

OFFICE OF HOUSING
KE KE'ENA HO'OLĀLĀ KŪKULA HALE
CITY AND COUNTY OF HONOLULU

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August 7, 2024

2024-HOU-039

The Honorable Tommy Waters
Chair and Presiding Officer
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawai'i 96813

Dear Chair Waters and Councilmembers:

SUBJECT: Support for the Intent of Bill 46 (2024) – Relating to
the Taxation of Vacant Residential Properties

The Office of Housing (HOU) **supports the intent** of Bill 46 (2024), and agrees with the need to make more units available for long-term rent as well as increase the number of owner-occupied units on O'ahu. Regulatory reform is part of the Office's strategy to address our long-standing housing crisis and we support the Council's efforts to prioritize housing for O'ahu's residents. According to DBEDT's Housing Demand Report, there are approximately 34,250 vacant units on O'ahu.¹ This bill could help address our housing supply issue by creating an empty homes tax that would be levied upon residential properties left vacant for more than six months per year.

We understand that BFS recently awarded a contract to conduct a study on empty homes tax programs and outline the steps involved so we would defer to them for comments on implementation.

Thank you for the opportunity to provide testimony on this matter.

Very truly yours,

Denise Iseri-Matsubara
Executive Director

APPROVED:

Michael D. Formby
Managing Director

¹ Department of Business, Economic Development and Tourism (March 2024) *Hawai'i Housing Demand: 2025-2035*.
https://files.hawaii.gov/dbedt/economic/reports/hawaii_housing_demand_2024_final.pdf