

**RES24-061
Testimony**

MISC. COMM. 163

COUNCIL

COUNCIL Meeting

Meeting Date: Apr 17, 2024 @ 10:00 AM

Support: 1

Oppose: 111

I wish to comment: 3

Name: Jill Paulin	Email: contact@ostra.org	Zip: 96712
Representing: Oahu Short-term Rental Alliance	Position: Oppose	Submitted: Apr 12, 2024 @ 11:05 AM
Name: James Kohara	Email: jmkohara@gmail.com	Zip: 96816
Representing: Self	Position: Oppose	Submitted: Apr 12, 2024 @ 11:58 AM
Testimony: Pls stop raising taxes on individual property owners, at the favor of hotels. Hard working local small business owners who support the state are being unjustly used for the benefit of hotel conglomerates whose profits go off-shore. This is a no-brainer, IMHO.		
Name: Patricia Rolland	Email: pkr@rolland.biz	Zip: 96791
Representing: Self	Position: I wish to comment	Submitted: Apr 12, 2024 @ 12:03 PM
Testimony: Patricia Rolland 67-225 Kiapoko Street. Apt. A Waialua, HI 96791 April 11, 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 then 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: Shauna Buffington	Email: shaunabuffington@gmail.com	Zip: 92130
Representing: Self	Position: Oppose	Submitted: Apr 12, 2024 @ 12:10 PM
Testimony: Aloha I understand that people who own rental property are viewed as rich. That is not always the case. Our family has owned in Kuilima		

for nearly 30 years, and we have shared many happy memories there. When my parents passed, we wanted to keep the property so that our family, and friends for generations could experience the beauty and Aloha of Hawaii. We decided that if we could rent enough to cover the current property taxes, HOA fees, property taxes, and basic upkeep we could keep the property. Already 40% comes off the top of any rental income for management fees and additional rental taxes. The property barely breaks even with existing property taxes. Additional property taxes would be a great burden. I fear we would not be able to rent the property any longer just to keep the lower property rates. Our condo is very affordable and our clients are mostly young families and surfers along with locals who want to visit the North Shore for a few days at a reasonable rate. I think it would be a great loss for them as well as us. Thank you for your kind consideration.

Name: Patricia Lille	Email: kimuggi@yahoo.com	Zip: 96816
Representing: Self	Position: Oppose	Submitted: Apr 12, 2024 @ 12:17 PM

Testimony:
The proposed tax rates result in unreasonable increases and are unaffordable.

Name: Wendy Barnfield	Email: wendy@ragingisle.com	Zip: 96712
Representing: Self	Position: Oppose	Submitted: Apr 12, 2024 @ 12:24 PM

Testimony:
Dear Councilpersons

I oppose bill RES 24-061. The proposed rate of 9.00 is too high. This will put an undo financial burden on those owning TVU's. The resident owner should at the least fall under a different tax level then those owned by mainland or international people. Most resident owners rely on the income from their TVU's to support their day to day financial obligations and this will force many to sell. I understand the need to create a difference in property taxes from the TVU and a single family owner occupancy but going from 3.90 to 9.00 is to excessive . Please reduce the property tax rate for TVU's. I propose 5.00.

Sincerely,
Wendy Barnfield

Name: Ron Castillo	Email: rdcastillo@gmail.com	Zip: 96785
Representing: Self	Position: Support	Submitted: Apr 12, 2024 @ 12:25 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. 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:

\$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. 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 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 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: Gayle Mackey	Email: gayle.kona101@gmail.com	Zip: 98031
Representing: Self	Position: Oppose	Submitted: Apr 12, 2024 @ 12:28 PM

Testimony:
You are going to Cause the Islands to slide right off into the Ocean and then they will be No More because NO ONE Can Afford it. It is Ridiculous to even Entertain IT!!!!!!

Name: lois crozer	Email: lbc@hawaiiantel.net	Zip: 96734
Representing: Self	Position: Oppose	Submitted: Apr 12, 2024 @ 01:17 PM

Testimony:
When you are taxing a property for things that happen on that property, you need to be cognizant of the amount of space that entity is using. If someone has a farm of hundreds of acres and rents out a cottage to make ends meet, then why would you tax the entire property? If someone has two houses on a property and rents out one and lives in one, why would you have a higher tax rate on the entire property? This is nonsense. Hotels use their entire property as sleeping quarters, restaurants and things just for the visitor. Homeowners who have a cottage for rent shouldn't be charged for the entire property. This bill cannot pass, as it hasn't been thought out fairly. It will ensure good, hardworking resident landowners are put at a disadvantage.

Name: Gregg Fujimoto	Email: gregg.fujimoto@charter.com	Zip: 96712
Representing: Self	Position: Oppose	Submitted: Apr 12, 2024 @ 01:57 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. 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:

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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.

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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 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: Kathleen Ochsenbein	Email: dhcondos@gmail.com	Zip: 96792
Representing: Self	Position: Oppose	Submitted: Apr 12, 2024 @ 02:56 PM

Testimony:
Please consider what an increase of property taxes would do to those of us that own condos and have seen our insurance more than quadruple in a the past year.

Name: meetay moonay	Email: meticuloumsike@gmail.com	Zip: 96792
Representing: Self	Position: Oppose	Submitted: Apr 12, 2024 @ 03:04 PM

Testimony:
Are you trying to make me lose my home? The hotels might survive with the governments help, but we the people (the little people) will not survive.

Name: Vera Williams	Email: like-wisps.0v@icloud.com	Zip: 96731
Representing: Self	Position: Oppose	Submitted: Apr 12, 2024 @ 04:43 PM

Testimony:
I own a Vacation Rental property. I live on the property, and rent out a lock-out unit. This supplemental income allows me to live and work as a Substitute Teacher in Hawaii. I am also hoping that I can retire at some point, and the income I receive from my room is enough that this may be possible.
If you raise the taxes to 25%, it will unfairly impact me and anyone wanting to come to Hawaii to experience our beautiful islands. The hotels will not be impacted by this change in the rules, and that is unfair.
Visitors come to Hawaii, and are happy to come to the north shore to support the local businesses. They would not be able to afford to come to the north shore if their only option was the hotel which charges more than \$800 per night. 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 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 this rate increase would be outside investors who don't plan to live here in Hawaii.

This type of legislation would have significant changes in the population that reaches far into the future.

It would be a grave injustice to those who would like a pleasant place to retire, and be able to afford to live here.

My unit is not a mini-hotel, and I should not be taxed as if it is one.

Name: SharLyn Foo	Email: bpacker@maui.net	Zip: 96712
Representing: Self	Position: Oppose	Submitted: Apr 12, 2024 @ 05:21 PM

Testimony:

Aloha again,

I am a 69 year old women

I have original NUCs since 1989

I've worked legally for 34 years

My certificate fees have gone up 50 times

If you pass this outrageous amount, and the rising assessments my property taxes will increase 300%

Remember vacation rentals by city law .was always under 30 days. And that is what the 750 units have always done

Abide the laws.

taxing originals to this extent

Would be unfair and punitive.

We should not be lumped in with the new ones

Targeting legal folks like myself will put me out.

And likely to put other Kapuna s out as well

How does this help with illegal rentals?

Or is the objective to push legal folks out of business?

We are home based business and not commercial or zoned as such

Please consider whom you are hurting!

Mahalo for your time

Sent from my iPhone

Name: Steve Marcotte	Email: contact@stevemarcotte.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Apr 12, 2024 @ 06:19 PM

Testimony:

Aloha,

We are writing to express our concerns about the proposed property tax increases for Transient Vacation Units (TVUs). The proposed rates of \$9.0 per \$1,000 for Tier 1 and \$11.5 per \$1,000 for Tier 2 represent significant hikes that could double or even triple annual taxes for many property owners.

Such steep increases risk forcing local Kupuna, who make up 80% of TVU owners, to sell their properties, potentially to off-island investors. This change could hurt the local economy by reducing jobs and business opportunities as properties remain vacant.

Additionally, short-term rentals provide essential housing for displaced residents, medical personnel, and others needing temporary accommodations. The proposed increases could severely limit these options, exacerbating our existing housing crisis and encouraging illegal rental activities.

Given these points, we urge a reconsideration of the tax rate adjustments to avoid negatively impacting our community and local economy. We look forward to a dialogue on this issue.

Aloha,

Steve Marcotte

Name: Paul McLean	Email: mcleand@gtlaw.com	Zip: 96731
Representing: Self	Position: Oppose	Submitted: Apr 13, 2024 @ 05:38 AM

Testimony:
Dear Honolulu City Council:

My name is Paul McLean and am the owner of a condominium unit located at Kuilima Estates West in Kahuku. As you may know, Kuilima Estates West is located in the Turtle Bay resort area, and I obtained a legal TVU license in 2022 (renewed in 2023) in order to legally rent my condo unit to short-term visitors. I do live in the unit on a part-time basis and provide it for short-term rental when unoccupied by me.

Over the past five years or so there have already been several changes to existing laws subjecting TVUs to additional licensing and taxing requirements. Now, yet another proposed law, Resolution 24-61, would establish the initial "Transient Vacation" classification for real property tax rates. The proposed rates are unreasonably and unjustifiably high, more than doubling TVU/NUC owners' taxes. And it will be those who have legally registered and obtained licenses for their TVUs, not those who continue to rent illegally, who will be suffering the burden of paying the proposed real property tax increase.

I respectfully request that the City Council consider the following during your deliberation of Resolution 24-61:

- Economic Contribution:**

Legal TVU owners contribute significantly to the local economy by providing affordable accommodation options for visitors and their families, which in turn supports local businesses such as restaurants, shops, and tour operators. The proposed unreasonable increase in tax rates for legal TVUs would hinder their ability to operate profitably, leading to local job losses and decreased economic activity in the area.
- Job Creation:**

Legal TVU owners create employment opportunities, both directly (such as cleaners, maintenance staff, and property managers) and indirectly (through supporting local businesses). The proposed higher real property tax rates could force legal TVU owners to cut back on staff or even close operations altogether, resulting in job losses.
- Fairness and Equity:**

It is unfair to further target legal TVU owners for the proposed real property tax increases, especially on Oahu where legal TVU owners are already required to (a) pay for and obtain a TVU license that must be renewed each year; pay (b) general excise taxes (GET), transient accommodations taxes (TAT), and Oahu transient accommodations taxes (OTAT), which must be paid in order to obtain the required tax clearance for renewing the annual TVU license; (c) annual Hawaii State Income Tax; and (d) annual real property taxes. There should be a more equitable distribution of tax burdens across the hospitality industry.
- Property Rights:**

Legal TVU owners are just like any other property owner in Hawaii and have the same property rights. They have invested in their properties with the expectation of a certain tax regime, and a sudden and significant increase in real property taxes as proposed could be seen as a violation of those rights and could undermine confidence in property investment in the area.
- Tourism Promotion:**

Let's face it, most families, and especially those with children, would not be able to afford to visit Hawaii without the lower-cost accommodation options legal TVU owners provide. The proposed unreasonable increase in legal TVU property taxes would make their properties less competitive compared to other visitor destinations, potentially leading to a decline in visitor numbers. This could have negative implications for the overall tourism industry and the broader community that relies on tourism for income. The proposed increase would also result in increased rental rates for visitors, making vacations less affordable for them. This could ultimately deter visitors from choosing Hawaii as a destination, impacting not only TVU owners but also the wider tourism

ecosystem.

I appreciate your attention to this matter and your continued efforts in seeking a more equitable solution to the problems allegedly being addressed by Resolution 24-61.

Regards,
/Paul McLean/

Name: James Sasitorn	Email: james@sasitorn.com	Zip: 98615
Representing: Self	Position: Oppose	Submitted: Apr 13, 2024 @ 07:26 AM

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: Mike Jackson	Email: mikejacksonatlarge@gmail.com	Zip: 96792
Representing: Self	Position: Oppose	Submitted: Apr 13, 2024 @ 07:29 AM

Testimony:

Because of the "hybrid" nature of these rentals, it was 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:

\$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. 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 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 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.

Name: Virginia Dudden	Email: virginia@dudden.com	Zip: 96734
Representing: Self	Position: Oppose	Submitted: Apr 13, 2024 @ 11:38 AM

Testimony:

Council Member, thank you for reading and considering my testimony strongly opposing RES 24-61.

The proposed rates are dramatically higher than what was discussed by the City and County last year when the new TVU classification was established. TVU owners relied on discussion information when deciding to register their property.

Under your proposed rate structure, many owners' property taxes will likely double.

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 TVUs. Treat TVU owners fairly and respectfully.

We, THE OWNERS, ARE YOUR NEIGHBORS AND CONSTITUENTS TOO. You represent us as well as off-island multinational corporate hotels and union members.

The new TVU tax rate should be between the Residential and Hotel rates. Ostra has provided solid recommendations to the City and County. Ostra leadership will continue to advise this committee. Please listen to them

Treat TVU owners fairly. Oppose RES24-061

Respectfully,

Virginia Dudden

Name: Shannon Heath	Email: sbheath@icloud.com	Zip: 96731
Representing: Self	Position: Oppose	Submitted: Apr 13, 2024 @ 01:41 PM

Testimony:

Res 24-61 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: Margo Brower	Email: margobrower@msn.com	Zip: 96825
Representing: Self	Position: Oppose	Submitted: Apr 13, 2024 @ 01:57 PM

Testimony:

The proposed tax increases for TVUs far exceed those that were initially discussed, and they are unfair and will have negative consequences. TVUs are not hotels and are not comparable to hotels. 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 that did the right thing. These excessive fees and taxes punish the legal TVUs and reward those that continue to operate illegally. These higher tax rates will only push more TVUs "underground" creating more work for the DPP and undermining the recent laws.

The need for TVUs is indisputable. However, the government continues its disingenuous campaign against them, totally in favor of multinational corporate hotel owners instead of helping local people. That situation requires correction and you begin such an improvement by not passing this onerous bill 24-51

Name: Ken Kribel	Email: kkribel@icloud.com	Zip: 96792
Representing: Self	Position: Oppose	Submitted: Apr 13, 2024 @ 02:09 PM

Testimony:

I am against Res24-61 because it hurts the small people trying to make ends meet. Hotels have very profitable revenue from food and beverage.

Small businesses seem to be the target even though revenue from them stay in Hawaii. Big hotels send their money to where their corporate offices are.

Help small business and vote no.

Name: Suhyun Go	Email: suhyunhi620@gmail.com	Zip: 96818
Representing: Self	Position: Oppose	Submitted: Apr 13, 2024 @ 02:10 PM

Testimony:

The suggested tax rates of \$6.5 per \$1,000 for Tier 1 and \$10.5 per \$1,000 for Tier 2 would have already significantly increased taxes for TVU owners.

The new proposed rates of \$9.0 for Tier 1 and \$11.5 for Tier 2 represent a steep increase, raising taxes by 157% to 377% over two years, depending on the property value.

The tax increase disproportionately affects resident, who rely on income from these rentals and may be forced to sell to off-island investors, potentially reducing local jobs and negatively impacting the community.

Short-term rentals serve essential needs for various groups, such as displaced residents or medical staff, and higher taxes could limit the availability of affordable temporary housing.

With less than 2,500 legal TVUs and the Red Hill crisis displacing more families than available units, the demand for housing is high, and increased taxes may encourage illegal rentals.

TVUs cannot earn additional income from ancillary services like hotels, which have lower taxes due to higher density and

additional revenue streams.

Owners have already incurred significant costs to register and renew TVU licenses, and further tax increases are seen as unfair. Only half of the potential TVUs have registered legally, meaning those who complied are penalized with higher taxes compared to those operating illegally, which undermines recent legislation and enforcement efforts.

Name: Patrick Francis	Email: unaguitarra@gmail.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Apr 13, 2024 @ 02:30 PM

Testimony:

I argue against the resolution that drastically raises taxes on transient vacation units for several reasons. It embodies another cynical attack on law-abiding property owners whose STR's provide a means for accommodating many types of visitors to the island working in the medical, military, and private sectors, not to mention our displaced neighbors. Essentially, the proposal seeks to wrap a legitimate and vital business activity, short-term rentals, in a tax so high that it kills the market entirely. Because other attacks on property owners and investors, similarly wrapped in legislation were struck down in the courts as unconstitutional and illegal last year, we now see a new tack being taken, specifically the imposition of extreme taxation.

I wonder if the sponsor of this resolution, Tommy Waters, who is a lawyer and not an economist, has considered the long-term ramifications on the local economy, including the property owners who have invested their capital and time into properties, furnished them, hired contractors to remodel and repair them, and hired property management professionals to manage them. Below are several reasons why these exorbitant taxes are a bad idea.

1. **Negative Impact on Tourism Industry:** Transient vacation units play a crucial role in the tourism industry, providing accommodation options for visitors. By significantly increasing taxes on these units, the resolution risks discouraging tourists from choosing vacation rentals, potentially leading to a decrease in tourist spending and overall economic activity in the city. Recent hikes in fares resulted in decreased visitors to Oahu, and increasing the costs of lodging via targeted taxes would do likewise. As a property owner who rents to medical and military contractors on Oahu, I can tell you that visitors will be discouraged from taking assignments in Oahu if the tax burden is too high, which it already is.
2. **Unintended Consequences on Local Businesses:** Many small businesses, such as local property management companies and service providers catering to vacation rentals, rely on the transient vacation market for revenue. Higher taxes on these units could put pressure on these businesses, leading to job losses and reduced income for local residents.
3. **Market Distortion and Inequity:** The proposed tiered tax system unfairly targets transient vacation units by imposing higher tax rates compared to other property classes. This creates market distortions and inequities, as similar properties in different classes are subject to lower tax rates. Such disparities are often viewed as unfair by the law and may lead to significant and costly legal challenges against the tax authority and government.
4. **Reduced Property Investment:** High taxes on transient vacation units will certainly deter property investors from entering or remaining in the market. This could result in reduced property development and maintenance, ultimately impacting the overall attractiveness and competitiveness of the city's real estate market. While this may be a desired outcome of those opposed to TVR's in general, the facts show that TVR's are concentrated in tourist areas and less desirable to families and locals, who generally seek quieter neighborhoods geared toward local families.
5. **Potential Revenue Shortfall:** While the resolution aims to increase tax revenue from transient vacation units, there's a risk that it may backfire by driving away tourists and reducing the overall tax base. This could result in a revenue shortfall for the city, leading to budgetary constraints and potential cuts to essential services and infrastructure projects.
6. **Lack of Consideration for Alternatives:** Before implementing drastic tax increases, we should explore alternative revenue sources or efficiency measures to address budgetary needs. This could include improving tax compliance, reducing wasteful spending, or diversifying the tax base to lessen the burden on specific industries or property classes.

In conclusion, while the city council may have legitimate concerns about tax revenue and property valuation, the proposed resolution to drastically raise taxes on transient vacation units is short-sighted and could have far-reaching negative consequences for the local economy, businesses, and residents. It's essential to carefully consider the broader implications and explore more balanced approaches to fiscal management and revenue generation.

Name: Gretchen Froerer	Email: gretchenmarie@me.com	Zip: 35802
Representing: Self	Position: Oppose	Submitted: Apr 14, 2024 @ 07:53 AM
<p>Testimony:</p> <p>Just simply these proposed increases are completely unfair for those of us with an NUC that we have been dutifully paying for and keeping current all these years. Please do not assume that because we have a vacation rental we are rich and can afford to absorb this added cost. Please leave the rates alone so we can continue to provide rentals and jobs to many many people.</p> <p>Thank you</p>		
Name: Joyce Whitegon	Email: seajoycego@gmail.com	Zip: 92651
Representing: Self	Position: Oppose	Submitted: Apr 14, 2024 @ 11:01 AM
<p>Testimony:</p> <p>In the last year and half those who went through the registration process put out \$2,000.00 or so to get legal. Many of these people relied on the BFS guideline of \$6.50 per thousand tier one and \$10.00 tier 2, slightly more than half way to hotel rates. Res 24-61 proposes \$9.00 for tier 1 and \$11.50 tier 2. These new rates are excessive considering all the extras that hotels earn besides the room rate.</p> <p>Our one bedroom in Kuilima would be \$800.00 per month in property taxes!! Together with the increase in assessments in two years this amounts to almost 400 percent increase!!</p> <p>This is unsustainable and can not be passed on to renters.</p> <p>Residents who own these units and rely 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 shortage.</p> <p>This is also unfair punishment of the owners who have spent the money to be legal will pay twice as much as the owners who decided not to register and some of them who did register will drop out and go illegal again.</p> <p>What happened to all the money for enforcement from Ordinance 22-7 ?? which supposedly the reason for the 3% OTAT tax on TVU and NUC.</p> <p>The recent laws have not had time to address the illegal problem and these unreasonable tax rates will only push legal owners to leave the registration process!</p> <p>Sincerely Joyce and Dave Whitegon</p>		
Name: Vicky Poland	Email: rainbowinnaiea@gmail.com	Zip: 96701
Representing: Self	Position: Oppose	Submitted: Apr 14, 2024 @ 04:50 PM
<p>Testimony:</p> <p>Aloha Honorable Council Members.</p> <p>My name is Vicky Poland and along with my husband Grant own and run an NUC licensed bed and breakfast called Rainbow Inn Aiea.#90/BB0038. I am writing again to appeal against the enormous property tax increase proposed for Bed and Breakfast Homes. Of which there are only 32. We are a couple in our 60's close to retirement with a sizable mortgage. this increase in property tax is beyond the means or ordinary Mom and Pop businesses such as ours. Our income from the Bed and Breakfast last year was \$52,206.35 and our mortgage payments alone are over \$41,328.</p> <p>We are not a multibillion dollar corporation with restaurants and retail space sending profits overseas. Our guests shop and eat at local stores, businesses and restaurants thus supporting the local small businesses in the area.</p> <p>While we do not object to the new Bed and Breakfast classification , with only 32 homes in this category, the revenue income to the council is insignificant but it will have a devastating effect on the Kapuna who own them.</p> <p>We would like to respectfully ask you to assign a lesser increase to the Bed and Breakfast homes classification. Something that is fair to the local small business owners who live on site. All 32 of us.</p> <p>Respectfully Vicky and Grant Poland</p>		
Name: Tasia HEFFERNAN	Email: tas@heff.com.au	Zip: 96815

Representing: Self	Position: Oppose	Submitted: Apr 14, 2024 @ 06:19 PM
Name: Darlene Phillips	Email: doli@webtv.net	Zip: 96813
Representing: Self	Position: Oppose	Submitted: Apr 14, 2024 @ 07:31 PM
<p>Testimony:</p> <p>I do not think this is a fair assessment of the taxes. You should reconsider what hotels are paying vs TVU's. The island needs the jobs that these rentals being and visitors need more affordable places to stay. When I have family visiting, hotels are too expensive and then they have to eat out on top of the daily parking fees, etc.</p> <p>Stop trying to run these "employers" off the island. Make it an equitable cost but affordable for owners of these units.</p>		
Name: Ralph Furley	Email: rmail2007@gmail.com	Zip: 96734
Representing: Self	Position: Oppose	Submitted: Apr 14, 2024 @ 08:33 PM
<p>Testimony:</p> <p>I oppose this bill obviously because it clearly demonstrate abuse of the City to unilaterally and deliberately raise taxes for the explicit purpose of putting these owners out of business. It could be legally argued and rational that ALL taxes should rise in equal proportions. Another example of legislative abuses that should be legally challenged. If folks like you are not challenged who knows who else you will target. You know just because you hold positions of authority it should not give you the authority to abuse and single out a particular group because you wish to ruin their legal existence. Hope the City gets to pay the attorney fees to the plaintiff on this one too.</p> <p>Mahalo, Ralph Furley</p>		
Name: Cecilia Gomez	Email: ceciliagomezhawaii@gmail.com	Zip: 96734
Representing: Self	Position: Oppose	Submitted: Apr 14, 2024 @ 08:57 PM
<p>Testimony:</p> <p>OPPOSE,</p> <p>I frequently look at bills and resolutions coming out of the City Council and I can smell something fishy with this? Seems the property owners that will incur this huge property tax are being singled out. First of all what are you doing with all this taxpayer money? It seems to me you guys care more about accommodating the out-of-state homeless than the local folks who contribute to our local economy. This is why so many folks are fleeing liberal states thus forcing the legislature to reduce taxes.</p> <p>You keep getting this all wrong...</p> <p>Dissatisfied constituent, Ms. Gomez</p>		
Name: Richard Furgeson	Email: janinarichard@gmail.com	Zip: 96734-3720
Representing: Self	Position: Oppose	Submitted: Apr 14, 2024 @ 09:03 PM
<p>Testimony:</p> <p>I oppose this resolution 24-61.</p> <p>With the rise of property taxes I am afraid to see how easily it for the City to whimsically just raise taxes on a selective group of owners who contribute to our local economy much better than you all. Its not like these owners are not already paying a State GE and TA and a City OTAT. Their homes are still classified as a residence that like with any place be rented.</p>		

Name: Patrick Williams	Email: paradisepartners8164@gmail.com	Zip: 96734
Representing: Self	Position: Oppose	Submitted: Apr 14, 2024 @ 09:06 PM
<p>Testimony:</p> <p>I oppose this resolution,</p> <p>I do not own a B&B nor TVU but with all the extra taxes these owners pay with the OTAT why are you leveraging additional financial harm to them by raising their property taxes.</p>		
Name: Helena von Sydow	Email: helenavonsydow@gmail.com	Zip: 96731
Representing: Self	Position: Oppose	Submitted: Apr 14, 2024 @ 10:38 PM
<p>Testimony:</p> <p>Dear City Council</p> <p>Resolution 24-61</p> <p>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.</p> <p>We live full time in east Honolulu, on the island of Oahu</p> <p>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</p> <p>Last year, the TVU classification was introduced, with BFS recommending rates between Residential and Hotel Rates.</p> <p>The proposed rates would have doubled property taxes for many TVU owners.</p> <p>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.</p> <p>This would severely impact resident Kupuna, with some facing a 377% tax increase over 2 years.</p> <p>Affordable short-term rentals are crucial for various groups, but higher rates could limit availability, exacerbating the housing crisis.</p> <p>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.</p> <p>This radical tax increase would have a devastating effect on us, a multigenerational kamaaina family.</p> <p>As a family desperately rely on this income to survive.</p> <p>Thank you for your consideration</p> <p>Helena von Sydow</p>		
Name: Harald von Sydow	Email: nztrendshi@gmail.com	Zip: 96831
Representing: Self	Position: Oppose	Submitted: Apr 14, 2024 @ 10:42 PM
<p>Testimony:</p>		

Dear Council members

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: Karen Shimabukuro	Email: hawaiiiauntie@gmail.com	Zip: 96789-3538
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 06:35 AM

Name: wenzhu jiang	Email: jiang7783@Gmail.com	Zip: 96825
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 10:30 AM

Testimony:

Hotels receive over 40% of their income from restaurants, shops and other services. We do not and cannot afford these high property tax rates!

Name: Robert Wilhelm	Email: wilhelmr@swbell.net	Zip: 96731
Representing: Self	Position: I wish to comment	Submitted: Apr 15, 2024 @ 10:42 AM

Testimony:

TVU tax rates should reflect the fact that the units are somewhere between a hotel and a full-time residence. Tax rates that are half way between residential and hotel seem equitable to me. However, I believe DPP needs to step up enforcement efforts. On the North Shore I estimate at least 40% of STR units are not registered and probably not paying the correct income or real property taxes. Please set the tax rate as suggested, and require DPP to increase enforcement.

Name: lillie mcafee	Email: lilliemcafee@gmail.com	Zip: 96792
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 10:48 AM

<p>Testimony:</p> <p>Please vote NO on Bill24-61</p> <p>Why would you want to punish those of us who hold valid NUCs for which we pay high fees and have paid all taxes, abided by all the rules, have NO neighbors, and run quiet operations just to make ends meet in the highest cost of living state in the nation?</p>		
<p>Name:</p> <p>Karen Young</p>	<p>Email:</p> <p>kareny402@gmail.com</p>	<p>Zip:</p> <p>94118</p>
<p>Representing:</p> <p>Self</p>	<p>Position:</p> <p>Oppose</p>	<p>Submitted:</p> <p>Apr 15, 2024 @ 10:53 AM</p>
<p>Testimony:</p> <p>These rates will triple the property taxes for islands' residents who rely on this income to afford Hawaii's increasing cost of living. Please do force more residents to move off the island.</p> <p>Hotels receive over 40% of their income from restaurants, shops and other services. We do not and cannot afford these high property tax rates.</p> <p>TVU owners have already paid almost \$2000 in registration related fees. Please don't punish those that followed the law.</p> <p>We accommodate displaced residents, traveling nurses and essential workers that will not have affordable housing options if our property taxes triple and we are forced to sell.</p>		
<p>Name:</p> <p>Makaha Gal</p>	<p>Email:</p> <p>makahagal@gmail.com</p>	<p>Zip:</p> <p>96792</p>
<p>Representing:</p> <p>Self</p>	<p>Position:</p> <p>Oppose</p>	<p>Submitted:</p> <p>Apr 15, 2024 @ 10:53 AM</p>
<p>Testimony:</p> <p>VOTE NO ON BILL24 061</p> <p>I am barely able to pay existing tax rate--I need to cut expenses just to stay on Oahu.</p>		
<p>Name:</p> <p>Maurice Schreiber</p>	<p>Email:</p> <p>mschreiber718@gmail.com</p>	<p>Zip:</p> <p>96815</p>
<p>Representing:</p> <p>Self</p>	<p>Position:</p> <p>Oppose</p>	<p>Submitted:</p> <p>Apr 15, 2024 @ 10:57 AM</p>
<p>Testimony:</p> <p>Aloha Budget Committee and Council Members,</p> <p>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.</p> <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> 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 <p>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.</p>		

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: Brett Hulme	Email: BHulme87@gmail.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 11:01 AM

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, myself included, 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: Kelly Wedel	Email: wedelathome@verizon.net	Zip: 96792
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 11:07 AM

Testimony:

Hotels receive over 40% of their income from restaurants, shops and other services. We do not and cannot afford these high property tax rates.

TVU Owners have already paid almost \$2,000 in registration related fees. Please don't punish those that have followed the law. Requiring TVU Owners to pay more or "get out" will not make housing affordable for others on the island.

Name: Charles Snider	Email: dm_cs@yahoo.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 11:09 AM

Name: Daniel Muzinich	Email: danielmuzinich@yahoo.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 11:12 AM

Name: James Hood	Email: asmarajim@aol.com	Zip: 32732
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 11:28 AM

Testimony:

The proposed tax rates are too high resulting in further loss on investment.

This is to be my home in the near future and I would prefer not to sell

Name: Tammy Caruso	Email: tammycaruso007@yahoo.com	Zip: 96792
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 11:44 AM
Testimony: We pay enough taxes in Hawaii. Raising taxes will drive everyone out of this beautiful island. Please help us stay here.		
Name: Jack Hou	Email: jack.yf.hou@gmail.com	Zip: 95120
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 11:55 AM
Testimony: STR market is already seeing the decline from all the key metrics and Oahu is not an exception, especially with increasing cost on service and goods due to inflation. With current property tax we're barely operating with margin, the proposed increase of the property tax will mean we'll not able to invest as much back to the local economy or even driven out of business that's a vital industry to the island's economy and prosperity. I strongly opposed no on this resolution.		
Name: Keith G Sheu	Email: kikasheu@gmail.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 12:02 PM
Testimony: Opposed to unfair fair tax hike, financial burden		
Name: Leslie Lam	Email: lesliedmarshel@gmail.com	Zip: 96713
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 12:03 PM
Testimony: I oppose this resolution . I do not see the Benefit it brings our hard working and Legal Kapuna Community. tripling their taxes . It pushes the illegal Vaccination rentals under ground even farther .. This not a good solution for anyone .		
Name: Clifford Yamaoka	Email: cyamaoka@yahoo.com	Zip: 92056
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 12:10 PM
Testimony: I am a successful, retired, native son of Ewa, Hawaii. I purchased my place in Ko Olina to share with my sons and grandsons. I am not a rich millionaire who can afford any higher taxes you are proposing. I rent my place out when we're not there to help pay for expenses. My renters contribute to Hawaii's economy.		
Name: Daniel Pearson	Email: djpearson@pacbell.net	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 12:11 PM
Name: Scott Bolt	Email: swbolt@gmail.com	Zip: 96825
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 12:15 PM
Testimony: Inflation has had a negative impact on all homeowners and increase property tax would only further the negative impacts. I oppose any property tax increases.		

Name: Hiroko Ogiwara	Email: shuko@lava.net	Zip: 96822
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 12:15 PM
Testimony: rates are too high. does not make sense.		

Name: lance ogiwara	Email: shuko@lava.net	Zip: 96822
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 12:17 PM
Testimony: rates are too high. does not make any sense.		

Name: Ken Kribel	Email: kkribel@icloud.com	Zip: 96792
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 12:17 PM
Testimony: I oppose res24-61. It will be devastating to many homeowners to triple property taxes. That is an unprecedented increase. Please side with the small people and vote no.		

Name: Karen Luke	Email: nahele@yahoo.com	Zip: 96706
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 12:25 PM
Testimony: Aloha Councilmembers, My reason I oppose the majority of these rates is because they are out of line with our objective to promote fairness. The average price of a 3-bedroom home is over a \$1M, so these tiers whether you're a long-term renter or owner of short or long term or B&B affect all of us and outside investors, and further increases income inequality. Taxation should be used to encourage, not to punish or hinder business. It doesn't reflect high return of 300-400+ ft hotel and commercial activity to 25-ft height limits in residential areas. Please oppose this reso. Mahalo, Karen Luke Ewa Beach Resident		

Name: Elise Emerson	Email: elisemurrayrealestate@gmail.com	Zip: 96792
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 12:25 PM
Testimony: -Raising Property taxes pushes out current residents and is will force even more people to move off island. People are already moving off island at an alarming rate, due to high housing costs. These rates will triple the property taxes for islands' residents who rely on this income to afford Hawaii's increasing cost of living. Please do NOT force more residents to move off the island. -Hotels receive over 40% of their income from restaurants, shops and other services. We do not and cannot afford these high property tax rates. -TVU Owners have already paid almost \$2,000 in registration related fees. Please don't punish those that have followed the law. -We accommodate displaced residents, traveling nurses and essential workers that will not have affordable housing options if our property taxes triple and we are forced to sell. -Set up a PROPER registration for rentals, ISSUE MORE NCU's and charge a fee yearly, collect that money and stop making it impossible for people on island to earn income. The state will make money from rentals if done properly. STOP punishing people for trying to earn an income AND bring money into their communities.		

-If you raise property taxes, forcing out local peoples, foreign buyers will buy the properties and leave them vacant, or not rent them to locals. The housing situation will get worse.

Name: Sherry Bianlou	Email: hawaiiivacations4you@gmail.com	Zip: 96821
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 12:29 PM
Testimony: Dear Councils, Please vote against Resolution 24-61. I oppose it. It is hard to live in Hawaii as is, and this rate hike will make it even harder. It will increase rental prices and ultimately cause higher homelessness. Is this what you want to see in Hawaii: more homeless? It will also contribute to less employment and tourism. Families can not afford to stay at hotels and pay their high rates. The word is out! Hawaii is no longer a friendly place to visit. What's the matter with you guys?! Why are you punishing property owners? Do you want to kill tourism? This resolution is unreasonable. If it passes, I have to sell my property. What?! Please say "No" to Resolution 24-61. Thank you for your time and for listening. Sherry		

Name: Michael Froerer	Email: gogozippy@sbcglobal.net	Zip: 35802
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 12:35 PM
Testimony: Aloha, I am retired and live on a fixed income. My wife and I sacrificed and saved to buy our unit at The Waikiki Banyan because it would provide us a little extra income to supplement our income. Now it's inflation it is more important to us than ever. The proposed tax increase would take what little income we make from the unit and turn it into a deficit. We would be losing money every single month. I know that The Banyan has provided accommodation for emergency workers and displaced Hawaiian residents in the past and will in the future. The units have full kitchens and laundry facilities on every floor. This is very attractive to Hawaiian residents who may be vacationing or are displaced...also family tourists appreciate this type of accommodation. I ask that the taxes remain as they are, as the impact upon us as well as other owners, both from the mainland as well as Hawaii will be grievously harmful. Thank you for considering my testimony. Aloha, Michael Froerer		

Name: Charles Stark	Email: starklaw@sonic.net	Zip: 96825
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 12:45 PM
Testimony: The proposed rates are too high and punitive. We only rent our home for short periods of time, or we couldn't afford to keep it with the already high taxes, utilities, and continuous tropical maintenance. Our rentals have no impact on the neighborhood or the neighbors and certainly do not increase the need for city services. Therefore, the tax is punitive and unreasonable. We already contribute to the TAT and GET revenues, so what is the justification of this tax? The rates proposed will force us to sell our home and will destroy all the income we provide to local managers, cleaners, contractors, and weekly ground maintenance. If I am forced to sell because of your unreasonable taxes and regulation, my home will not contribute to the shortage of workforce or affordable housing. The whole point is that I am renting it because it is not affordable now!		

Name: Sheryl Hutsell	Email: dshutsell@gmail.com	Zip: 68843
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 01:00 PM

Testimony:

My name is Sheryl Hutsell and my husband, Dave, and I both oppose Res 024-61. We are owners in the Waikiki Shore building.

Hawaii is already the most expensive place to live in the United States. People will be forced to move off island if taxes continue to increase. Wages do not match tax increases and people have to make a choice.

Local businesses will be forced to increase their pricing to cover increased rents landlords will need to charge in order to cover any increase in taxes. Businesses may not survive which leads to unemployment and more government payments needed.

Also, TVU owners are already having to try and get increased rents to cover current property taxes. Rentals will soon be too expensive for vacationers to come to the islands. We are already being penalized for being a rental by the extra registration fees.

We respectfully ask that Res 024-61 not be passed.

Thank you

Dave and Sheryl Hutsell

Name: Catherine Panizzi	Email: crpanizzi@gmail.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 02:01 PM

Testimony:

I strongly 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, Council discussed what fair initial rates might be. It was suggested to put TVUs between Residential and the Hotel Rate because of the hybrid nature of these rentals. I believe the suggestion was \$6/ \$1000 for Tier 1 and \$10.5/ \$1,000 for Tier 2. This would have doubled many owners' property taxes and seemed a fair price to pay. I relied on this information when deciding whether 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 - almost triple - for owners such as myself.

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 and this has already resulted in continued illegal activity to meet the demand. If property taxes are tripled, 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. This results in a hugely unfair playing field.

Many of those eligible to do short term rentals have not registered to be legal TVUs and continue to operate illegally. They did not pay the registration/ renewal fees and will pay less than a third of the property taxes as people like me who did the right thing and registered. How is this fair? 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.

We need a system where we don't have to catch people renting illegally and fine them. If processes, fees and taxes are fair, residents will do the right thing. If not, we will be stuck in an endless cycle of illegal operators. Law-abiding owners will continue to pay more and more, subsidizing those who rent illegally.

Please set these new TVR property taxes at a reasonable rate and not punish those of us who did the right thing.

Thank you for your time and your consideration.

Name: Brad Fieldson	Email: bbrad007@aol.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 02:46 PM
<p>Testimony:</p> <p>It seems that the city and county is trying to tax out vacation rentals of all types, not taking into consideration the impact of that to everyone. It is import to me as a resident, to have vacation rentals available that have kitchens and better suited to family and longer stays. My family likes to come out here and visit me but would never stay in a hotel for 2 weeks. If the city taxes out vacation rentals, where are all the people who come to work here for long term assignments going to stay? Nurses, Doctors, FBI agents, etc.</p> <p>The proposed tax rates are an unreasonable increases year-over-year for owners. The Higher proposed tax rates will back fire. The city will loose GET and TAT and HT as people decide not to rent. It appears the city is only looking at the revenue from property tax and not taking into consideration the GET, TAT and HT taxes they will loose.</p> <p>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.</p> <p>The proposed tax rates need to be lowered to a reasonable rate. Short term rentals don't have other income like hotels in the way of bars, shops, restaurants, etc. STR's already have to pay to register and pay the GET, TAT, taxes. Please consider this when making decisions.</p> <p>I don't rent my place and but I do like to rent STR's for family and friends who come out and need a kitchen and more room than a hotel. I think most people see this as being driven by hotel lobbyists and off shore hotel owners. This is not a fair way to treat homeowners who provide much needed affordable short term rentals.</p> <p>Thank you</p>		
Name: Jackie Plata	Email: Jackie@JackiePlata.com	Zip: 96707
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 03:05 PM
<p>Testimony:</p> <p>I'm very concerned about this bill passing and these are the reasons why:</p> <p>* These rates will triple the property taxes for islands' residents who rely on this income to afford Hawaii's increasing cost of living. Please don't force more residents to move off the island.</p> <p>* Hotels receive over 40% of their income from restaurants, shops and other services. We do not and cannot afford these high property tax rates.</p> <p>*TVU Owners have already paid almost \$2,000 in registration related fees. Please don't punish us that have followed the law.</p> <p>* We accommodate displaced residents, traveling nurses and essential workers that will not have affordable housing options if our property taxes triple and we are forced to sell.</p> <p>Respectfully,</p> <p>Jackie Plata</p>		
Name: Georgia Nanasy	Email: gsncastle@gmail.com	Zip: 96717
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 03:15 PM

<p>Testimony:</p> <p>I believe this will be financially devastate many owners of homes or condos in Hawaii. The economy is already hard situation in Hawaii. This is very unfair and possibly unconstitutional if this bill was to pass</p>		
<p>Name:</p> <p>Thomas Raveney</p>	<p>Email:</p> <p>dopplaganger@hotmail.com</p>	<p>Zip:</p> <p>96717</p>
<p>Representing:</p> <p>Self</p>	<p>Position:</p> <p>Oppose</p>	<p>Submitted:</p> <p>Apr 15, 2024 @ 03:18 PM</p>
<p>Testimony:</p> <p>I reside near Laie, we have lost a lot of transient tourism because of the laws here. We have but one hotel that charges outrageous nightly fees, and underpays a limited staff. We've seen decline of small business support because we're limited in serving transients that support our tourism economy. Please stop continuously taxing anything to do with the remaining transient accommodations we've got. It's not many.</p> <p>Instead, can you please start taxing the hotels that commercialized this state, yet offer terrible pay and conditions to employees even amongst record profits? It doesn't take much to find out how much Hilton and Marriott have contributed in lobbying donations, and it's pretty disgusting. It's very clear that the big hotels get regulation and taxing in their favor and those of us outside of that realm can only pick up a little income of the smaller amounts of transients that just drive on by.</p> <p>If you want to continue to find ways to tax and limit transient use properties, can you consider the damage it does to those of us who are struggling and barely surviving? How can you continue to tax those that actually bring renters in to spend their money and contribute to our life-blood economy that is tourism?</p>		
<p>Name:</p> <p>Jacquelin Carroll</p>	<p>Email:</p> <p>jhcarroll@yahoo.com</p>	<p>Zip:</p> <p>96816</p>
<p>Representing:</p> <p>Self</p>	<p>Position:</p> <p>Oppose</p>	<p>Submitted:</p> <p>Apr 15, 2024 @ 03:56 PM</p>
<p>Testimony:</p> <p>Resolution 24-61 opposing testimony</p> <p>My sister and I are the surviving owners of a small condo at Kuilima Estates East, which our mother purchased with us in 1975. This condo is in a resort zone (Turtle Bay) and is a legal short-term rental. We oppose Resolution 24-61 because the proposed new property tax rates will nearly triple the rate we and other short-term rental owners are now paying. The small profit we make on renting our unit will be erased, and we do not have other viable options. In the past, we have tried to find longer-term renters but were unsuccessful. Kahuku is far from places to work and the condo is too small for a family to live in comfortably, so we have relied on short-term rentals to defray the costs of keeping our property. We have been renting the condo out since 2015 and paying our GE, TA, and now OTA taxes faithfully. Our legal rental, fully furnished, is available to displaced residents of fires and floods, traveling medical personnel, and other workers who may need short-term housing while they transition from one residence to another. Raising the property taxes so high does nothing to deter illegal short-term rentals, whose property is classified Residential, not Transient Vacation. Please reconsider this resolution and lower the proposed rates to something that is fair to short-term rental property owners.</p> <p>Jacquelin Carroll</p>		
<p>Name:</p> <p>Berton Hamamoto</p>	<p>Email:</p> <p>berton@pro808.com</p>	<p>Zip:</p> <p>96701</p>
<p>Representing:</p> <p>Self</p>	<p>Position:</p> <p>Oppose</p>	<p>Submitted:</p> <p>Apr 15, 2024 @ 04:01 PM</p>
<p>Testimony:</p> <p>I am a property manager and my company manages over 1500 long term rentals on Oahu. I'm a local resident, own a Waikiki Banyan one bedroom, have an NUC, and rent mainly to local families travelling to and from Oahu or to relatives of local families who are coming for family events like birthdays, funerals, visiting sick relatives, etc.</p> <p>Paying higher taxes just makes Hawaii that much more "unaffordable" to live and visit and that's the major problem we have! 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.</p> <p>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:</p>		

\$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 locals owners and not mainland investors. Do you really want to force us to sell our properties to off-island, aggressive investment companies? Or as second homes that stand empty taking away jobs and business from the local communities? That's what will happen if you increase the property tax rates as proposed.

Affordable short-term rentals are needed and is a fact of life, in the global world. There are people who ONLY search for vacation rentals when they travel and no longer stay at hotels! This is a GLOBAL shift in consumer preferences and not an anomaly. We run across so many inquiries from displaced residents, newly housed residents, those traveling inter-island for life events or medical needs, 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. You still have a high demand for the product (short term rentals that are not hotel units), there is already an imbalance of supply and demand, thus you are making it more expensive thus creating an atmosphere to chase away the customer rather than increasing the supply to meet the demand. This is the unintended consequence of Ordinance 22-7, and has resulted in continued illegal activity to meet the demand. If property taxes are more than doubled, this will further fuel the illegal activity and push more people underground, or push the demand away to other locations thus reducing income coming into the state...both results are not good for Hawaii!

I am totally opposed to this bill!

Name:

Karin OMahony

Email:

K7omahony@aol.com

Zip:

96795

Representing:

Self

Position:

Oppose

Submitted:

Apr 15, 2024 @ 04:02 PM

Testimony:

Please oppose RES24-061

Please stop penalizing Hawaii residents who follow the laws.

In my neighborhood, I have two neighbors who've lived in their homes for more than 40 years. They are valuable, loved neighbors. One neighbor was already forced to give up her B&B NUC due to the increased costs local homeowners were saddled with (nearly \$2000 registration fee). The thought of tripling her property taxes is unconscionable.

Now it is proposed these local homeowners, operating legally to keep their families afloat, should shoulder even more financial burden - as if they are hotels (even though they have no spa, restaurant, tours, etc to cover the hotel property tax rate). The other neighbor sees all the attacks on her legal rental and is selling her home. She loves her home of 45 years and doesn't want to sell but she cannot manage the punitive costs being levied without an end in sight.

Raising the costs for local homeowners is not the solution. This will REDUCE affordability and lead to more homes sold under duress to wealthy mainland folks- or developers now that the state is poised to reduce the lot sizes and allow increased density and development.

I understand the hotels have lobbyists that distort the detrimental effects of RES24-061, but be clear, it hurts residents and local families.

It also hurts many local industries and services. Traveling doctors, nurses, construction workers and interns - all of these people suffer due to the attacks on short term and 30 day rentals. Which means we residents suffer increased costs and reduced availability of essential services when there is no housing for these vital workers.

Please oppose RES24-061

Thank you

Name:

Email:

Zip:

Peter Prose	peter.prose@gmail.com	96825
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 04:21 PM
<p>Testimony:</p> <p>My name is Peter Prose and I have owned my home in Hawaii Kai for 12 years. I oppose resolution 24-61 for the following reasons:</p> <p>* My TVU is an economic engine for the community. I pay thousands of dollars per year in GET, TAT, and Res A property taxes. In addition, the maintenance and upkeep of the property provides employment for a variety of hospitality and service sector workers. If my home is sold, it will likely be to an overseas investor who will leave it vacant and unkept.</p> <p>* These rates will triple the property taxes for islands' residents who rely on this income to afford Hawaii's increasing cost of living. Please do not force more residents to move off the island.</p> <p>* Hotels receive over 40% of their income from restaurants, shops and other services. We do not and cannot afford these high property tax rates.</p> <p>*TVU Owners have already paid almost \$2,000 in registration related fees. Please don't punish those that have followed the law.</p> <p>* We accommodate displaced residents, traveling nurses and essential workers that will not have affordable housing options if our property taxes triple and we are forced to sell.</p>		
Name: Eunkyue Park	Email: ekpark333@gmail.com	Zip: 07078
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 04:30 PM
<p>Testimony:</p> <p>Dear Sir/Madam</p> <p>I am a TVU Owners who have already paid almost \$2,000 in registration related fees. Please don't punish those that have followed the law.</p> <p>Sincerely, Eunkyue Park</p>		
Name: Andrew Chong	Email: achong510@hotmail.com	Zip: 10001
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 04:51 PM
<p>Testimony:</p> <p>Dear Sir/Madam</p> <p>I am a TVU Owners who have already paid almost \$2,000 in registration related fees. Please don't punish those that have followed the law.</p> <p>Sincerely, Andrew Chong</p>		
Name: Michael Lawnsby	Email: lawnsby@gmail.com	Zip: 96816
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 04:58 PM
<p>Testimony:</p> <p>Respectfully I would like to oppose higher taxes in any form for rentals long or short term on any of our islands.</p>		

I believe the State of Hawaii is being very unfair 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 stone by continually asking for more proceeds from our revenue that is generated. My property taxes in Waikiki are already high at approximately \$161/month. Maintenance fees continually go up cumulatively each year. If taxes and fees continue its trajectory most properties will not be able to be rented out even to long term tenants as your proposing as there will be nothing left for the property owner who will then be foreced to sell and take their capital elsewhere creating a larger problem.

Oahu specifically relies on tourism. Do we not remember Covid closing down the beaches and all tourism activity for a long stretch of time forcing many businesses and home owners into bankruptcies, foreclosures, and mortgage forbearance. With inflation as it is and the cost of living up 25 % or more for most cost of goods it is increasingly hard to live in Hawaii so doubling or tripling tax revenue isn't going to solve problems but rather create more.

Waikiki and vicinity shouldn't even be considered as a place for affordable housing, its a world destination and business district that should have affordable rates for all to enjoy to encourage tourism and travelers. The current proposal to double or triple taxes will definitely not 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 fisted oppressive system. People will stop registering their units as TVU's and work around the system as their only hope to survive.

Please work with us property owners 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 and effort just to make ends meet with sky rocketing expenses.

Thank you for your Understanding

Mike Lawnsby

Name: Dan Carpenter	Email: dic9944@yahoo.com	Zip: 96792
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 05:16 PM

Testimony:

It would be wonderful if you supported homeowners doing short term rentals on their property rather than punishing them for it. I know hotel managers have money (from out of state) to be heard more than individuals.

I do recognize that too many vacation rentals can create problems for a community. What I suggest instead is that to have a vacation rental house/condo that they must provide 2 affordable rentals for each vacation rental they offer. Also no more than a total of 3 vacation rentals under 1 ownership.

When we lived in Kaneohe there were 2 vacation rentals in our neighborhood and the guests were always nice and friendly people. The long term renters on both sides of our house were loud partying military.

Name: Dave Klenske	Email: dave@klenske.com	Zip: 96707
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 05:37 PM

Testimony:

I OPPOSE Resolution 24-61. These rates will triple the property taxes for islands' residents who rely on this income to afford Hawaii's increasing cost of living. Please do force more residents to move off the island. Hotels receive over 40% of their income from restaurants, shops and other services. We do not and cannot afford these high property tax rates. I would have to try to pass this through to guests which include families on a budget, displaced residents, traveling nurses, military, utility and essential workers that will not have affordable housing options if our property taxes triple. My property taxes have already doubled because

you claim my home has exceeded an arbitrary threshold. Please do not sit in the pocket to the hotel industry and continue to punish alternative housing providers. vote NO on this resolution.

Name:
Shari Hodge

Email:
sharihodge@yahoo.com

Zip:
96734

Representing:
Self

Position:
Oppose

Submitted:
Apr 15, 2024 @ 06:21 PM

Testimony:

Property Address: 20 Pilipu Place, Kailua, Hawaii 96734

Tax Parcel ID #430180480000

Property Owner: Herbert W. Hodge Trust

To City Council Members,

We strongly oppose Resolution 24-061.

We have been a residential homeowner for over 60 years on our property in Kailua. This January, our property classification was changed from a 'Residential' to a 'Bed & Breakfast home' classification.

To make ends meet, we have rented two rooms within our home (as owner occupied legal vacation rentals.)

We have a NUC license #90/BB-0029 and have run a very professional rental business following all guidelines, paying all permit fees and taxes now, for over 35 years.

Our property taxes have been roughly \$15,000 a year. With the new property tax resolution 24-61, the tax hikes coming into effect would nearly double our present residential rate of \$3.50/ \$1000 valuation, moving us into the Bed & Breakfast Home classification / TVU rate of \$6.50/ \$1000 valuation. While TVU's are a whole home investment property, we are a small 2 unit business only renting a small area an owner occupied residence..

To give you a background:

We bought this property in 1964 and built our family home. My father and I reside on the property as our primary residence. My father is 95 years of age with full dementia, and I am his full-time primary caretaker.

Our rental business not only contributes to the Kailua economy, but most importantly helps us make ends meet.

This is our main source of income to pay bills, live, and survive on.

My father's illness has compromised our income. By having these two short-term rental units within our primary residence, it is much needed source of income to help us make ends meet.

With the enormous tax increases in resolution 24-61, our property taxes would be nearly doubling and will make it extremely challenging to get by.

Please consider giving us a reduced tax break as we are following all the guidelines and cannot afford this enormous tax increase you are proposing.

Mahalo,

Shari Hodge, daughter of Herbert Hodge.

Name:
Tamara Thompson

Email:
tamarathompson7@gmail.com

Zip:
96731

Representing:
Self

Position:
Oppose

Submitted:
Apr 15, 2024 @ 07:29 PM

Testimony:

Resolution 24-61 – TVU/NUC Property Taxes

Tamara Thompson

OPPOSE

ALOHA - As a retired senior married couple, we live on a fixed income from social security. We rely on the inconsistent, supplemental income from temporarily renting our Kuilima condo to pay for our medical needs, including recent open-heart surgery and numerous recurring prescriptions.

We provide a service that allows affordable accommodations for people at a moderate rate; which also helps stimulate our local

North Shore economy supporting jobs, small business and tax revenues. Our guests are usually families, military, displaced residents, and other moderate-income travelers who could not afford to stay in an expensive hotel.

There are many additional expenses we have to pay for the accommodation service we provide. We comply with the recent registration fees, documentation and tax increases in this time of high costs of living; but we cannot afford to pay the proposed much higher property tax rates which will become an unfair hardship. We feel we are being singled out and penalized just because of the current state of the economy.

The proposed property tax increases seem very high and similar to what a hotel would pay. We do not provide the ancillary services and amenities that a hotel provides which could justify an outrageous increase in property taxes.

We promote and help stimulate our local economy in our very small way; by offering accommodations at a lower price so people can enjoy the beauty and hospitality of the Hawaiian Aloha Spirit.

Mahalo gratitude for reading our submission

Name: Gary Smith	Email: spamgary@yahoo.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 07:43 PM

Testimony:

These rates will triple the property taxes for islands' residents who rely on this income to afford Hawaii's increasing cost of living. Please do force more residents to move off the island.

Hotels receive over 40% of their income from restaurants, shops and other services. We do not and cannot afford these high property tax rates.

TVU Owners have already paid almost \$2,000 in registration related fees. Please don't punish those that have followed the law. We accommodate displaced residents, traveling nurses and essential workers that will not have affordable housing options if our property taxes triple and we are forced to sell.

Name: Ben Bennett	Email: benrbennett121@gmail.com	Zip: 96731
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 07:48 PM

Testimony:

Aloha - My name is Ben Bennett. My ohana and I live in Kahuku and we have a legal TVU in the resort zone of Turtle Bay. I am writing to **STRONGLY OPPOSE RES 24-61** which I understand that the council is discussing next week.

As a legal TVU operating in a resort zone (Turtle Bay), my ohana and I followed the rules, became licensed and registered and are current on paying both our state and city/county tax every month. It's unfair to increase property taxes by over 150% for those, like me, who are working hard to follow the rules as 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. If the council passes Res 24-61, it will only push more illegal rentals "underground" creating more work for the DPP and undermining the recent laws. Passing this will also hurt locals like me and my ohana who rely on this income. Passing this bill would benefit the hotels (zero of which are owned by locals).

I think it's also important to state the 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.

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).

Please be thoughtful and considerate of all of the issues as you consider this bill.

Mahalo

Name: Michael Heh	Email: Mikeheh100@gmail.com	Zip: 92648
Representing: Friends of Kuilima	Position: Oppose	Submitted: Apr 15, 2024 @ 08:06 PM

Testimony:

The Friends Of Kuilima strongly opposes Resolution 24-61!

We are grateful for the separate TVU tax classification as it recognizes our rentals are different from hotels. When the new rate category was discussed last year, it was suggested that they start at 6.5 and 10.5 due to the hybrid nature of our rentals. Hotels generate over 40% of their income from restaurants, shops and other services. We do not have that option as we are not zoned for that additional income. We were prepared for the doubling of our taxes, but anything more would be punitive. One in four or 25% of the island's visitors are not here on vacation. They choose our rentals, along with residents in transition, traveling nurses and other essential workers. Events like the Red Hill Crisis and Marco Polo fires displaced thousands of our residents. These types of events require transitional housing for a week, a month or longer. There are currently hundreds of temporary contractors staying on Oahu and flying to Maui every day to help Lahaina. Temporary, furnished housing is vital and must be kept affordable. Please do the right thing and tax us at the 6.5 rate. Mahalo Nui Loa!

Name: Kimo Jamila	Email: kimojamila10@gmail.com	Zip: 96734
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 08:10 PM

Testimony:

I strongly oppose Resolution 24-61! I'm grateful for the separate TVU tax classification as it recognizes our rentals are different from hotels. When the new rate category was discussed last year, it was suggested that they start at 6.5 and 10.5 due to the hybrid nature of our rentals. Hotels generate over 40% of their income from restaurants, shops and other services. We do not have that option as we are not zoned for that additional income. We were prepared for the doubling of our taxes, but anything more would be punitive. One in four or 25% of the island's visitors are not here on vacation. They choose our rentals, along with residents in transition, traveling nurses and other essential workers. Events like the Red Hill Crisis and Marco Polo fires displaced thousands of our residents. These types of events require transitional housing for a week, a month or longer. There are currently hundreds of temporary contractors staying on Oahu and flying to Maui every day to help Lahaina. Temporary, furnished housing is vital and must be kept affordable. Please do the right thing and tax us at the 6.5 rate. Mahalo Nui Loa!

Name: Kelly Lee	Email: kellyreports@gmail.com	Zip: 96734
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Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 08:10 PM
Name: Jane MOY	Email: snow2136@netzero.net	Zip: 96825
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 08:11 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. We have suffered and lost much financially the last few years while it was empty with no income. 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. The hotels and resorts have all those amenities from pools, large venues, banquet halls, stores to restaurants to subsidize their taxes and fees. 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 when we have nothing to subsidize our taxes and fees?

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 smaller reasonable tax rate should reflect that at a modest tax rate similar to B&B's at the \$6.50 rate. Again, 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 to 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 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. There are short-term people who rely on us like traveling nurses, essential workers, military, government workers to relocating families who need STR's with the comforts of a home and kitchen. The higher taxes and fees will force STR's owners to pass along the higher costs and charge higher rates and therefore make it unaffordable for short-term essential workers.

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 STR owners 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 even decades like us 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: a room and a kitchen. STR's should not have that higher two-tier \$9.00 and \$11.50 system rate and definitely nothing close to the high Hotel/resort rate.

Thank you,
Jane Moy
Waikiki Sunset family condo owner

Name: RUSSELL KEKUEWA	Email: hmr@usa.net	Zip: 96814
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 08:42 PM
<p>Testimony:</p> <p>I HAVE A LEGAL SHORT-TERM RENTAL AND HAVE COMPLIED WITH ALL LAWS AND REGULATIONS SINCE I PURCHASED THE HOME IN 2011. DESPITE THE RISING PROPERTY TAXES I STILL MANAGE TO RUN THE BUSINESS ACCOMODATING MAINLY MULTI-GENERATIONAL FAMILIES (10-14 PERSONS) WHO WOULD OTHERWISE NOT STAY IN HOTELS AND WOULD GO TO OTHER DESTINATIONS WHERE ACCOMODATIONS WERE AVAILABLE TO SUPPORT THE FAMILY GATHERING. I PAY WELL OVER \$100,000 IN TAXES - TAT/GET/PROPERTY TAX. FURTHERMORE I PROVIDE EMPLOYMENT FOR CLEANING, LANDSCAPE, LAUNDRY, MAINTENANCE, ETC. I BELIEVE THERE ARE ONLY 40 SHORT-TERM LICENSES IN KAILUA. MY BUSINESS IS NOT IN COMPETITION WITH THE WAIKIKI HOTELS BECAUSE MY CLIENTS WOULD RATHER VACATION ELSEWHERE THAN SPLIT UP THE FAMILY MEMBERS AMONG SEVERAL HOTEL ROOMS. PLEASE CONSIDER. THANK YOU.</p>		
Name: Daniel Williams	Email: dan96825@gmail.com	Zip: 96795
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 09:41 PM
<p>Testimony:</p> <p>I whole heartedly OPPOSE Res24-061. This is an UNFAIR attack on local residents who made a choice to create an opportunity to earn extra money and employ residents in this tight employment market. Many people depend on the various type of work provided by TVU—construction, carpenters, painters, HVAC, handyman/woman, cleaners. TVUs provide consistent work and help ease the worrisome financial burden for many, many workers, not just TVU operators.</p> <p>These rates will triple the property taxes for islands' residents who rely on this income to afford Hawaii's increasing cost of living. Please do force more residents to move off the island.</p> <p>These HIGH and UNFAIR tax rates will come at a cost to those who are employed by us and those who depend on us for moderately priced accommodations in LEGALLY ZONED areas.</p> <p>We are not wealthy corporations who can afford these tax hikes, we are 40+ hour a week workers who are trying to make a moderate supplemental income to help offset the ever rising cost basic necessities: eggs, milk, gas, oil, bread, fruits, vegetables and the like.</p> <p>Hotels receive over 40% of their income from restaurants, shops and other services. We do not and cannot afford these high property tax rates.</p> <p>As TVU Owners, we have already paid almost \$2,000 in registration related fees. Please don't punish those that have followed the law. This greatly harms our ability to provide for ourselves and our family.</p> <p>We accommodate displaced residents, traveling nurses and essential workers that will not have affordable housing options if our property taxes triple and we are forced to sell.</p> <p>This will further hurt our economy and workforce by willing driving people away for good.</p>		
Name: Michelle Yao	Email: yyao2008@gmail.com	Zip: 96821
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 10:21 PM
<p>Testimony:</p> <p>I oppose Res 24-61, because the Residential A tier 2 rate is set too high, as it will be impacting the long term rentals affordability as these are mostly higher property taxes on the long term rentals. I suggest we reduce it from 9 to 7.</p> <p>The Tier 1 rate for TVU is set too high, as TVUs have already been subject to onerous compliance cost and registration fees. I recommend reduce it from 9 to 7.5.</p>		

Mahalo.		
Name: Angela Lopes	Email: kealakauihoni71@gmail.com	Zip: 96795
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 10:29 PM
<p>Testimony:</p> <p>My name is Angela Lopes. I am resident of Hawaii, Native Hawaiian who lives on homestead and a short-term rental owner of two properties. My grandfather is a pure kanaka and my mokuhauehu goes back more than 5 generations. I am also a Honolulu Habitat for humanity recipient. That was the only way I could afford to build a new home on the homestead as a single mother of 3. This allowed me to obtain my college degree and work at Office of Hawaiian Affairs. I needed additional income to pay the bills, so I refinanced my house to buy my first investment property, a short-term rental property in Waikiki. Without this income, I would not be able to afford to stay in Hawaii.</p> <p>I whole heartedly OPPOSE Res24-061. This is an UNFAIR attack on local residents who made a choice to create an opportunity to earn extra money and employ residents in this tight employment market. Many people depend on the various type of work provided by TVU—construction, carpenters, painters, HVAC, handyman/woman, cleaners. TVUs provide consistent work and help ease the worrisome financial burden for many, many workers, not just TVU operators.</p> <p>These rates will triple the property taxes for islands' residents who rely on this income to afford Hawaii's increasing cost of living. Please do force more residents to move off the island.</p> <p>These HIGH and UNFAIR tax rates will come at a cost to those who are employed by us and those who depend on us for moderately priced accommodations in LEGALLY ZONED areas.</p> <p>We are not wealthy corporations who can afford these tax hikes, we are 40+ hour a week workers who are trying to make a moderate supplemental income to help offset the ever rising cost basic necessities: eggs, milk, gas, oil, bread, fruits, vegetables and the like.</p> <p>Hotels receive over 40% of their income from restaurants, shops and other services. We do not and cannot afford these high property tax rates.</p> <p>As TVU Owners, we have already paid almost \$2,000 in registration related fees. Please don't punish those that have followed the law. This greatly harms our ability to provide for ourselves and our family.</p> <p>We accommodate displaced residents, traveling nurses and essential workers that will not have affordable housing options if our property taxes triple and we are forced to sell.</p> <p>This will further hurt our economy and workforce by willing driving people away for good.</p>		
Name: Charlie Page	Email: charliepage@usa.com	Zip: 96792
Representing: Self	Position: Oppose	Submitted: Apr 15, 2024 @ 11:28 PM
<p>Testimony:</p> <p>Respectfully, I wish to oppose this proposed resolution because I believe it is punitive in nature and driven by wealthy corporate interests that do not reflect the diverse individual citizens of Oahu who work hard to provide aloha to visitors with fully legal NUC properties.</p> <p>We provide only accommodation. We do this at a more affordable rate than hotels, that benefits more people.</p> <p>We also provide employment to cleaners and renovators/tradespeople.</p> <p>A more reasonable figure to pay would be at \$6.00 - \$6.50 in oine</p>		
Name: Scarlett Dooley	Email: denadooley@gmail.com	Zip: 30096
Representing:	Position:	Submitted:

Self	Oppose	Apr 16, 2024 @ 04:50 AM						
<p>Testimony:</p> <p>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.</p> <p>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:</p> <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> <p>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?</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>			\$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
\$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							
Name: Stephanie Fitzpatrick	Email: slfmakiki@gmail.com	Zip: 96822						
Representing: Self	Position: Oppose	Submitted: Apr 16, 2024 @ 06:04 AM						
<p>Testimony:</p> <p>April 15, 2024 Aloha Honolulu City Council,</p> <p>I'm Stephanie Fitzpatrick, born and raised in Manoa, currently long-term in Makiki, third-generation kama'aina, and a senior.</p> <p>I oppose this proposed legislation (RES24-061) Determining Real Property Tax Rates...</p> <p>Our family has an old-fashioned beach house, on the North Shore of O'ahu. It has been in our family 90 years this year, and the house is about 100 years old. Our grandparents were able to purchase it in 1934 and we are fortunate that it remains standing and that it is still in our family.</p>								

It takes a lot to keep it going, ESPECIALLY property taxes, and we strongly desire to keep this vintage house in our family. We know that if and when others purchase this beach front land, the wooden single wall, board and batten house would most likely be torn down, to be replaced by some modern home, and possibly by someone who does not have the aloha for it that we do. But currently, people love seeing it and staying there. Even while updated with modern conveniences, it is a gentle reminder, with a calm atmosphere and quiet beauty, of our local past.

While I love caring for this original beach house and property, financially it is a challenge. Property taxes are extremely expensive for us. So I do rent the house out, cautiously, and I manage it by checking people in and out, by not allowing parties, by going twice a week to do the yard care and providing a nice calm home-atmosphere for couples and families. We have a good relationship with our long-time neighbors and have our own parking. There have been no complaints, and people who rent include many who like to return home to Oahu for reunions and visits, and we have also hosted traveling nurses.

Where would Oahu be without homes that can offer short-term furnished homes, if we had a tragedy like Lahaina? We cannot, and do not, compete with the hotels. There is room for all of us, and this one house is all we can offer. We are not purchasing condos to rent out -- this is our family's heritage! and we deeply love it. Please listen, to many of us silent local ones, doing our best, needing the income to live on, and offering what we can. We cannot afford these high property taxes.

Thank you for listening. Aloha, Stephanie

Name: Mitch Maxwell	Email: mitchatbt@aol.com	Zip: 96707
Representing: Self	Position: Oppose	Submitted: Apr 16, 2024 @ 06:31 AM

Testimony:
This bill is just another money-grab. The proposed tax rates are completely out of line, and will devastate property owners. Hawaii is already so expensive to live in...it's unfair to further punish property owners. Many owners will be forced to sell if their rates go up dramatically. Does this seem fair to them?

Name: Maggie Huang	Email: maggiehawaii@hotmail.com	Zip: 96821
Representing: Self	Position: Oppose	Submitted: Apr 16, 2024 @ 07:16 AM

Testimony:
These rates will triple the property taxes for islands' residents who rely on this income to afford Hawaii's increasing cost of living. Please do force more residents to move off the island.

* Hotels receive over 40% of their income from restaurants, shops and other services. We do not and cannot afford these high property tax rates.

*TVU Owners have already paid almost \$2,000 in registration related fees. Please don't punish those that have followed the law.

* We accommodate displaced residents, traveling nurses and essential workers that will not have affordable housing options if our property taxes triple and we are forced to sell.

Name: Andrea Peter	Email: mmpeter@msn.com	Zip: 60605
Representing: Self	Position: Oppose	Submitted: Apr 16, 2024 @ 08:00 AM

Testimony:
Dear Representatives,

I am sending this testimony to you with deep concerns.
I am widow , my husband passed away recently tragically
We own the unit in Waikiki Banyan

Me and my husband decided to register as TVU based on information about rates from last year
\$6.5/\$1000 Tier 1 and \$10.5/\$1000 Tier 2

Now there are proposed rates of \$9.0/\$1000 and \$11.5/\$1000

Which represents increase of property taxes more than 150 %

TUVs have to register/renew and pay fees for it. On the top they have to pay higher property taxes

Average residents providing STR can't compete with hotels , which have income also from restaurants, bars and other services

Would you please reconsider newly proposed rates and do not increase them from last year
so that residents can effort to be registered as TVUs ,

with no year-over-year increases they can plan their financial budget and future
and provide affordable short-term rentals for those locals, tourists, contractors ..to all who are visiting beautiful Hawaii
and prefer more home-like accommodation than a hotel room

Tragic event of my husband's passing turned my life upside down
We can't plan such event and never be ready for such shock

But I think it is fair to ask our local officials to create steady legislative environment
without year -to- year unexpected payment increases

which can provide solid base , fair rules and protection for those who are working hardly, paying fees and taxes to the
government
and act like responsible citizens every day

Thank you very much

Fondly
Andrea Peter

Name: Lynne Wood	Email: Lynne123hawaii@yahoo.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Apr 16, 2024 @ 08:31 AM
Testimony: Oppose		

Name: Elizabeth SOLOMON	Email: e-m-s@comcast.net	Zip: 96734
Representing: Self	Position: Oppose	Submitted: Apr 16, 2024 @ 09:10 AM

Testimony:
* These rates will triple the property taxes for islands' residents who rely on this income to afford Hawaii's increasing cost of living.
Please do force more residents to move off the island.

* Hotels receive over 40% of their income from restaurants, shops and other services. We do not and cannot afford these high
property tax rates.

*TVU Owners have already paid almost \$2,000 in registration related fees. Please don't punish those that have followed the law.

* We accommodate displaced residents, traveling nurses and essential workers that will not have affordable housing options if our property taxes triple and we are forced to sell.

Name: Nicole Gross	Email: nicole@novationrealtyhi.com	Zip: 96706
Representing: Self	Position: Oppose	Submitted: Apr 16, 2024 @ 09:18 AM

Testimony:

Last year, when the TVU classification was introduced, the Council consulted BFS on fair rates. BFS suggested placing TVUs between Residential and Hotel Rates due to their hybrid nature, proposing \$6.5/\$1000 for Tier 1 and \$10.5/\$1,000 for Tier 2. This could double property taxes for many owners who relied on this information to register as TVUs. The proposed higher rates would severely limit affordable temporary housing for displaced residents, travelers, and essential visitors. With less than 2,500 TVUs and NUCs on Oahu, the Red Hill crisis alone displaced 4,000 families, highlighting the existing housing crisis exacerbated by Ordinance 22-7. Increased property taxes could worsen illegal activities to meet housing demand. Unlike hotels, short-term rentals cannot offer ancillary services, leading to disparities in property taxes. TVU owners have already incurred significant registration and renewal fees, making a 150% property tax increase unjust. Despite the requirements, only half of eligible TVUs have registered, risking continued non-compliance.

Name: Terry Gross	Email: terry@novationrealtyhi.com	Zip: 96706
Representing: Self	Position: Oppose	Submitted: Apr 16, 2024 @ 09:20 AM

Testimony:

When the TVU classification was introduced last year, the Council sought BFS's input on fair rates. BFS recommended positioning TVUs between Residential and Hotel Rates due to their unique characteristics, proposing \$6.5/\$1000 for Tier 1 and \$10.5/\$1,000 for Tier 2. This could result in a doubling of property taxes for many owners who relied on this guidance to register as TVUs.

Affordable short-term rentals are crucial for displaced residents, newly settled individuals, inter-island travelers for important life events or medical reasons, visiting relatives, traveling medical staff, emergency workers, and others requiring more comfortable lodging than a standard hotel room. These proposed higher rates would severely limit the availability of affordable, furnished temporary housing for these residents and essential visitors.

Currently, there are fewer than 2,500 TVUs and NUCs in Oahu. The Red Hill crisis alone displaced 4,000 families, while an average of 2,500 traveling medical professionals require accommodations on the island annually. The unintended consequences of Ordinance 22-7 have exacerbated a unique housing crisis, leading to continued illicit activities to meet the accommodation demand. A substantial increase in property taxes could further encourage these illegal activities.

Hotels derive around 40% of their revenue from additional services such as restaurants, bars, and shops, which short-term rentals are not permitted to provide. Hotels are also densely constructed, resulting in lower property taxes per unit overall.

Over the past year and a half, TVUs have had to undergo registration and renewal, incurring approximately \$2,000 in fees. It would be unjust to impose a property tax increase of over 150% on top of these expenses.

Name: Bryan Taylor	Email: bpbazn@msn.com	Zip: 84092
Representing: Self	Position: Oppose	Submitted: Apr 16, 2024 @ 09:21 AM

Testimony:

My wife and I own one condo in Kuilima East. We use it when we come from Utah to visit our son and his family living in Kahuku. We are retired and we depend on the income from our guests when we are not there. Those funds make it so we can travel to Kahuku and be a part of our family milestones. Since our purchase in 2019, we have been shut down, re-opened, required to register and re-register. We pay our GET and TAT, which are about 17%. We also pay 3% OTAT. We employ a local person to

manage our unit when we are not there. We hire our cleaners and support people locally as well. As we have looked on the various vacation rental sites, we found several short term rentals in unapproved areas in Kahuku and Hauula. I contacted two, one in Kahuku and one in Hauula and asked if they were legal or if they collected taxes. The response? "No, we are not legal so we do not have to pay transient taxes. No one else does." We seem to be disproportionately punished because we registered, in the form of unreasonable taxation. Each time we are asked to pay more and more to the City and County of Honolulu, the promise is made that our support will help shut down illegal neighborhood short term rentals to save our Kama'aina. Thus far, not a significant effort seems to have been made and there seems to be no accountability as to where our funds have been used. Please do not ask us to pay 3 times more with Res. 024-61. We have one space, no restaurants, no paid activities and no other income other than nightly fees. We are asking for a REASONABLE rate of taxation not the proposed rate.

Regards,
Bryan Taylor
801-598-5760

Name: Martine Aceves-Foster	Email: acevesfoster@gmail.com	Zip: 96734
Representing: Self	Position: Oppose	Submitted: Apr 16, 2024 @ 09:46 AM

Testimony:
Aloha Chair Waters and City Council Members,

Thank you for taking the time to hear my testimony on Resolution 24-61.

My name is Martine Aceves-Foster. As a homeowner and a parent who wishes her children could afford to live here in Hawaii, I oppose Resolution 24-61.

Honestly, I don't fully understand this proposed legislation; I couldn't locate some definitions and comparisons. However, if enacted, it's clear that Resolution 24-61 will raise property tax rates — as well as the cost of living in Hawaii, thus making living in Hawaii less affordable, both for homeowners and renters.

Yes, I'm a homeowner. But that doesn't mean I'm rolling in the dough.

I retired as a lecturer from the UH system after 26 years of service to the community. I raised my children here, and my ex-husband and I bought our home here 22 years ago.

The value of my home has ballooned since then, and so have the property taxes. This is true for everyone, including yourselves, I would guess. This bill could easily increase homelessness by increasing rents. Also, more people will leave the Aloha State.

Last year, I received your FY 24 Budget Highlights newsletter, notifying residents of Bill 37 and 40, which would increase "the income threshold for the income-based real property tax credit." I qualified for that program but could not find a way to apply for it. There was no explanation. I called but got no response.

Now, you want to remove that consideration for lower-income residents and increase our property taxes. I'm at a loss.

If you want to create more affordable housing and reduce the flight from Hawaii, please, vote against Resolution 24-61.

Please, create legislation that creates stability in our neighborhoods and supports our kama'aina.

Mahalo.

Name: HOWARD HERZENBERG	Email: hherzenber@aol.com	Zip: 94306-4503
Representing: Self	Position: Oppose	Submitted: Apr 16, 2024 @ 09:58 AM

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 & \$10.5/\$1000 for Tier 2. This would have doubled many owners' property taxes. The proposed rates of \$9.0 for Tier 1 & \$11.5 for Tier 2 result in unreasonable increases year over year for owners. Affordable short-term rental are needed for displaced residents, newly housed residents, traveling nurses, visiting ohana, etc. There is a need for quality, affordable short term rentals in Hawaii. Please be reasonable and defeat Res 24-61

Name:
Jon Darrow

Email:
jbdarrow@gmail.com

Zip:
96815

Representing:
Self

Position:
Oppose

Submitted:
Apr 16, 2024 @ 10:56 AM

Testimony:

Aloha Chair, Vice Chair and Committee,

My name is Jon Darrow and I have a property in Hawaii.

I am opposed to RES 24-61

I believe if passed RES 24-61 would create an unfair tax liability for owners as we don't have all the other on site income opportunities that hotels have. From restaurants to shops a hotel has the ability to generate a great deal of income from other on site business.

Res 24-16 would also create a hardship for residents (Kapuna) who own a second home by taxing their properties again, potentially affecting their ability to maintain ownership and remain in Hawaii.

I personally believe in complying with the rules/regulations and have done so for many years. But RES 24-61 would certainly have a negative impact on getting all owners to register and become legal TVU's. Affordable short term rentals are needed for many different groups of working or displaced individuals and families who already struggle to make ends meet or provide services to the public. RES 24-61 would lead to pricing people out of this market and most likely see ongoing and potentially increased illegal activity.

Thank you so much for hearing my concerns

Jon Darrow

Name:
Kyle Darrow

Email:
daniela@clarealty.com

Zip:
95648

Representing:
Self

Position:
Oppose

Submitted:
Apr 16, 2024 @ 10:59 AM

Testimony:

Aloha Chair, Vice Chair and Committee, My name is Kyle Darrow and I have a property in Hawaii. I am opposed to RES 24-61 I believe if passed RES 24-61 would create an unfair tax liability for owners as we don't have all the other on site income opportunities that hotels have. From restaurants to shops a hotel has the ability to generate a great deal of income from other on site business. Res 24-16 would also create a hardship for residents (Kapuna) who own a second home by taxing their properties again, potentially affecting their ability to maintain ownership and remain in Hawaii. I personally believe in complying with the rules/regulations and have done so for many years. But RES 24-61 would certainly have a negative impact on getting all owners to register and become legal TVU's. Affordable short term rentals are needed for many different groups of working or displaced individuals and families who already struggle to make ends meet or provide services to the public. RES 24-61 would lead to pricing people out of this market and most likely see ongoing and potentially increased illegal activity. Thank you so much for hearing my concerns Kyle Darrow

Name:
A Reed

Email:
AReed@hawaiiantel.net

Zip:
96734

Representing:
Self

Position:
Oppose

Submitted:
Apr 16, 2024 @ 11:18 AM

Testimony:

Dear Council Members,

Mahalo for the opportunity to provide comments. Please lower the proposed vacation rental property tax rate. The majority of vacation rental Owners on Oahu are locals working hard to stay in Hawaii. Please also support existing NUC certificate holders who are part of the community and have been providing affordable accommodations to the community for decades.

Mahalo,
A. Reed

Examples of people vacation rentals help are:
local families experiencing disasters such as floods and fires
outer island kama'aina coming to Oahu for medical treatment
kama'aina moving on and off the island
kama'aina who need temporary housing as they purchase or sell a home
ohana coming to care for local relatives
kama'aina returning home for weddings, funerals, and graduations
kama'aina returning home to visit ohana
contract workers
traveling nurses
military families waiting for base housing
families on vacation

Name: Kevin Chan	Email: kev618@yahoo.com	Zip: 94112-4135
Representing: Self	Position: Oppose	Submitted: Apr 16, 2024 @ 12:15 PM

Testimony:
I oppose bill RES24-61 because the rate would double the exiting property taxes. With the increase, the STR as we know could negatively impacted causing a downward spiral of selloff. Such consequences can result in owner pausing any upgrade and improvement resulting in slowing down upgrades or updates. Such action can create a domino effect with other businesses not spending and other businesses slowing down on investment. Positive growth can be obtained when businesses support each other. Under these conditions is how a well managed system can continue to flourish just like a circle of life. With growth, the government and the people can be served instead of the reverse. Hence we need more investment and more growth to allow the people to grow. It is a time that we need the money to keep growth alive.

Name: Paul Nachtigall	Email: paulnachtigall333@gmail.com	Zip: 96734
Representing: Self	Position: Oppose	Submitted: Apr 16, 2024 @ 12:45 PM

Name: Cynthia Talavera	Email: cjktalavera@yahoo.com	Zip: 96707
Representing: Self	Position: I wish to comment	Submitted: Apr 16, 2024 @ 12:56 PM

Testimony:
Aloha!
I strongly oppose Res 024-61. If our property taxes triple or even double, owners may be forced to sell in order to meet Hawaii's ever rising cost of living. The impact of our exodus will have devastating consequences on the islands economy. It will also be culturally crushing as many will be forced to leave the home they love.
Thank you for your consideration.
Cynthia Talavera

Name: Bernard Beck Jr	Email: berniebeckjr@gmail.com	Zip: 75244
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Representing: Self	Position: Oppose	Submitted: Apr 16, 2024 @ 02:50 PM
<p>Testimony:</p> <p>These rates will triple the property taxes for islands' residents who rely on this income to afford Hawaii's increasing cost of living. Please do force more residents to move off the island.</p> <p>TVU Owners like myself have already paid thousands of dollars in registration related fees. Please don't punish those that have followed the law!!!</p> <p>We cannot afford these higher property tax rates.</p>		
Name: Maria Heh	Email: mariaheh@gmail.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Apr 16, 2024 @ 05:12 PM
<p>Testimony:</p> <p>I MOST STRONGLY OPPOSE THIS FOR THE FOLLOWING REASONS:</p> <p>* These rates will triple the property taxes for islands' residents who rely on this income to afford Hawaii's increasing cost of living. Please do force more residents to move off the island.</p> <p>* Hotels receive over 40% of their income from restaurants, shops and other services. We do not and cannot afford these high property tax rates.</p> <p>*TVU Owners have already paid almost \$2,000 in registration related fees. Please don't punish those that have followed the law.</p> <p>* We accommodate displaced residents, traveling nurses and essential workers that will not have affordable housing options if our property taxes triple and we are forced to sell.</p>		
Name: Per Gunnar Westerdal	Email: perandmelody@gmail.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Apr 16, 2024 @ 05:22 PM
<p>Testimony:</p> <p>Provide reasonable rate for long term user of legal sort term rental.</p>		
Name: Barbara DeBry	Email: barb.debry@gmail.com	Zip: 96731
Representing: Self	Position: Oppose	Submitted: Apr 16, 2024 @ 07:16 PM
<p>Testimony:</p> <p>It seems like they keep changing the tax classifications that have such a deep effect on so many. We have endured so many tax increases...they are driving up the cost of everything in Hawaii. I own a small condo on the North Shore. I have employed many people to help me with our lovely home for 25 years. Without these jobs...these people will be in deep trouble. I have followed every rule and regulation that the Hawaii Dept of Taxation has imposed. The taxes have gone up so much in the past 24 months that it is mind boggling and so hard to understand. Being in the same category and a hotel simply makes no sense. They have bars, golf courses, pools, and entertain very large groups that come to the islands. We offer affordable legal accommodations that are supported wholly by local citizens and provide places for displaced health care workers, family members visiting college students studying in Hawaii - the rates offered for these short rentals are so appreciated and make it affordable for people to come visit. Please don't keep comparing us to hotel properties - who offer rates that are so much higher...Please don't drive us away. Mahalo for your time. Barbara DeBry</p>		
Name: Natalie Iwasa	Email: iwasajunk@mail.com	Zip: 96825
Representing:	Position:	Submitted:

Self	Oppose	Apr 16, 2024 @ 09:35 PM
Name: Bertrand Baud	Email: bbaud@hotmail.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Apr 17, 2024 @ 12:35 AM
<p>Testimony:</p> <p>- Increasing the tax rate unfairly and unreasonably creates incentives for short term rentals to become illegal/unregistered rentals. If the goal is fairness, a better action would be to enforce illegal short term rental instead of punishing legal ones by increasing the tax rates.</p> <p>- 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.</p> <p>- Legal short term rentals are necessary and a service needed by the community. They serve a purpose different from hotels. 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.</p> <p>- 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. Not all of them want to live in a hotel room, but instead need the comfort of a more home-like accomodation.</p>		
Name: Richard Smith	Email: rick.britchsmith@gmail.com	Zip: 96815
Representing: Self	Position: Oppose	Submitted: Apr 17, 2024 @ 08:09 AM
<p>Testimony:</p> <p>I'll sue the State if this passes.</p>		



OSTRA
O'AHU SHORT-TERM
RENTAL ALLIANCE

The City Council of Honolulu

Council Meeting Scheduled: April 17, 2024 10:00 am
City Council Chamber

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

Testimony in Opposition

Aloha Chair Waters, Vice Chair Kia'aina 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.

In the last City Council meeting, Council Member Cordero 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

14th April , 2024

Aloha,

I am writing to oppose Res 024-61

Affordable short-term rentals are needed in Hawaii for displaced residents, newly housed residents, traveling inter-island visitors and others that need more liveable accommodations than just a hotel room. These higher rates will limit affordable furnished temporary housing market for residents and important visitors.

These excessive taxes punish the legal TVUs and reward those that continue to operate illegally.

I am writing in opposition of this bill because short-term rentals are important. A hotel room is not affordable nor liveable to many that have families, need to prepare meals or need more space than one room.

This bill will hurt myself, other Hawaiian residents and important visitors that rely on short-term rentals as temporary, furnished, affordable housing.

Please do not move this bill forward.

Thank you for your consideration.

T Heffernan

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

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 like us 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/NUC certificate. When the carrying cost becomes higher than the possible rental income the loss of units will leave 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.

1. This resolution will make part-time residents like us 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?
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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/NUC certificate. When the carrying cost becomes higher than the possible rental income the loss of units will leave 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

Written Testimony regarding **RES24-061**

Property Taxes do not match what the properties are selling for at 1909 Ala Wai Blvd. We do not understand why there is such a difference.

We own unit 1005 at 1909 Ala Wai Blvd which according to sales on the market are around 270,000 to 340,000 depending on the shape they are in and if they do not have a parking space.

A parking space is worth about 40,000.

We watch the market and the average sales price for a condo like ours which is in ok shape is about \$320,000.

The tax records show our property is worth \$436,400, delta of 116,400 that costs us \$1,532.57 more per year than it should.

We oppose this resolution as we are already paying to high of taxes.

Dan Pearson

Owner

1909 Ala Wai Blvd, unit 1005

Honolulu, Hi

Kelly A. Lee
808-225-0349

Honolulu City Council
Hearing Scheduled: April 17, 2024
Re: Resolution 24-61

Testimony in Strong Opposition

Aloha Chair, Vice Chair & Members of the City Council,

I am writing to express my strong opposition to Resolution 24-61, which proposes to establish the initial Transient Vacation Rental classification property tax rates in the City and County of Honolulu. As a concerned citizen and resident of Oahu, I believe that the proposed tax rates are unreasonably high and unjustified.

While I understand that these suggested rates may have been chosen based on comparisons with Hawaii's neighbor islands, it is important to recognize that Oahu is unique and should be treated as such. Unlike the outer islands, Oahu possesses the most diverse temporary and transitional housing capacity, serving as a vital hub for both residents and visitors alike.

Oahu is home to major medical facilities, including trauma care centers, which cater to critical healthcare needs not only for residents but also for visitors who require immediate medical attention. Additionally, Oahu is currently accommodating a significant number of workers who have temporarily relocated to Hawaii to assist in the rebuilding efforts in Lahaina, Maui. Many of these workers are choosing to stay on Oahu due to its superior infrastructure and more affordable temporary accommodations. They are staying here and flying in and out of Maui daily due Oahu's diverse availability of temporary accommodations based on their individual contractual needs.

It is evident that Oahu's nightly rates for Short-Term Rental (STR) properties are substantially lower than those on the outer islands. Therefore, it would be unfair to impose tax rates on Oahu's STR's based on comparisons with the neighbor islands. Instead, I urge the City Council to consider establishing tax rates that are reflective of the unique economic circumstances and market dynamics on Oahu.

By implementing fair and reasonable tax rates, we can ensure that Oahu remains an attractive destination for visitors while also supporting local businesses and all the temporary housing personnel who contribute to the vibrant economy of our city as well as the neighbor islands who depend on Oahu unique housing solutions. I urge you to carefully reconsider Resolution 24-61 and to prioritize the best interests of Oahu residents and stakeholders.

I strongly believe the focus should be on the fair tax suggestions proposed last year. Taxes will double at the suggested rates. Anything more than 100% increase could put many STR owners and ancillary businesses out of business furthering the exodus of our residents.

Thank you for considering my concerns regarding this matter. There is a solution that is fair and balanced for Oahu's unique housing composition. I trust that you will make a decision that is equitable and beneficial for all parties involved.

Mahalo Nui Loa,

Kelly



You are planning an increase in property taxes for our retirement short term rental. We are Kama'aina and have lived and worked on Oahu for over 54 years.

Five years ago and before you passed ordinance 22-007, our short term rental property was worth 700,000 dollars.

We are in the Turtle Bay area allowed to legally short-term rent. Because we became legal to rent, our property values skyrocketed. A similar property to ours just sold for 2.5 million dollars to an offshore investor.

We used to be able to afford to rent out our place as a Hawaii retirement income source.

Now: the new rates of Tier 1 - 9 dollars and Tier 2 - \$11.50 will cause our property taxes to be:

\$26,750 dollars per year. That is \$2,229 for property taxes a month alone. That, on top of the 4.7% State GET, the 10.25% TAT and the 3.5% City OTAT makes it more reasonable to sell our property to an off-island investor than it does to continue to try to keep working it as a Hawaii Kapuna-owned Short Term Rental.

You have the power to keep our income in Hawaii by either reducing the tax amount or changing the tier levels to reduce the tax. I urge you do so.

Tier 1-800,000 at 9= \$7,200
Tier 2-1,700,000 at 11.50=\$19,550

\$26,750

TO: Members of the Honolulu City Council

FROM: Natalie Iwasa, CPA, CFE
808-395-3233

DATE: Wednesday, April 17, 2024

SUBJECT: Resolution 24-61, Real Property Tax Rates FY 2025
Residential A and B&B Rates - **OPPOSED**

Aloha Chair Waters and Councilmembers,

Thank you for allowing testimony on Resolution 24-61, which sets the real property tax rates for next fiscal year. I oppose the rates for the Residential A and bed and breakfast classifications.

While I appreciate the lower \$4 rate in Tier 1 for Residential A, it is still \$.50 higher than the regular residential rate and increases costs for landlords, who typically pass on those costs to tenants. For the current fiscal year, Residential A properties make up about 10% of total properties on Oahu yet pay almost 18% of the real property taxes (RPT). Contrast that with residential properties, which make up the bulk of Oahu properties at almost 82% yet pay only about 40% of RPT. (See attached table of tax valuations by land use class.)

I also oppose the bed and breakfast rate. B&Bs offer a way for homeowners to make income while still living in their homes. This is beneficial for retirees who would otherwise only be living off social security and other retirement benefits. If it weren't for the ability to rent out part of their homes in this manner, they might not be able to afford to keep their homes.

Rather than continually "punishing" people for owning second homes or renting out a portion of homes they live in, **please make our tax system more equitable**. Labor unions, credit unions, business leagues, for-profit child care centers and others should not get the benefit of tax exemptions and pay only \$300 or \$1,000 per year, especially when their property taxes are subsidized by those in other classes. (See attached table of tax benefit by type of exemption.)

CITY and COUNTY of HONOLULU REAL PROPERTY TAX VALUATION for FISCAL YEAR 2023 - 2024 (In Thousands of Dollars)								
Land Use Class	Gross Valuation As of 1/30/23	Total Exemptions	Net Valuation	50% Of Appeal Value	Number Of Appeals	Valuation For Tax Rate	Tax Rate Per \$1,000 Value	Amounts Raised By Taxation
Residential 248,298	\$ 230,043,577	\$ 31,914,930	\$ 198,128,647	\$ 325,121	1,048	\$ 197,803,526	\$3.50	\$ 692,312
Residential A 81.8%	\$ 46,984,264	\$ 1,455,499	\$ 45,528,765	\$ 145,579	526	\$ 45,383,186	\$	\$ 301,112
Tier 1 29,862						\$ 29,223,862	\$4.00	\$ 116,895
Tier 2 9.9%						\$ 16,159,324	\$11.40	\$ 184,216
Bed/Breakfast Home	\$ -	\$ -	\$ -	\$ -	0	-	\$6.50	\$ -
Commercial 7,085	\$ 28,787,655	\$ 4,558,800	\$ 24,228,854	\$ 782,738	219	\$ 23,446,116	\$12.40	\$ 290,732
Industrial 4,368	\$ 15,731,604	\$ 1,181,475	\$ 14,550,129	\$ 193,557	92	\$ 14,356,571	\$12.40	\$ 178,021
Agricultural 3,107	\$ 1,549,103	\$ 146,816	\$ 1,402,287	\$ 7,671	26	\$ 1,394,616	\$5.70	\$ 7,949
Vacant Agricultural 95	\$ 43,299	\$ 106	\$ 43,193	\$ -	0	\$ 43,193	\$8.50	\$ 367
Preservation 965	\$ 564,630	\$ 67,270	\$ 497,360	\$ 26,062	16	\$ 471,298	\$5.70	\$ 2,686
Hotel/Resort	\$ 18,027,420	\$ 74,571	\$ 17,952,850	\$ 349,382	207	\$ 17,603,467	\$13.90	\$ 244,688
Public Service 9,511 459	\$ 1,333,803	\$ 1,333,803	\$ -	\$ -	0	-	\$0.00	\$ -
TOTAL 303,750	\$ 343,065,354	\$ 40,733,270	\$ 302,332,085	\$ 1,830,111	2,134	\$ 300,501,973	\$	\$ 1,717,868

Note: Valuations do not include nontaxable parcels. Source: Technical Branch, Real Property Assessment Division, Department of Budget and Fiscal Services, City and County of Honolulu.
July 2023

Tax Benefit Provided by Exemptions FY 2023-2024 (Corrected 3/19/2024)

Dollar in thousands

ROH SECTION	EXEMPTION TYPE	COUNT	Total Exempt	Tax Benefit
8-10.3	Home	151,680	\$ 18,258,155	\$ 64,079
8.10.3	In-lieu of home exemption	69	\$ 13,800	\$ 48
8.10.5	Homes of totally disabled veterans	2,743	\$ 2,943,114	\$ 10,306
8-10.6	Persons affected with Hansen's	2	\$ 50	\$ -
8-10.7	Persons totally disabled	1,439	\$ 35,975	\$ 128
8-10.7	Persons with impaired hearing	69	\$ 1,725	\$ 6
8-10.7	Persons with impaired sight	192	\$ 4,775	\$ 17
8-10.17	Low-income rental housing	311	\$ 3,554,551	\$ 20,141
8-10.33	Affordable Rental Dwelling Units	78	\$ 31,164	\$ 109
8-10.33	Affordable Rental Housing Units (Project)	1	\$ 3,892	\$ 14
8-10.34	During Construction Affordable Dwelling or Rental Housing Units	0	\$ -	\$ -
8-10.12	Renewable energy	46	\$ 436,274	\$ 5,410
8-10.24	Public utilities	477	\$ 1,390,313	\$ 593
8-10.19	Historic residential real property dedicated for preservation	414	\$ 925,907	\$ 3,883
8-10.27	Historic commercial real property dedicated for preservation	15	\$ 48,241	\$ 598
8-10.10	Crop shelters	19	\$ 2,277	\$ 13
8-10.22	Slaughterhouses	1	\$ 2,488	\$ 14
8-10.28	Qualifying Agricultural Improvements on vacant dedicated land	0	\$ -	\$ -
8-10.21	Credit union	94	\$ 286,829	\$ 3,550
8-10.30	For-profit child care centers	7	\$ 17,874	\$ 222
8-10.31	Industrial Central Kakaako zone 50% limited development	46	\$ 58,026	\$ 720
8-10.20	Hawaiian home land lease	3,960	\$ 3,387,845	\$ 11,888
8-10.20	Hawaiian home 7 year lease	44	\$ 37,896	\$ 137
8-10.29	Kuleana land	52	\$ 60,241	\$ 265
8-10.9	Charitable purposes (church)	887	\$ 3,065,998	\$ 19,535
8-10.9	Charitable purposes (hospital and nursing homes)	142	\$ 1,371,777	\$ 16,132
8-10.9	Charitable purposes (schools)	142	\$ 1,484,972	\$ 6,957
8-10.9	Charitable purposes (cemeteries)	42	\$ 55,404	\$ 288
8-10.9	Charitable purposes (non-profit group child care centers)	9	\$ 37,111	\$ 301
8-10.9	Non-profit Organization Note 1	936	\$ 3,206,886	\$ 25,986
8-10.11	Open Spaces/Landscaping Dedication (lands in urban districts)	6	\$ 23,586	\$ 86
8-10.23	Qualifying Construction Work sunset on June 30, 2003.	0	\$ -	\$ -
Total Excludes Roadways, Government, HHL-Fee Simple, and Setback		163,923	40,747,146	191,426

[Note 1:](#) This group includes many types of nonprofits that do not fall under the 501(c)(3) umbrella. Please ask BFS to provide a breakdown of these properties, so informed decisions can be made.

Tax Benefit Provided by Exemptions FY 2023-2024 (Corrected 3/19/2024)

Dollar in thousands

ROH SECTION	ROADWAYS, GOVERNMENT, HHL-FEE SIMPLE, SETBACK	COUNT	Total Exempt	Tax Benefit
8-10.9	Charitable purposes (roadway & waterway)	3101	\$ 27,355	\$ 175
8-10.14	State Fee-Public Property	3707	\$ 18,268,665	\$ 155,717
8-10.14	Federal Fee-Public Property	433	\$ 13,392,956	\$ 99,758
8-10.14	County Fee-Public Property	2335	\$ 8,652,280	\$ 66,904
8-10.14	Hawaiian home land fee	325	\$ 1,109,908	\$ 7,934
8-10.14	Civil Condemnation	25	\$ 45,805	\$ 406
8-10.14	Consulates	30	\$ 53,295	\$ 187
8-10.14	Setback	1	\$ 687	\$ 9
Roadways, Government, HHL-Fee Simple, and Setback		9,957	41,550,951	331,090
TOTAL ALL EXEMPTIONS		173,880	82,298,097	522,516