losing out on any increase in tax revenue from my property.

* Affordable short-term rentals are needed for displaced residents, newly housed residents, those traveling inter-island for life events or medical needs, our visiting ohana, traveling nurses, emergency contractors and others that need more livable accommodations than a hotel room. These higher rates will have sorely limit the affordable, furnished temporary housing market for these residents and important visitors.

* There are currently less than 2,500 TVUs and NUCs on Oahu. The Red Hill crisis alone displaced 4,000 families. On average, there are 2,500 traveling medical personnel needing accommodation on our island every year. You can see that we already have a different type of housing crisis on our hands as an unintended consequence of Ordinance 22-7. This has resulted in continued illegal activity to meet the demand. If property taxes are more than doubled, this will further fuel the illegal activity.

* Hotels earn approximately 40% of their income from ancillary services such as restaurants, bars, shops, etc. Short-term rentals are not allowed to have these services. Hotels are also densely built allowing for overall lower property taxes per unit.

* TVUs had to register and renew over the last year and half. The fees and expenses were approximately \$2,000 in total. It is unfair to increase their property taxes by over 150% on top of this.

* Barely half of those eligible have registered to be legal TVUs. They did not pay the registration/ renewal fees and will pay less than half of the property taxes as their neighbors such as myself that did the right thing. I know many owners who are operating illegally and have reported them to DPP but they are benefitting from not registering whereas I am paying the price for doing the right thing. These excessive fees and taxes punish the legal TVUs and reward those that continue to operate illegally. This will only push more people underground, creating more work for the DPP and undermining the recent laws.

Name: Gayle Mackey	Email: gayle.kona101@gmail.com	Zip: 98031
Representing: Self	Position: Oppose	Submitted: Mar 27, 2024 @ 02:04 PM

Testimony:

RIDICULOUS TO RAISE THE RATES, YOU GUYS ARE GOING TO RUN US ALL INTO BANKRUPTCY, THEN WHERE WILL YOU BE, NO WHERE BECAUSE NO ONE WILL BE ABLE TO PAY HIGHER TAX RATES!!!!!! THIS BILL NEEDS TO FAIL!!!

Name: Kathleen Ochsenbein	Email: crjisp@gmail.com	Zip: 96792
Representing: Self	Position: Oppose	Submitted: Mar 27, 2024 @ 02:08 PM

Testimony:

Please consider those of us that have been renting legally with NUCs for years. Please allow the "mom and pops" the little guys, to continue to exist. We have watched our government become a branch of the hotel industry. I know however, that there are still a few city council members that are independent thinkers and will understand the impact this could have on us. A fair step above residential rates is not a problem, but please don't punish us for doing everything legal and paying our taxes. It is time to give the little guy just a bit of a break.

Mahalo.

Name: Gildas Cheung	Email: gildasc@hotmail.com	Zip: 98033
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Representing: Self	Position: Oppose	Submitted: Mar 27, 2024 @ 02:12 PM
Testimony: When the TVU classification was established last year, the Council asked BFS what they thought would be fair rates. BFS responded that it would be fair to put TVUs between Residential and the Hotel Rate because of the "hybrid" nature of these rentals. They suggested \$6.5/ \$1000 for Tier 1 and \$10.5/ \$1,000 for Tier 2. This would have doubled many owners' property taxes. The proposed rates of \$9.0 for Tier 1 and \$11.5 for Tier 2 result in unreasonable increases year-over-year for owners (70%-170% increase year over year). Affordable short-term rentals are needed for displaced residents, newly housed residents, those traveling inter-island for life events or medical needs, our visiting ohana, traveling nurses, emergency contractors and others that need more livable accommodations than a hotel room. These higher rates will have sorely limit the affordable, furnished temporary housing market for these residents and important visitors. There are currently less than 2,500 TVUs and NUCs on Oahu. The Red Hill crisis alone displaced 4,000 families. On average, there are 2,500 traveling medical personnel needing accommodation on our island every year. You can see that we already have a different type of housing crisis on our hands as an unintended consequence of Ordinance 22-7. Lets continue and see how a full enforcement of Ordinance 22-7 plays out in the market and local economies.		
Name: G Rand	Email: GRAND@hawaii.rr.com	Zip: 96791
Representing: Self	Position: Oppose	Submitted: Mar 27, 2024 @ 02:15 PM
Testimony: Please do NOT financially kill off your Hawaii residents by approving the TAX increase. We need you to stand tall against the pressures & incentives from the Hotel Association & its lobbyists. We are your constituents, and this bill will financially destroy our ability to survive. Buck the trend and give us your Kokua so we can continue to stay afloat and pay our taxes. This is not the answer. Please: NO!		
Name: EDMUND LUM	Email: ed1022@gmail.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Mar 27, 2024 @ 02:27 PM
Testimony: I have been supporting the Hawaiian econmy for nearly 40yrs as we visited Oahu at least 2 to 3 weeks every until we purchased our own retirement condo and now live here 5 to 7 months every year for last 4 years. Recently, our property tax value increased by \$200k, about 35%. Now, you want to double the property tax rate. The net effect is over 300% increase in taxes. Instead of hitting the big investors, you are attacking the mom and pop owners. The mid income families are the ines who continuously support the Hawaiian econmy, unlike the large corporate investors that take profits off island. You are over taxing the wrong group.		
Name: Kyle Duncan	Email: kd9975@gmail.com	Zip: 96731
Representing: Self	Position: Oppose	Submitted: Mar 27, 2024 @ 03:08 PM
Testimony: Aloha Council. I writing to oppose the proposed Real Property tax proposal . The increase will add an undue burden to own a home in Hawaii. We need to rent out our home part time for us to afford to live in the place we love. There have already been sizable increases in GE and TAT taxes to pay for the burden tourist puts on the islands infrastructure, which I believe is fair. However, this level of increases to property tax will have a heavy burden for us to continue to call Oahu home. I hope you reconsider this approach and vote no. Sincerely, Kyle Duncan		
Name:	Email:	Zip:

Patricia Moore	mooreohana@gmail.com	96712
Representing: Self	Position: Oppose	Submitted: Mar 27, 2024 @ 03:10 PM
Testimony: We purchased and rely on our Kulima rental income as our long range plans for retirement, now that we are both in our late 60's. We have seen recent increases in assessments, which results in an approximately \$6,600 increase in taxes or a 377% increase in the last 2 years! How will this help the housing situation? It is punishing residents for working hard and trying to contribute to our island's economy. Affordable short-term rentals are needed for displaced residents, newly housed residents, those traveling inter-island for life events or medical needs, our visiting ohana, traveling nurses, emergency contractors and others that need more livable accommodations than a hotel room. Our travelers come for destination weddings, work, conferences and other situations that are not vacations and their needs are tremendously different those here for a week of beach relaxation on our beautiful island. Our travelers desire what most everyone looks forward to after a long day of work and find it in a homelike setting. These higher rates will have sorely limit the affordable, furnished temporary housing market for these residents and important visitors.		
Name: SharLyn Foo	Email: bpacker@maui.net	Zip: 96712
Representing: Self	Position: Oppose	Submitted: Mar 27, 2024 @ 04:16 PM
Testimony: Aloha, My name is SharLyn Foo. My brother the late Mark Foo and my family started legal vacation rentals in 1989. Vacation rentals under 30 days which is what we do. We offer affordable accommodation to locals and travelers on the Northshore .we are part of our community and our neighbors have no issues with us. Our properties are zoned residential and are used as such. Then we became residential A with 2 tiers up to a million. Last year the tax commission thought about charging us hotel property tax with no hotel rights or rezoning. But decided against it. We relied on their decision . The commission did separate out for 30 B&Bs on Oahu at 6.5% Our tax rate should be closer to that. There are only 112 units that are zoned residential on all of Oahu There will be no more in this zoning ever by law and sustainability plan on the Northshore. Now the county has renamed me vacation rental so you can quadruple my property taxes. This would amount to 400% increase We will be put out of business. I am a 68 year old kapuna. I will not be able to pass this family legacy and business to my children or retire. In addition the county now may have authority to take away NUC certificates. So tax me out or just take away my livelihood We have been continually targeted and punished for following the law. We are not to blame for illegal rentals.! We cannot fund enforcement! So the question remains Why? Who does this benefit? What is the real point? To get rid of small business? And get rid of my family business? Mahalo for your consideration		
Name: Stephen Llorens	Email: sllorens2@gmail.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Mar 27, 2024 @ 04:34 PM
Testimony: I have paid to register my Waikiki condo as a STR . It is unreasonable to increase property taxes by over 150% on top of this. Surely there is a more reasonable common ground tax platform. For those that did not pay the registration/ renewal fees and will pay less than half of the property taxes as their neighbors that did the right thing. These excessive fees and taxes punish the legal TVUs and reward those that continue to operate illegally.		
Name: Scott Meru	Email: scottmeru@yahoo.com	Zip: 96731

Representing: Self	Position: I wish to comment	Submitted: Mar 27, 2024 @ 05:07 PM
Testimony: Aloha, I am asking/pleading that you will not support raising our property tax rates at our short term rental property. They already nearly doubled with this past years appraisal values. These rates increased far beyond our income. We are getting hit from expenses driven up in every area of our lives right now from utilities, gas, groceries etc. and our rental property makes the difference of whether we make it financially or not as a family. This increase, or proposed increase is not a small one. It would be thousands of dollars more each year taken from my family and we have small children that rely on us. We already pay GE tax, transient accommodation tax, our current property taxes (that just doubled) for the condo, as well as federal and state income tax on the earnings. We are being squeezed incredibly hard as local families right now. Please show that you can support us, the families that reside here in Hawai'i. This may seem like one small agenda item with all that you have on your plate but to our families it means a lot. It's a major factor in our livelihood. Please vote not to increase these rates and we will forever be grateful. Mahalo! Scott Meru		
Name: Michael Brant	Email: michaeljbrant@hotmail.com	Zip: 96815
Representing: Self	Position: Support	Submitted: Mar 27, 2024 @ 06:31 PM
Testimony: Yes! Give hard-pressed small business people who operate vacation rentals some tax relief! Huge increases in assessed values/taxes this year. Getting to be unmanageable! Mahalo.		
Name: Farrah Larson	Email: northshore198@gmail.com	Zip: 96731
Representing: Self	Position: I wish to comment	Submitted: Mar 27, 2024 @ 06:33 PM
Testimony: Hawaiian culture embraces diversity and inclusion. The new proposed tax rates for short term rentals is not inclusive. Many visitors come to the islands to experience Hawaiian culture. However, hotels make it prohibitive due to the cost involve for a single room rental without any place to prepare meals. Short term rentals help a fill a void that hotels cannot fill by making a Hawaii trip affordable. With the proposed increased property tax rates, this will ensure that Hawaii is not inclusive or accomodating to diversified visitor groups unless they can afford the high cost that will soon be associated with short-term rentals as owners will be forced to raise the nightly rates to cover the high property tax rate, fees, and dot tax rates that are being levied upon short term, rental owners. if Hawaii embraces diversity and inclusion, they will make it affordable for all people no matter how rich they are.		
Name: Levi Brooker	Email: levibrooker@gmail.com	Zip: 96707
Representing: Self	Position: Oppose	Submitted: Mar 27, 2024 @ 07:19 PM
Testimony: Please leave resort communities that were developed to accommodate the short term housing needs on Oahu alone. Like in every major city, the housing issue is due to lack of new construction, not the handful of remaining legal short term rentals.		
Name: Virginia Dudden	Email: virginia@dudden.com	Zip: 96734
Representing: Self	Position: Oppose	Submitted: Mar 27, 2024 @ 08:33 PM

Testimony:

These proposed rates are dramatically higher than what was discussed by the City and County last year when the new TUV classification was established.

The new TVU tax rate should be, as was discussed previously, between the Residential rate and the Hotel rate. This rate structure seems fair because of the "hybrid nature" of TVUs. It was suggested \$6.5/ \$1000 for Tier 1 and \$10.5/ \$1,000 for Tier 2 properties

Under this rate structure many owners' property taxes would likely have been doubled. TVU owners relied on this information in deciding to register.

The proposed rates of \$9.0 for Tier 1 and \$11.5 for Tier 2 result in an unreasonable and unfair year-over-year increase for owners. A TVU unit valued at \$600,000 STR Unit would see taxes increase by more than 157%. \$900,000 TVU Unit would see a tax increase of more than 165%.

These tax increases would be ON TOP of the registration and fees paid. The costs to register are more than \$2,000.00

Raising taxes so dramatically will certainly discourage folks from registering their TVU.

Please implement the tax rates proposed previously. Treat TVU owners fairly.

Name: Eunkyue Park	Email: ekpark333@gmail.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Mar 27, 2024 @ 08:50 PM

Testimony:

Affordable short-term rentals are needed for displaced residents, newly housed residents, those traveling inter-island for life events or medical needs, our visiting ohana, traveling nurses, emergency contractors and others that need more livable accommodations than a hotel room. These higher rates will have sorely limit the affordable, furnished temporary housing market for these residents and important visitors.

Name: Andrew Chong	Email: achong510@hotmail.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Mar 27, 2024 @ 08:53 PM

Testimony:

Affordable short-term rentals are needed for displaced residents, newly housed residents, those traveling inter-island for life events or medical needs, our visiting ohana, traveling nurses, emergency contractors and others that need more livable accommodations than a hotel room. These higher rates will have sorely limit the affordable, furnished temporary housing market for these residents and important visitors.

Name: Andrew Logreco	Email: andrewlogreco@gmail.com	Zip: 96701
Representing: Self	Position: Oppose	Submitted: Mar 27, 2024 @ 09:34 PM

Testimony:

We don't need to tax the local people anymore than we already do. Cost of living is at an all time high, majority of the local community have to watch every dollar they have. It will just give more opportunities for big business and foreign investors to flourish. While sadly push the local people out.

Name: Aimee Agnew	Email: aagnew2012@gmail.com	Zip: 96731
Representing: Self	Position: Oppose	Submitted: Mar 28, 2024 @ 07:57 AM

Testimony:

We kindly request for a lower property tax. We are a 5 star, law abiding short term rental property that provides an affordable place to stay for local residents that need to travel between islands and different areas of Oahu as well as folks visiting the island for work or pleasure. We work with local cleaning crews, contractors, and property managers and help provide a form of income for locals. Please do not increase property tax.

Oahu has a different type of housing crisis on our hands as an unintended consequence of Ordinance 22-7. This has resulted in continued illegal activity to meet the demand. If property taxes are more than doubled, this will further fuel the illegal activity.

Hotels earn income from additional services such as restaurants, bars, shops, etc. Short-term rentals are not allowed to have these services. Hotels are also densely built allowing for overall lower property taxes per unit.

Please do not increase property tax.

Name: Jason Agnew	Email: agnew_jason@yahoo.com	Zip: 96731
Representing: Self	Position: Oppose	Submitted: Mar 28, 2024 @ 07:58 AM

Testimony:

Please keep lower property tax. We are a 5 star, law abiding short term rental property that provides an affordable place to stay for local residents that need to travel between islands and different areas of Oahu as well as folks visiting the island for work or pleasure. We work with local cleaning crews, contractors, and property managers and help provide a form of income for locals. Please do not increase property tax.

Oahu has a different type of housing crisis on our hands as an unintended consequence of Ordinance 22-7. This has resulted in continued illegal activity to meet the demand. If property taxes are more than doubled, this will further fuel the illegal activity.

Hotels earn income from additional services such as restaurants, bars, shops, etc. Short-term rentals are not allowed to have these services. Hotels are also densely built allowing for overall lower property taxes per unit.

Please do not increase property tax.

Name: Sharon Moss	Email: smosshi2017@gmail.com	Zip: 96731
Representing: Self	Position: Oppose	Submitted: Mar 28, 2024 @ 08:01 AM

Testimony:

We ask for you to NOT increase property tax. We are a 5 star, law abiding short term rental property that provides an affordable place to stay for local residents that need to travel between islands and different areas of Oahu as well as folks visiting the island for work or pleasure. We work with local cleaning crews, contractors, and property managers and help provide a form of income for locals. Please do not increase property tax.

Oahu has a different type of housing crisis on our hands as an unintended consequence of Ordinance 22-7. This has resulted in continued illegal activity to meet the demand. If property taxes are more than doubled, this will further fuel the illegal activity.

Hotels earn income from additional services such as restaurants, bars, shops, etc. Short-term rentals are not allowed to have these services. Hotels are also densely built allowing for overall lower property taxes per unit.

Please do not increase property tax.

Name: Sharon Moss	Email: smosshi2017@gmail.com	Zip: 96731
Representing: Self	Position: Oppose	Submitted: Mar 28, 2024 @ 08:02 AM

Testimony:

We ask for you to NOT increase property tax. We are a 5 star, law abiding short term rental property that provides an affordable

place to stay for local residents that need to travel between islands and different areas of Oahu as well as folks visiting the island for work or pleasure. We work with local cleaning crews, contractors, and property managers and help provide a form of income for locals. Please do not increase property tax.

Oahu has a different type of housing crisis on our hands as an unintended consequence of Ordinance 22-7. This has resulted in continued illegal activity to meet the demand. If property taxes are more than doubled, this will further fuel the illegal activity.

Hotels earn income from additional services such as restaurants, bars, shops, etc. Short-term rentals are not allowed to have these services. Hotels are also densely built allowing for overall lower property taxes per unit.

Please do not increase property tax.

Name: Randall Moss	Email: rmosshi2017@gmail.com	Zip: 96731
Representing: Self	Position: Oppose	Submitted: Mar 28, 2024 @ 08:03 AM

Testimony:

Please do NOT increase property tax. We are a 5 star, law abiding short term rental property that provides an affordable place to stay for local residents that need to travel between islands and different areas of Oahu as well as folks visiting the island for work or pleasure. We work with local cleaning crews, contractors, and property managers and help provide a form of income for locals. Please do not increase property tax.

Oahu has a different type of housing crisis on our hands as an unintended consequence of Ordinance 22-7. This has resulted in continued illegal activity to meet the demand. If property taxes are more than doubled, this will further fuel the illegal activity.

Hotels earn income from additional services such as restaurants, bars, shops, etc. Short-term rentals are not allowed to have these services. Hotels are also densely built allowing for overall lower property taxes per unit.

Please do not increase property tax.

Name: Christine Frazer	Email: christine@jacanaonline.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Mar 28, 2024 @ 11:54 AM

Testimony:

The proposed increase in property taxes for TVUs could have a devastating effect on local families who face displacement for various reasons. Resident Kupuna, who rely on property rentals for sustenance, are particularly vulnerable to the impacts of higher taxes. Affordable short-term rentals are essential for displaced residents, visitors, and medical personnel, but increased rates may reduce the availability of affordable housing, impacting both residents and visitors. With less than 2,500 TVUs and NUCs on Oahu, the housing crisis worsens amid events like the Red Hill crisis and high demand for accommodations. Doubling property taxes will inadvertently encourage illegal activities. Families like ours, who have invested their life savings into legal short-term rentals risk losing generational assets due to the proposed tax hikes.

Name: Rodrick Frazer	Email: rick.frazer.gfb@gmail.com	Zip: 96746
Representing: Self	Position: Oppose	Submitted: Mar 28, 2024 @ 11:56 AM

Testimony:

Last year, the TVU classification was introduced, with BFS recommending rates between Residential and Hotel Rates. The proposed rates would have doubled property taxes for many TVU owners. The new rates of \$9.0 for Tier 1 and \$11.5 for Tier 2 would result in significant increases, such as a \$3,300 or 157% tax hike for a \$600,000 STR Unit. This would severely impact resident Kupuna, with some facing a 377% tax increase over 2 years. Affordable short-term rentals are crucial for various groups, but higher rates could limit availability, exacerbating the housing crisis. Despite high demand, Oahu has less than 2,500 TVUs and NUCs. Increasing property taxes by over 150% may lead to more illegal activity, challenging enforcement agencies like the DPP. This radical tax increase would have a devastating effect on us, a multigenerational kamaaina family of 9. We care for both sets of

parents and, as a family desperately rely on this income to survive. Our parents have saved up and put their life savings into a short term rental unit.

Name:
Karen and Greg Cochran

Email:
kldcochran@yahoo.com

Zip:
96815

Representing:
Self

Position:
Oppose

Submitted:
Mar 28, 2024 @ 01:13 PM

Testimony:

Dear city council: Legal TVU's serve a valid purpose in Honolulu. They provide affordable housing for those visiting family from out of state or other islands, local families in temporary need of a place to stay - often due to emergencies, patients and family members from other islands in need of special medical care, and others such as contractors like teachers and traveling nurses that provide much needed services – even contractors working on projects for the City and County of Honolulu. These units typically have some type of kitchen and laundry facilities, unlike hotels. For mid term rentals this is extremely important. Ask yourself – if you were displaced from your home due to unforeseen circumstances (eg. fire, flood, water quality, etc), would YOU stay in a hotel at much higher prices with no way to make meals or do laundry, or would you rent a condo with a kitchen, laundry, parking at much lower cost?

There are currently less than 2,500 TVUs and NUCs on Oahu. The Red Hill crisis alone displaced 4,000 families. On average, there are 2,500 traveling medical personnel needing accommodation on our island every year. You can see that we already have a different type of housing crisis on our hands as an unintended consequence of Ordinance 22-7.

The proposed increase in property taxes for TVU's is so high that this necessary segment of the real estate market is at risk. Owners do not make enough "profit" (if any) to absorb this level of expense - the increases will be passed on in the cost of the rentals, or the units will be removed from the market for this use. We know the hotel union has been pushing for the elimination of TVU's – please stand up to the union and recognize the need for these and respect the owners and renters by opposing this highly unreasonable increase in property tax.

Name:
Harald von Sydow

Email:
nztrendshi@gmail.com

Zip:
96731

Representing:
Self

Position:
Oppose

Submitted:
Mar 28, 2024 @ 03:27 PM

Testimony:

Dear Council members Weyer and Waters

Resolution 24-61

I am writing to express my concerns regarding Res 24-61 and its potential impacts on the availability of short-term rentals on Oahu.

The proposed increase in property taxes for TVUs could have a devastating effect on local families who face displacement for various reasons.

Resident Kupuna, like myself, who rely on property rentals for sustenance, are particularly vulnerable to the impacts of higher taxes.

I live in Honolulu and own a property in Kuilima Estates West (turtle bay) which is a legal, registered STR and my livelihood.

Affordable short-term rentals are essential for displaced residents, visitors, and medical personnel, but increased rates may reduce the availability of affordable housing, impacting both residents and visitors.

With less than 2,500 TVUs and NUCs on Oahu, the housing crisis worsens amid events like the Red Hill crisis and high demand for accommodations.

Doubling property taxes may inadvertently encourage illegal activities. Families who have invested their life savings in legal short-term rentals risk losing generational assets due to the proposed tax hikes.

Thank you for your consideration

Harald von Sydow

Name:
Helena von Sydow

Email:
helenavonsydow@gmail.com

Zip:
96731

Representing:
Self

Position:
Oppose

Submitted:
Mar 28, 2024 @ 03:29 PM

Testimony:

Dear Council members

Resolution 24-61

We own a property in the Kuilima Estates West which we purchased 12 years ago with our retirement money, in order to avoid fixed income and have a monthly revenue.

We live full time in east Honolulu, on the island of Oahu

I have seen firsthand how short-term vacation rentals have provided essential financial support to families, allowing them to meet mortgage payments and sustain their lives in Hawaii's unique economic landscape. The operation of these rentals has served as a lifeline for many, including myself, in affording the high cost of living in our beautiful state

Last year, the TVU classification was introduced, with BFS recommending rates between Residential and Hotel Rates.

The proposed rates would have doubled property taxes for many TVU owners.

The new rates of \$9.0 for Tier 1 and \$11.5 for Tier 2 would result in significant increases, such as a \$3,300 or 157% tax hike for a \$600,000 STR Unit.

This would severely impact resident Kupuna, with some facing a 377% tax increase over 2 years.

Affordable short-term rentals are crucial for various groups, but higher rates could limit availability, exacerbating the housing crisis.

Despite high demand, Oahu has less than 2,500 TVUs and NUCs. Increasing property taxes by over 150% may lead to more illegal activity, challenging enforcement agencies like the DPP.

This radical tax increase would have a devastating effect on us, a multigenerational kamaaina family.

As a family desperately rely on this income to survive.

Thank you for your consideration

Helena von Sydow

Name:
Joyce Whitegon

Email:
seajoycego@gmail.com

Zip:
92651

Representing:
Self

Position:
Oppose

Submitted:
Mar 28, 2024 @ 03:43 PM

Testimony:

In the last year and one half those who went through the registration process put out \$2,000.00 to get legal. Many of these people relied on the BFS guide line of \$6.50/1,000 for tier 1 and \$11.50 for tier 2. slightly more than one half the way to hotel rate .

Resolution 24-61 proposes \$9.50 for tier 1and \$11.50 for tier 2,

These rates are excessive considering all the extras that hotels earn besides the room rate.

our one bedroom Kuilima condo would be \$800.00 dollars per month in property taxes. together with the increase in assessments in two years this amounts to about 400% increase in 2 years.This is unsustainable and can not be passed on to the renters as we are already getting resistance to raising our rates. Residence who own these unites and relied on the income will be forced to sell, which will result in outside investors or people looking for second homes which will further the housing crisis.

This is unfair punishment of the owners as those who have spent the money to be legal will pay twice as much as the owner who decided not to register and go illegal and some of the owners who did will drop out and go illegal again.

What happened to all the money for enforcement from Ordinance 22-7?? which supposedly was the reason for the 3% O tat tax on TVU and NUC.

The recent laws have not had time to address the legal problem and will only further legal units to leave the registration process.

Sincerely

Joyce and Dave Whitegon

Property- unit 147 East Kuilima

Residence -1504 Caribbean Way

Laguna Beach, Calif. 92651

949-497-3875

Cell 949-280-6829

Email- seajoycego@gmail.com

Name: Michael Froerer	Email: gogozippy@sbcglobal.net	Zip: 35802
Representing: Self	Position: Oppose	Submitted: Mar 28, 2024 @ 04:00 PM

Testimony:

My wife and I are retired and on a fixed income. We are not wealthy people. We sacrificed and saved to buy our unit in the Waikiki Banyan as a source of income. We bought a unit with an NUC and kept current on the NUC fees. We really don't make much on our unit, but if these property taxes, that are much higher than the previous proposal are imposed, we will lose money every month. These targeted rates are punitive and extreme. Our unit, being in the heart of Waikiki, generates tourist income for Hawaii thru the fees, taxes, and money spent for meals, travel, souvenirs, tours etc.

As well as providing jobs for many Hawaiian residents. The unintended consequences can spread far beyond what the state may be anticipating.

I respectfully ask that, at least in the Waikiki area, the short term rentals can proceed as they have for decades and that destructive and onerous taxes are not levied against property owners who are not wealthy.

Name: Ellen Floyd	Email: nonifloyd@hawaii.rr.com	Zip: 96734
Representing: Self	Position: Oppose	Submitted: Mar 28, 2024 @ 04:12 PM

Testimony:

Affordable short-term rentals are needed for displaced residents, newly housed residents, those traveling inter-island for life events or medical needs, our visiting ohana, traveling nurses, emergency contractors and others that need more livable accommodations than a hotel room. These higher rates will have sorely limit the affordable, furnished temporary housing market for these residents and important visitors.

Name: Ken Kribel	Email: kkribel@icloud.com	Zip: 96792
Representing: Self	Position: Oppose	Submitted: Mar 28, 2024 @ 04:13 PM

Testimony:

I oppose 24-61 because it is completely unfair. A 167% increase in property tax is way out of line for residents.

Hotels can generate as much as 60% of their income from food and beverage, renting out meeting rooms, catering etc whereas an individual does not have that opportunity. It seems like there is always more pressure on the small businesses.

Protect the Mom and Pop who are just trying to survive.

Please vote no.

Name: Brett Hulme	Email: BHulme87@gmail.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Mar 28, 2024 @ 04:49 PM

Testimony:

Aloha Budget Committee and Council Members,

My name is Brett Hulme and I live on the island of Oahu. I am writing in opposition of Res 24-61 as the proposed tiers and rates are not fair and equitable for TVU's.

When the TVU classification was established last year, the Council asked BFS what they thought would be fair rates. BFS responded that it would be fair to put TVUs between Residential and the Hotel Rate because of the "hybrid" nature of these rentals. They suggested \$6.5/ \$1000 for Tier 1 and \$10.5/ \$1,000 for Tier 2. This would have doubled many owners' property taxes. Many relied on this information in deciding to register as a TVU.

The proposed rates of \$9.0 for Tier 1 and \$11.5 for Tier 2 result in unreasonable increases year-over-year for owners. Here is the difference in dollars/year and the percentage by property value:

- o \$600,000 STR Unit \$3,300 or 157% more
- o \$900,000 STR Unit \$5,200 or 165% more
- o \$1,200,000 STR Unit \$5,000 or 74% more

Affordable short-term rentals are needed for displaced residents, newly housed residents, those traveling inter-island for life events or medical needs, our visiting ohana, traveling nurses, emergency contractors and others that need more livable accommodations than a hotel room. These higher rates will have sorely limit the affordable, furnished temporary housing market for these residents and important visitors.

There are currently less than 2,500 TVUs and NUCs on Oahu. The Red Hill crisis alone displaced 4,000 families. On average, there are 2,500 traveling medical personnel needing accommodation on our island every year. You can see that we already have a different type of housing crisis on our hands as an unintended consequence of Ordinance 22-7. This has resulted in continued illegal activity to meet the demand. If property taxes are more than doubled, this will further fuel illegal activity.

Hotels earn approximately 40% of their income from ancillary services such as restaurants, bars, shops, etc. Short-term rentals are not allowed to have these services. Hotels are also densely built allowing for overall lower property taxes per unit.

TVU's have to register and renew over the last year and half. The fees and expenses were approximately \$2,000 in total. It is unfair to increase their property taxes by over 150% on top of this.

Barely half of those eligible have registered to be legal TVUs. They did not pay the registration/ renewal fees and will pay less than half of the property taxes as their neighbors that did the right thing. These excessive fees and taxes punish the legal TVUs and reward those that continue to operate illegally. This will only push more "underground" creating more work for the DPP and undermining the recent laws.

Current, legally permitted short-term rentals (per Ord 22-7) are important for tourism on the island of Oahu as they provide family, visitors, displaced residents, traveling nurses, emergency contractors, and temporary military & students, with variety and choice as compared to a hotel room. A hotel room is not affordable nor livable to many that have families, need to prepare meals, need more space than one room, or have an extended stay.

This proposed resolution will hurt me, other residents, and important visitors that rely on current, legally permitted short-term rentals as temporary, furnished, and affordable housing. In addition, with greatly increased property taxes, it will also threaten my ability to make a living in my community and put at risk my ability to pay for my own housing and bills.

I ask that you please do not move this resolution.

Thank you for your time.

Brett

Name: Eun Chong	Email: eunkyue_park@yahoo.com	Zip: 07078
Representing:	Position:	Submitted:

Self	Oppose	Mar 28, 2024 @ 05:10 PM
Testimony: Affordable short-term rentals are needed for displaced residents, newly housed residents, those traveling inter-island for life events or medical needs, our visiting ohana, traveling nurses, emergency contractors and others that need more livable accommodations than a hotel room. These higher rates will have sorely limit the affordable, furnished temporary housing market for these residents and important visitors.		
Name: Marilyn Katzman	Email: penthouseparadise@aol.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Mar 28, 2024 @ 05:16 PM
Testimony: We are seniors living in Waikiki Beach and we have one short term vacation rental. The increase in property tax that is proposed will be a great hardship for us. We are able to live a comfortable retirement with the income from our vacation rental but if the property tax increases, it will hurt us. We oppose this Resolution.		
Name: Maurice Schreiber	Email: mschreiber718@gmail.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Mar 28, 2024 @ 05:47 PM
Testimony: Aloha Budget Committee and Council Members, My name is Maurice Schreiber and I live on the island of Oahu. I am writing in opposition of Res 24-61 as the proposed tiers and rates are not fair and equitable for TVU's. When the TVU classification was established last year, the Council asked BFS what they thought would be fair rates. BFS responded that it would be fair to put TVUs between Residential and the Hotel Rate because of the "hybrid" nature of these rentals. They suggested \$6.5/ \$1000 for Tier 1 and \$10.5/ \$1,000 for Tier 2. This would have doubled many owners' property taxes. Many relied on this information in deciding to register as a TVU. The proposed rates of \$9.0 for Tier 1 and \$11.5 for Tier 2 result in unreasonable increases year-over-year for owners. Here is the difference is dollars/year and the percentage by property value: - o \$600,000 STR Unit \$3,300 or 157% more - o \$900,000 STR Unit \$5,200 or 165% more - o \$1,200,000 STR Unit \$5,000 or 74% more Affordable short-term rentals are needed for displaced residents, newly housed residents, those traveling inter-island for life events or medical needs, our visiting ohana, traveling nurses, emergency contractors and others that need more livable accommodations than a hotel room. These higher rates will have sorely limited the affordable, furnished temporary housing market for these residents and important visitors. There are currently less than 2,500 TVUs and NUCs on Oahu. The Red Hill crisis alone displaced 4,000 families. On average, there are 2,500 traveling medical personnel needing accommodation on our island every year. You can see that we already have a different type of housing crisis on our hands as an unintended consequence of Ordinance 22-7. This has resulted in continued illegal activity to meet the demand. If property taxes are more than doubled, this will further fuel illegal activity. Hotels earn approximately 40% of their income from ancillary services such as restaurants, bars, shops, etc. Short-term rentals are not allowed to have these services. Hotels are also densely built allowing for overall lower property taxes per unit. TVU's have to register and renew over the last year and half. The fees and expenses were approximately \$2,000 in total. It is unfair to increase their property taxes by over 150% on top of this. Barely half of those eligible have registered to be legal TVUs. They did not pay the registration/ renewal fees and will pay less than half of the property taxes as their neighbors that did the right thing. These excessive fees and taxes punish the legal TVUs and reward those that continue to operate illegally. This will only push more "underground" creating more work for the DPP and undermining the recent laws. Current, legally permitted short-term rentals (per Ord 22-7) are important for tourism on the island of Oahu as they provide family, visitors, displaced residents, traveling nurses, emergency contractors, and temporary military & students, with variety and choice as compared to a hotel room. A hotel room is not affordable nor livable to many that have families, need to prepare meals, need more space than one room, or have an extended stay. This proposed resolution will hurt me, other residents, and important visitors that rely on current, legally permitted short-term rentals as temporary, furnished, and affordable housing. In addition, with greatly increased property taxes, it will also threaten my		

ability to make a living in my community and put at risk my ability to pay for my own housing and bills.

I ask that you please do not move this resolution.

Thank you for your time.

Maurice

Name: Sherrie Kozuki Rodi	Email: sherrie@rodifamily.com	Zip: 96821
Representing: Self	Position: Oppose	Submitted: Mar 28, 2024 @ 05:55 PM

Testimony:

If this Bill is passed, it will be a no-brainer for DPP to forgo impartiality and mercy for the citizens. They will be incentivized to issue violations even if there is a gray area. We may as well negate the appeals process as why would anyone approve an appeal if it takes money out of their coffers?

How can the public trust the enforcement process? Clearly there is a conflict of interest.

It leaves no voice to the people.

Name: vicky Poland	Email: Kiwi5@hawaii.rr.com	Zip: 96701
Representing: Self	Position: Oppose	Submitted: Mar 28, 2024 @ 07:20 PM

Testimony:

Aloha Honorable Council Members.

My name is Vicky Poland and together with my husband Grant we own and run Rainbow Inn Aiea. A licensed Bed and Breakfast. NUC #90/BB-0038. We are in our 60's and have lived on Oahu since 1991. We came from New Zealand in response to the nursing shortage here. I still work at Kuakini Medical center in the ICU. We raised our children here and our daughter is a respected Family Law Attorney and our son has served over 20 years in the US Army.

We are a couple close to retirement with a sizable mortgage. This proposed increase in our property tax rate is beyond the means of ordinary home owners like us. We are not a multibillion-dollar corporation with retail and restaurant space to supplement our income. We are small business owners who rent out a small portion of our home to Kama'aina and mainland guests. This is a way to help us offset our mortgage and the rising cost of utilities. It is a means to make ends meet and to supplement our retirement. While we do not have a problem with the new designation, our concern is with the extreme increase in the property tax rate. I would like to respectfully suggest a lesser rate for bed and breakfast homes that only rent out a small area and are owner occupied and a higher rate for TVU's as they are a whole home investment property. We are a small business and our guest contribute to our local restaurants and grocery stores. There are only 32 Bed and Breakfast homes in this property tax category while there are 753 TVU's on the DPP NUC list. We already pay OTAT tax monthly for additional budget funds. This change in addition to OTAT is just too much. Please reconsider the local kapuna who own these 32 Bed and Breakfast homes.

Kind regards

Vicky Poland

Name: Vera Williams	Email: like-wisps.0v@icloud.com	Zip: 96731
Representing: Self	Position: Oppose	Submitted: Mar 28, 2024 @ 07:23 PM

Testimony:

I oppose this resolution. I own a condo at Turtle Bay, live in the main part of the unit, and rent out the lock-out area as a vacation rental unit. I also work as a substitute teacher. I would not be able to afford to live in Hawaii if I did not have the supplemental income from renting out my room. I live in the unit so I am on site and manage the renters to make sure that they behave well. They come to Hawaii, and are happy to come to the north shore to support the local businesses.

The people in the room right now are here for a wedding. They told me that they would not have come if they had had to pay full hotel room rates of over \$800 per night. They are not the first ones to tell me this. Having a short term rental property is good for me, allowing me to continue to live in Hawaii, it is good for the people I hire to help me clean the unit, and it is good for the visitors.

If this resolution passes, it would result in unreasonable increases, year over year, for owners.

The increase in taxes would be prohibitive for me. I would not be able to continue to rent the room, and would probably have to sell my unit and move away from Hawaii.

This type of legislation would have significant changes in the population that reaches far into the future. If the legislative intent is to force current residents off their property, then you are going about it the right way. The only people who could afford a rate increase this substantial would be outside investors who don't plan to live here in Hawaii.

Name:
Gordon Hanson

Email:
ghanson726@gmail.com

Zip:
96734

Representing:
Self

Position:
Oppose

Submitted:
Mar 28, 2024 @ 08:13 PM

Testimony:

Affordable short-term rentals are needed for displaced residents, newly housed residents, those traveling inter-island for life events or medical needs, our visiting ohana, traveling nurses, emergency contractors and others that need more livable accommodations than a hotel room. These higher rates will have sorely limit the affordable, furnished temporary housing market for these residents and important visitors.

Name:
Virginia Wallace

Email:
virginia.j.wallace@gmail.com

Zip:
96712

Representing:
Self

Position:
Oppose

Submitted:
Mar 28, 2024 @ 08:47 PM

Testimony:

I oppose.

1. The average home on Oahu is over \$1M, so immediately the majority of people who buy a new home will have to pay the heavier Tier 2 for a portion. If you buy a condo you are less likely as the average is around \$510K.
2. Transient Vacation - doesn't differentiate for people who live in their home. Does this apply for people who they rent a portion of their home for less than 180days once a year?
3. Transient Vacation definitions are too broad, ever-changing, and could impact homeowners who live full-time in their homes but rent out a room or ohana unit.

TAT & OTAT should be sufficient. I also support an additional tax on 2nd/3rd/4th homes, etc... where there is not a long-term occupant.

Name:
Keriann Osada

Email:
keriann@osadas.com

Zip:
96816

Representing:
Self

Position:
Oppose

Submitted:
Mar 28, 2024 @ 09:10 PM

Testimony:

My 5 siblings and I am are property owners at Kuilima Estates. We inherited this property from my parents. We grew up there and have many fond memories. This is the only property that we own collectively and depend on this property to help with the cost of living in Hawaii.

This resoulution will double our property taxes and unreasonably increases our rates. Is it not enough that families have to work 2 jobs and depend on this income to live in Hawaii? We cannot compete with hotels that have investors and other services like restauratnts and spas and bars to make money.

You may say, just pass it on to the renter. We have already seen a decrease in rentals. Revenge travel is over. Everything is so expensive with inflation. We may lose this property and income if you pass this resolution.

Please be fair and don't hike the rate so high. We are not a hotel with auxillary services to make money. We are not mainlanders or investors. We are born and raised kama'aina. I know you're thinking about the mainlanders and investors, but you are killing us locals too as collateral damage. We need this supplemental income.

Name: Vicky Ho	Email: nguyen2510@yahoo.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Mar 28, 2024 @ 10:04 PM

Testimony:

Aloha Budget Committee,

I would like to oppose the proposed property tax rate for TVUs or STRs.

1. The proposed tax rate will result in more than double our current property tax. The property assessed value increases every year, even though it means our equity in the property increases, but it does not have any meaning if we do not have an intention to sell. Therefore, we see our property tax keeps increasing every year. With the proposed increase in tax rate, it creates a very big burden for us to be able to generate enough income to cope with the increases in living expenses in Hawaii.
2. In addition to paying high rates of property tax, TVUs also need to pay registration fee/renewal fee for NUC or short term rental permit.
3. The higher the costs to legally operate a short term rental the more likely people tend to operate illegally to avoid the high tax and fees. Government will then need to track down those illegal rentals, which in turn needs resources (man power and funding) to do this task.

I would like to urge the committee to reconsider a lower rate for TVUs/STRs.

Your respectfully,

Vicky Ho

Name: Jane Moy	Email: snow2136@netzero.net	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Mar 28, 2024 @ 10:14 PM

Testimony:

Dear Council members,

My family and I strongly oppose this RES24-061. My family owns a condo that we have had in the family for years relying on the income from our short-term rental while paying the GE taxes, state and county fees and taxes, insurance etc. even when it laid empty during the Covid pandemic. The taxation rate for all of the Transient Vacation classes should be the same as class (J) Bed and Breakfast home rate of \$6.50 and not the two Tier Transient Vacation system (K) of \$9.00 and \$11.50. Both "Transient Vacation units" (TVU's) and "Bed and Breakfast homes" are by definition are "Short Term Rentals (STR's) which are occupied less than 90 days, require the same application and renewal fees, insurance coverage, same guidelines for advertising by posting their permit or NUC numbers, same quiet hours and similar occupancy restrictions. TVU's are definitely not a Hotel or Resort and should not fall in or come close to the high tax rate of the (B) Hotel and resort tax category of \$13.90. Our TVU's/STR's should be the same rate as the "Bed and Breakfast" rate \$6.50. Why should TVU's and STR's get penalized at a higher rate with two tiers and closer to the higher hotel rate?

The only thing similar between a TVU or B&B and Hotel and resort room is that they have short term stays less than 90 days, otherwise STR's (TVU's and B&B's) pale in comparison to the large behemoths of Hotels and Resorts. Most TVU's are condominiums with maybe a small swimming pool and their tax rate should reflect that at a modest tax rate. While, Hotels and Resorts have the luxury of having large swimming pools, shops, entertainment, restaurants, bars, large wedding venues, banquet halls, to help pay for fees and higher taxes where individual TVUs and B&B's do not. Hotels and Resorts usually have deep pockets financially backing up their business and are sometimes international chains who do not have local interests except make the "Big Bucks!". We, STR's (TVU's and B&B's), are usually individuals, Moms and Pops, trying to live their dream and own a part-time piece of paradise that they could not afford if not for the option of renting out their TVU or a room or two in their B&B. Our TVU alone has not collected income in three years in fear of the DPP fines and restrictions and waiting for a decision for future use. Plus, the Covid pandemic has delayed things as well. If RES24-061 passes, it will only add to the hardship TVU's already face between many additional rules, regulations and fees. We cannot handle an additional high tax rate similar to or the same as the (B) Hotel and resort tax rate that may send us over a financial cliff killing our Aloha spirit as we face more fees and expenses. TVU's and STR's should at least be the same as the lower tax rate of the "Bed and Breakfasts" at \$6.50 where the

majority of us only can offer good living conditions and sometimes a kitchen for families that want to cook and save money or who have dietary restrictions and have to cook. In addition to good clean living conditions, maybe just maybe a small pool or a lanai if they are lucky.

We, TVU's, STR's and B&B's; are not equivalent to hotels and motels and will never be and should never be taxed near the higher hotels and resort rate of \$13.90 especially those, TVU'S, STR's and B&B's, who are compliant and have been in compliance many many years paying taxes and fees. My family and I strongly believe TVU'S and STR'S should be at the same B&B rate of \$6.50 when we offer practically the same basic amenities.

Thank you,
Jane Moy
Waikiki Sunset family condo owner

Name: Karen Luke	Email: nahele@yahoo.com	Zip: 96706
Representing: Self	Position: Oppose	Submitted: Mar 29, 2024 @ 12:27 AM

Testimony:
This is runaway inflation. Please be reasonable. Tourism is down and increasing taxes will cause more people into survival mode.
Please oppose this high rate.

Name: Mike Lawnsby	Email: lawnsby@gmail.com	Zip: 96816
Representing: Self	Position: Oppose	Submitted: Mar 29, 2024 @ 03:23 AM

Testimony:
Respectfully I would like to oppose higher taxes in any form for short term rentals, TVU, or the like.

I believe the State of Hawaii is being very unfair and unjust to property owners who are trying to simply make ends meet by operating their properties legally as TVU's jumping through numerous hoops and high fees to register, on top of paying huge short term taxes with TAT and OTAT that add up to 18%.

Its hard to even rent out my units with the current tax structure and the state is always looking to squeeze more blood from a stoner by continually asking for more proceeds from our revenue that is generated.

There is only so much that can be asked for and I think we are already at an unreasonable level

Raising taxes, and or fees including property tax for short term rentals will not help matters, in fact it will continue to turn people away from Hawaii as the rates have become to high. Many property owners will be forced to sell their units which will simply push good people out of this state.

Waikiki and vicinity should never be proposed as a place for affordable housing, its a world destination and business district that should have affordable rates for all to enjoy. The current proposal to double or triple taxes will definilty create an affordable place nor will it help people to be compliant. Rather the opposite and push people do try and circumvent such a hard fistted oppressive system.

Please allow us to create laws, regulation, and a tax structure that is a win for all and that helps incentivize everyone to work together and grow a much more pleasant and hospital place of Aloha that we all can enjoy rather than spending so much time trying to fight just to make ends meet with sky rocketing expenses.

Thank you for your Understanding

Mike Lawnsby

Name: Shannon Heath	Email: sbheath@icloud.com	Zip: 59601
Representing: Self	Position: Oppose	Submitted: Mar 29, 2024 @ 06:51 AM

Testimony:

My husband and I are fortunate to own a small one-bedroom condominium in Kuilima Estates West, Turtle Bay that we operate as a short-term rental (NUC). It is not ideal as a permanent residence due to its small size and total lack of storage. We are not residents, but do have strong ties to the islands that span many decades.

Owning this condo allows us to economically visit family once or twice a year and the rental income supplements our retirement. To keep our condo renting and renting well, we employ two property managers, a house cleaner, a pest control company, contractors for both small and large jobs. We purchase all furnishings, linens, supplies, etc locally. While we are visiting, we spend locally - grocery stores, hardware stores, restaurants, etc.

There are currently less than 2,500 TVUs and NUCs on Oahu. We serve a significant percentage of guests (local or visiting) who either can't afford hotel prices or prefer to stay in an accommodation where they can prepare their own meals and feel more a part of a community.

The proposed property tax rates of \$9.0 for Tier 1 and \$11.5 for Tier 2 result in unreasonable increases year-over-year for owners. This proposed tax rate plus other increased fees will make it increasingly difficult for us to keep our condo. We would no longer be contributing to Oahu's economy. I respectfully request that you oppose Res 24-61.

Name: Herb Rose	Email: herb_rose@yahoo.com	Zip: 93442
Representing: Self	Position: Oppose	Submitted: Mar 29, 2024 @ 07:27 AM

Testimony:

I oppose Bill 24-61

Name: Sherry Broder	Email: sherrybroder@sherrybroder.com	Zip: 96822
Representing: Self	Position: Oppose	Submitted: Mar 29, 2024 @ 07:49 AM

Testimony:

I am submitting this testimony in strong opposition to Reso 24-061.

It is a very bad idea to turn the department into a money making enterprise and give it incentives to impose fines. This resolution is part of an effort to undermine the efforts of local people to participate in have a small successful business. It is great for the lucrative hotel industry and bad for local people who have the opportunity to access a very small portion of the tourism dollars through short term rentals. Hawai'i has the reputation of being one of the worst places for small businesses and this resolution if enacted will be yet another example.

I am very fortunate and grateful to have been a local Oahu resident for decades and my children and grandchildren were all born and live in Hawaii.

The major and real problems of housing affordability in Hawaii are NOT short term rentals. Below are just some of the problems that contribute to housing affordability.

The counties keep approving more hotel rooms, more tourists keep coming to Hawaii, and then many tourists want to have a home in Hawaii. Approvals have been made for more hotels in Ko Olina. The County Planning Directors have recommended and continuing to recommend approval for more hotel rooms, more expensive housing for non-locals and more golf courses, including sacred sites. Two very large hotel projects are planned, including the 36-story, 515-room AMB Tower at the Hilton Hawaiian Village, and the 162-room extended-stay hotel Residence Inn planned for the old Pacific Business News Building near the Hawai'i Convention Center, and many others too numerous to list.

The super wealthy and international corporation receive the tourism dollars in Hawaii. Private equity companies own almost 30% of Hawai'i's hotel rooms. It has been reported that Hawai'i continues to be attractive for private equity buyers because it's one of the highest performing hotel markets in the country, says Tim Powell, principal of Powell & Aucello. Local people do not share in

the real tourism dollars because of the high barrier to entry.

Name: K Park	Email: marycarpen@gmail.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Mar 29, 2024 @ 08:11 AM

Testimony:

These excessive fees and taxes punish the legal TVUs and reward those that continue to operate illegally. This will only push more "underground" creating more work for the DPP and undermining the recent laws.

Name: Paul Swart	Email: paul@starnet.com	Zip: 95132
Representing: Self	Position: I wish to comment	Submitted: Mar 29, 2024 @ 08:29 AM

Testimony:

Dear Members of the Budget Committee,

State and Federal constitutional provisions often emphasize uniformity and equality in taxation. Instituting different tax rates based on the homeowner's legal occupation or business activity could potentially violate principles of equal protection under the law.

There are many types of homeowners using their home as a base of business activity, including County-licensed realtors, lawyers, architects, plumbers, landscapers, electricians and many others. Then there are artists creating works of art and featuring art galleries in their home, arts & craft artists, and local folks selling fruits and BBQ food plates along the Kam highway out of their front yards.

Right now this 24-61 Resolution appears lacking in sound legal footing. I recommend delaying this legislation until a legal path forward has cleared. Based this path on the guiding principle that any homeowner using his/her residence to generate income should be subject to a somewhat higher property tax. One option would be to change the proposed discriminatory "TRANSIENT VACATION" classification to "RESIDENTIAL B" in which some or all of a property is used for a legal business purpose.

Such classification will do away with any legal concerns as it would include all sanctioned home-based business activities. It holds the promise of generating far more revenue even if the amount of increase over Residential A is relatively small. This would also be beneficial for the proposed fund proposed in Bill 20.

Thanks for considering
Paul Swart

Name: Karen Shimabukuro	Email: oceanviewpropertieshi@gmail.com	Zip: 96789-3538
Representing: Self	Position: Oppose	Submitted: Mar 29, 2024 @ 09:02 AM

Name: James Parker	Email: jamiecparker@aol.com	Zip: 96789
Representing: Self	Position: Oppose	Submitted: Mar 29, 2024 @ 09:19 AM

Testimony:

I am opposed to granting the City Council any additional powers to determine tax rates, due to their past decisions that have dramatically contributed to the growing exodus of the local (Kamaaina) citizens they are supposed to be working for.

Name: lillie mcafee	Email: lilliemcafee@gmail.com	Zip: 96792
Representing: Self	Position: Oppose	Submitted: Mar 29, 2024 @ 09:50 AM

Testimony:

Please vote NO on RES 24-061

We are just trying to make ends meet as it is with our TVR--a tax hike will really hurt us and many other kapunas. This is simply not fair.

Name: Claudia Parker	Email: cparker@parkerlawgroup.com	Zip: 96789
Representing: Self	Position: Oppose	Submitted: Mar 29, 2024 @ 09:59 AM

Testimony:

OPPOSED! Extremely unfair to penalize those who rent to military between duty stations, or mustering out, traveling medical professionals, local families who are displaced from their homes due to disasters or remodeling their homes, families who want to return to Hawaii to visit their own families. The increases in property taxes being proposed are astronomical. The great majority of these properties are owned by kupuna who rely on this rental income to support them in their declining years. If they are forced to sell their properties because they can no longer afford the year over year unreasonable and astronomical increases in property taxes, do you really think that local families will be able to purchase them to live in them full time? No, what you will see is mainland investors who have so much money that they can afford to buy these properties and leave them vacant. But maybe that's what our government leaders actually want, despite saying that they want affordable housing for local families. Maybe what's actually behind this is forcing kupuna to sell to those with more money than God, who can afford to pay such high taxes and aren't so involved in local politics that they won't notice the year over year increases and just pay up. Our rights as property owners keep getting infringed upon, taxed into oblivion all in the name of providing "affordable housing" to local families. While the real reason for not having enough affordable housing is the failure to provide effective and expeditious permitting processes to allow for the construction of affordable housing. Instead, the city and county point the finger at we kupuna who bought properties years ago with the intention that the revenue would support us in our golden years. That was what my parents did, that is what middle-income folks did all through Hawaii to ensure their future. That is being taken away from us by over regulation and over taxation. Our property taxes keep getting hiked year after year, in all categories, based on the bogus "fair market value." For those of us who don't plan to sell our properties at all, or any time soon, why should our properties be valued and taxed based on what some buyer paid to someone down the street? It's not like those of us who are not selling have the extra cash laying around to pay more and more property taxes each year to support last year's and this year's proposed indecent increases in city council and executive/administrative salaries. The only players who win with this are the hotels and our own city council and executive/administrative folks who keep getting raises while local families are working 2-3 jobs to stay afloat. Keep making Hawaii less attractive to tourists, who are after all, our life blood of our state's economy, and they will go elsewhere, to Mexico for all inclusive vacations, Costa Rica, wherever. This unreasonable and overreaching taxation is killing the goose that laid the golden egg. The consequences of that will be lower revenue for our state, people will lose their jobs, taxes payable to city/county/state will decrease. No wonder everybody is moving to Vegas where they can make more money, have decent schools and afford decent housing. OPPOSED!!!

Name: Norm Nichols	Email: norm@petroglyphs.com	Zip: 96734
Representing: Self	Position: Oppose	Submitted: Mar 29, 2024 @ 10:22 AM

Testimony:

This resolution is another step in a decades long problem created by a city council in 1989 whose poorly drafted actions created the situation which has been poorly handled by successive councils since. This resolution only exacerbates the ongoing problem by the proposed tax rates under consideration. It's time to fix the problem not kick the can further down the road.

Name: Emi Chiusano	Email: eacmd@outlook.com	Zip: 96815
Representing: Self	Position: I wish to comment	Submitted: Mar 29, 2024 @ 04:31 PM

Testimony:

I own a transient vacation unit at the Waikiki Banyan. The taxes proposed is unusually high, especially because the prices on these units have gone up so rapidly. I paid 35% less than the current assessment when I purchased the unit 5 years ago, and the increase in taxes have already become a burden. At the proposed property tax rates, I cannot keep the unit for long term stays when I visit my elderly parents who live in Waikiki. I go to Honolulu to take care of their health needs - for example my father's recent cancer surgery. Renting the unit allows me to afford it and short term lets me use it as needed when they need help. I

cannot continue to keep the unit with these high tax rates, and I cannot afford to stay in a hotel for weeks at a time, and I do not want to sleep on their couch for weeks. I am already contributing to the city by paying a lot of taxes through my rental. Last year, I paid almost \$12,000 in taxes for renting the unit. Please consider setting a lower tax rate and higher cut off for tier 1. My parents are long time Hawaii residents and love the state and never want to leave. Losing this unit would be a great hardship for me and my parents.

Name: James Sasitorn	Email: james@sasitorn.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Mar 29, 2024 @ 05:22 PM

Testimony:

Aloha Chair, Vice Chair and Committee,

Regarding RES24-061, I would like to express my opposition on this resolution since it doesn't provide fair and reasonable rates for transient vacation units, as compared to Residential and Hotel rates.

The proposed rates of \$9.0 for Tier 1 and \$11.5 for Tier 2 result in unreasonable increases year-over-year for owners. Many of the units in my same building have property values between \$600,000 to \$900,000. For these owners, rates are substantially higher

\$600,000 STR Unit	\$3,300 or 157% more
\$900,000 STR Unit	\$5,200 or 165% more

Affordable short-term rentals are needed for newly housed residents, those traveling inter-island for life events or medical needs, our visiting ohana, traveling nurses, emergency contractors and families that need more livable accommodations than a small hotel room. These higher rates would translate into higher daily prices, and thus sorely limit the affordable, furnished temporary housing market for these residents, important visitors, and traveling families.

Furthermore, Hotels earn approximately 40% of their income from ancillary services such as room service, amenities, restaurants, bars, shops, etc. Short-term rentals are not allowed to provide these types of services, so the revenue generation will be significantly lower than hotels. Also important to note, Hotels are usually more densely built allowing for overall lower property taxes per unit.

For STR, registration and renew fees amount to \$2,000 in total. It is unfair to increase property taxes over 150% on top of this.

I appreciate the opportunity to voice my opinion with you and I hope you'll spend the appropriate time necessary to set fair and reasonable rates in this legislation. Mahalo.

James Sasitorn

Name: Cedar Kehoe	Email: cedarkehoe@gmail.com	Zip: 96791
Representing: Self	Position: Oppose	Submitted: Mar 29, 2024 @ 05:58 PM

Name: Thuy Huynh	Email: drthuyhuynh@gmail.com	Zip: 96817
Representing: Self	Position: Oppose	Submitted: Mar 29, 2024 @ 06:20 PM

Testimony:

I strongly oppose this resolution. I think it would be grossly for TVU to pay the same property tax rate as hotels. Hotels earn about 40% of their income from ancillary services (such as restaurants, bars, retail shops, etc), whereas short-term rentals are not allowed to have these services. Hotels are also densely built, allowing for overall lower property taxes per unit. Over the past 1 1/2 year, we already paid approximately \$2000 in fees and expenses to register and renew our TVU. On top of this, we'll have to pay over 150% more in property tax??? I know that many TVU owners continue to operate illegally and will not be paying the increase in property tax. I believe these excessive fees and taxes will punish legal TVUs and reward those that continue to operate illegally.

It will push for TVU owners "underground," creating more work for DPP and undermining the recent laws. Like many other short-term owners, we are Hawaii residents who rely on our rental to continue living in this state with its extremely high cost of living. Because of our short-term rental, we were able to provide jobs for cleaners, property managers, handymans, etc. We have also rented our unit to displaced residents, traveling nurses, those traveling inter-island for life events or medical needs and others that need more affordable and livable accommodations than hotel rooms. If our property taxes increases significantly, we may be forced to sell our rental unit. It will likely be sold to someone on mainland who will use it as a second home that stands empty most of the year. How will this help the housing crisis? Please reconsider the implications of this resolution and whether this will truly benefit Hawaii's economy.

Name: Aaron Kaplan	Email: akaplan@hawaii.edu	Zip: 96817
Representing: Self	Position: Oppose	Submitted: Mar 29, 2024 @ 11:07 PM

Testimony:

I strongly oppose this resolution. The proposed rates of \$9.0/\$1,000 for Tier 1 and \$11.5/\$1,000 for Tier 2 is significantly higher than the rates suggested when TVU classification was established last year (\$6.5 for Tier 1 and \$10.5 for Tier 2). I believe the new rates would result in unreasonable and excessive increase year-over-year for owners. As TVU owners, our rental incomes have already been significantly reduced by registration & renewal fees, as well as increase in TAT, insurance costs, expenses for hired labor.

It is extremely unfair to tax TVU at the same rate as hotels. Hotels are able generate significant income from services they provide on their property, such as restaurants, spas, shops etc. Short-term rentals, on the other hand, are not allowed to have these ancillary services. Hotels also pay lower property tax per unit as they have greater number of units per square feet of space. There is an acute shortage of affordable temporary housing. There are currently less than 2,500 TVUs and NUCs on Oahu. The Red Hill crisis alone displaced 4,000 families. Our short-term rental has provided an affordable option for traveling medical personnel, families displaced by crises, emergency contractors, and our visiting ohana. The higher property tax rates will greatly limit the affordable, temporary housing market for these residents and important visitors. With our rental, we have provided jobs and help increase traffic to local restaurants and businesses.

Barely half of those eligible have registered to be legal TVUs. Many are still operating illegally and have not been fined. If property taxes are more than double, I believe this will further fuel the illegal activity.



OSTRA
O'AHU SHORT-TERM
RENTAL ALLIANCE

The Budget Committee

Special Meeting Scheduled: April 1, 2024 10:00 am
City Council Chamber

Re: Resolution 24-61 Related to Real Property Taxes for 2025

Testimony in Opposition

Aloha Chair Cordero, Vice Chair Weyer and Members of the Committee,

The O'ahu Short Term Rental Alliance ("OSTRA") represents thousands of residents who own, manage and work within the legal mid and short-term rental industry – and we oppose the 2025 Real Property Tax rates proposed in Resolution 24-61 for the Transient Vacation ("TVU") Classification.

When the TVU classification was established last year, the Council and BFS discussed what fair initial rates could be. BFS suggested putting TVUs between Residential and the Hotel Rate because of the "hybrid" nature of these rentals. They suggested \$6.5/ \$1000 for Tier 1 and \$10.5/ \$1,000 for Tier 2. This would have doubled many owners' property taxes. Many relied on this information in deciding to register as a TVU.

The proposed rates of \$9.0 for Tier 1 and \$11.5 for Tier 2 will result in **unreasonable increases** year-over-year for owners. Here is the difference in dollars/year and the percentage by property value:

- \$600,000 STR Unit \$3,300 or 157% more
- \$900,000 STR Unit \$5,200 or 165% more
- \$1,200,000 STR Unit \$5,000 or 74% more

A one bedroom unit at Kuilima, for example, would be paying nearly \$800/month in property taxes. This coupled with the recent increases in assessments, has resulted in a \$6,600 increase in taxes or a 377% increase in the last 2 years. 80% of these properties are owned by resident *kupuna* that rely on these rentals to remain living on the island.

Affordable short-term rentals are needed for displaced residents, newly housed residents, those traveling inter-island for life events or medical needs, our visiting ohana, traveling nurses, emergency contractors and others that need more livable accommodations than a hotel room. These higher rates will further limit the affordable, furnished temporary housing market for these residents and important visitors.

There are currently less than 2,500 permitted TVUs and NUCs on Oahu (excluding “hotel-defined” units). The Red Hill crisis alone displaced 4,000 families. On average, there are 2,500 traveling medical personnel needing accommodation on our island every year.

We have a shortage of furnished, temporary housing on Oahu.

This has resulted in continued illegal activity to meet the demand. If property taxes are more than doubled, this will further fuel the illegal activity.

Hotels earn approximately 40% of their income from ancillary services such as restaurants, bars, shops, etc. Short-term rentals are not allowed to have these services. Hotels are also densely built allowing for overall lower property taxes per unit.

TVUs had to register and renew over the last year and half. The fees and expenses were approximately \$2,000 in total. It is unfair to increase their property taxes by over 150% on top of this.

Only 64% of those eligible have registered to be legal TVUs. The rest did not pay the registration/renewal fees and will pay less than half of the property taxes as their neighbors that did the right thing. These excessive fees and taxes punish the legal TVUs and reward those that continue to operate illegally. This will only push more “underground” creating more work for the DPP and undermining the recent laws.

We agree with you, Chair Cordero. In a recent City Council meeting, you said that **we should strive for a system where we don’t have to catch people and fine them.** If processes, fees and taxes are fair, residents will do the right thing. If not, we will be stuck in this endless loop of punitive taxes & fees and continued illegal tactics. OSTRAs law-abiding members will continue to pay more and more subsidizing the law-breakers.

Please change this cycle and lower these initial TV rates to what was discussed last year. Most of us have prepared for the doubling of our taxes, but not anything beyond that.

Mahalo for your consideration,



Jill Paulin
Volunteer Director, OSTRAs

March 20, 2024

Re: Res 24-61

To whom it may concern:

We own a unit in the residential area of Waikiki that has an NUC. This is now our second home for approximately six months out of the year. When we are off-island we have a management company that rents out the unit. That company employee's many people that earn a living wage, pay taxes plus all of the other all life spending requirements which add to the Hawaii economy. The short-term rentals they oversee also add greatly to the economy.

1. This resolution will make part-time residents that use our unit for nearly half a year pay hotel taxes? Would that be acceptable if you were in this situation? Has this situation even been considered with the resolution?
2. Currently, the legislators are in the process of passing bills that will eliminate TVU/NUC certificates. Those Resolutions 24-27, HB1838 and SB2919 make it clear that the legislator's feel TVU/NUC certificates shouldn't exist but at the same Resolution 24-61 states those certificates are a great source to raise more taxes. What is it going to be? This is just a grab and kill plan that adds more taxes until the certificates are eliminated.
3. Hotels have an enormous advantage over a residential property. They have restaurants, bars, tour desks, shops, etc. Those business in addition to the room rate property taxes allow the hotels to dilute higher hotel tax rates over many assets. That is not the case with a single condominium. We have 560 square feet that will be taxed at hotel rates without any way of diluting the higher taxes.
4. Our rental unit provides needed housing for inter-island medical travel, people displaced from disasters like Red Hill and condominium fires, people relocating to the island, renovating their own properties, etc. It is not feasible for someone to live long-term in a hotel when these events occur.
5. There are less than 2500 TVU/NUC on Oahu. Why is there a push to faze out TVU/NUC's yet at the same increasing taxes up hotel tax rates.

The legislators and DPP should be focusing their energy on illegal rental units. Increasing taxes on legal units that pay their yearly certificate renewal fee's, TAT and GAT taxes will only hurt a very important part of the housing options in the islands. The short-term housing industry will be decimated due to overtaxing, unit carrying cost, renovation/upkeep cost, etc. for a unit rented with a TVU/NCU certificate. When the carrying cost becomes higher than the possible rental income the loss of units will leaving those in need of short-term housing nowhere to turn but illegal rentals. Is boosting the illegal rental market the solution that Resolution 24-61 is hoping to achieve?

Thank you,

Charles Snider
Daniel Muzinich
Four Paddle 708

March 20, 2024

Re: Res 24-61

To whom it may concern:

We own a unit in the residential area of Waikiki that has an NUC. This is now our second home for approximately six months out of the year. When we are off-island we have a management company that rents out the unit. That company employee's many people that earn a living wage, pay taxes plus all of the other all life spending requirements which add to the Hawaii economy. The short-term rentals they oversee also add greatly to the economy.

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The legislators and DPP should be focusing their energy on illegal rental units. Increasing taxes on legal units that pay their yearly certificate renewal fee's, TAT and GAT taxes will only hurt a very important part of the housing options in the islands. The short-term housing industry will be decimated due to overtaxing, unit carrying cost, renovation/upkeep cost, etc. for a unit rented with a TVU/NCU certificate. When the carrying cost becomes higher than the possible rental income the loss of units will leaving those in need of short-term housing nowhere to turn but illegal rentals. Is boosting the illegal rental market the solution that Resolution 24-61 is hoping to achieve?

Thank you,

Charles Snider
Daniel Muzinich
Four Paddle 708

Res 24-61 Opposition

When the TVU classification was established last year, a fair rate was discussed to put TVUs between Residential and the Hotel Rate because of the “hybrid” nature of these rentals. It was suggested that \$6.5/ \$1000 for Tier 1 and \$10.5/ \$1,000 for Tier 2 be implemented. Even this would have doubled many owners’ property taxes. Many relied on this information in deciding to register as a TVU.

The proposed rates of \$9.0 for Tier 1 and \$11.5 for Tier 2 result in **unreasonable increases** year-over-year for owners.

Here’s an example:

A one bedroom in some areas would be paying nearly \$800/month in property taxes. This coupled with the recent increases in assessments, has resulted in a \$6,600 increase in taxes! **80% of these properties are owned by our Kupuna that rely on these rentals to remain living on the island.** You will force them to sell their properties to off-island, aggressive investment companies or as second homes that stand empty most of the year taking away jobs and business from the local communities. How will this help the housing situation?

Affordable short-term rentals are needed for displaced residents, those traveling inter-island for medical needs, traveling nurses, emergency contractors and others. These higher rates will sorely limit the affordable, furnished temporary housing market for these residents and important visitors. TVUs had to register and renew over the last year and half. The fees and expenses were approximately \$2,000 in total. It is unfair to increase their property taxes by over 150% on top of this.

Sincerely,
Karen Shimabukuro

Opposing RES024-61

Hearing Date: April 1, 2024

Budget Meeting

I am a senior and I used 30-day rentals to afford my home (in a residential area) and you are taking that away and are trying to force me to rent long term. I will **never** rent long term; I keep my rooms for the adult offspring to visit from the mainland and I will never change that. You are forcing me to keep my rooms empty. After requiring 30 consecutive day rentals of the industry my unit is mostly empty as so many units on the island now rent for 30 days (they used to rent for less than 30 days but they blocked a month) but the enforcement efforts forced all those people to now rent 30 consecutive days. Now as a senior my income has dropped significantly. Renting my unit did not damage my residential area as I live here there are no parties; what I offered is important to the islands economy.

I once offered affordable short-term rentals to these types of guests here on island: people building the rail system, nurses, potato farmers, military people and emergency contractors that needed livable accommodations other than a hotel room. These higher rates will have sorely limit the affordable, furnished temporary housing market for these residents and important visitors.

Higher taxes are not fair to seniors like me who live on site and who purchased assuming they could rent. If you want to hurt the economy this bill is guaranteed to do just that.

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