

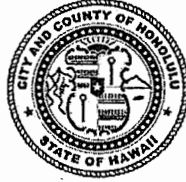
DEPARTMENT OF BUDGET AND FISCAL SERVICES

KA 'OIHANA MĀLAMA MO'OHELU A KĀLĀ

CITY AND COUNTY OF HONOLULU

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August 20, 2024

The Honorable Matt Weyer, Chair
and Members
Committee on Housing, Sustainability and Health
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

Dear Chair Weyer and Councilmembers:

SUBJECT: Bill 48 (2024) - Relating to Real Property Dedicated as a Long-Term Residential Rental

The Department of Budget and Fiscal Services (BFS) has concerns regarding Bill 48 (2024) which seeks to dedicate City and County of Honolulu ("City") real property that is classified as Residential A to the Residential class. Our concerns are as follows:

- This proposal will likely result in financial uncertainty and hardship on the City's effort to provide vital services across the island by potentially reducing the City's revenue by a significant amount. Based on the projected revenue of eligible Residential A parcels of approximately 27,500, this bill could possibly cause a revenue loss in excess of \$135 million each tax year.
- With over 27,000 potential dedications for long-term residential rentals, the BFS will need to hire additional staff to ensure program integrity. BFS is already short staffed and does not have the personnel or resources to properly implement and maintain this program.
- It is unclear who benefits from this bill as there is no assurance that the financial support under this measure will be passed down from property owner to tenant.

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Accordingly, we respectfully urge Councilmembers to consider and evaluate BFS' concerns before moving Bill 48 (2024) forward.

Thank you for the opportunity to provide testimony on this bill. Please contact me at (808) 768-3901, if you any questions or need clarification.

Sincerely,



Andrew T. Kawano
Director

APPROVED:



Michael D. Formby
Managing Director