

BILL046(24)

Testimony

MISC. COMM. 422

HOUSING, SUSTAINABILITY AND HEALTH (HSH)

HOUSING, SUSTAINABILITY AND HEALTH (HSH)
Meeting

Meeting Date: Sep 25, 2024 @ 02:30 PM

Support: 128

Oppose: 20

I wish to comment: 16

Name:	Email:	Zip:
Joanna Luong	jojo.rn16@gmail.com	96707
Representing:	Position:	Submitted:
OSTRA	Support	Sep 20, 2024 @ 12:21 PM
Testimony: I am a current owner of a 30 day rental property, we have hosted many locals and workers in the hotel industry over the last year. Our townhome is located in Koolina Resorts, we often get requests from locals. I believe our property can provide a comfortable stay and home, while allowing affordable housing in that area.		
Name:	Email:	Zip:
Elizabeth Daly	thedachtlers@gmail.com	94920
Representing:	Position:	Submitted:
Self	Support	Sep 20, 2024 @ 12:30 PM
Testimony: I support the proposed CD1 which allows multiple rentals to be included in the minimum of 6 months. This ensures that mid-term rentals, or 30 day rentals are not taxed as empty homes.		
Name:	Email:	Zip:
Marilyn Radzat	marilynradzat@gmail.com	96731-2107
Representing:	Position:	Submitted:
Self	Support	Sep 20, 2024 @ 01:14 PM
Testimony: In support of CD1.....We are an older couple living here over the past 26 years. Vacation renting our property property several times a year, on a 30 day basis allows us the the income to pay our property taxes, keep the property repaired and to employ a manager, a cleaning service, a gardener and a handy man, thus supporting our community....along with paying TAT & GET taxes to the state. This works for us, for the people with cleaning services and handyman services and provides money to the state. Mahalo Marilyn Radzat		
Name:	Email:	Zip:
Angela Lopes	Kealakauihoni71@gmail.com	96795
Representing:	Position:	Submitted:
Self	Support	Sep 20, 2024 @ 01:23 PM
Testimony: Our island requires more housing for residents. While constructing new housing is the primary solution, permitting the ongoing increase of "empty" homes is not advisable. I endorse the proposed CD1, which permits multiple rentals for a minimum of six months, ensuring that mid-term rentals of 30 days or more are not taxed as empty homes.		

Name:	Email:	Zip:
Kathleen Ochsenbein	dhcondos@gmail.com	96792
Representing:	Position:	Submitted:
Self	Support	Sep 20, 2024 @ 02:08 PM
Testimony: I support CD1 if this version. It is very important that we have housing on the island that can be rented for less than 6 months. This has already been established multiple times. Military, students, traveling nurses, insurance housing, medical housing for pateints, etc, all require less than 6 month contracts.		
Name:	Email:	Zip:
Mark Sikorski	msikorski1959@gmail.com	80908
Representing:	Position:	Submitted:
Self	Support	Sep 20, 2024 @ 02:37 PM
Testimony: Zillow and MLS show approximately 9,500 furnished, monthly rentals on our island. Events like the Red Hill Crisis and Maui Wildfires require that our islands have temporary, furnished housing for our residents. Without monthly rentals, returning residents will have no affordable options. The newly housed or job/ credit insecure will have no housing options. Our healthcare systems will collapse without accommodations for traveling nurses. The military, universities, film and sporting industries all rely on monthly rentals. We cannot afford to eliminate this vital housing segment through excessive taxation.		
Name:	Email:	Zip:
Colleen Mehrer	colleen.mehrer@gmail.com	96707
Representing:	Position:	Submitted:
Self	Oppose	Sep 20, 2024 @ 03:09 PM
Testimony: This bill will not solve the housing problem, just create more bureaucracy and unfairly tax homeowners who may not reside here full time, but are never-the-less part of our communities.		
Name:	Email:	Zip:
Claudia Parker	cparker@parkerlawgroup.com	96789
Representing:	Position:	Submitted:
Self	Support	Sep 20, 2024 @ 03:22 PM
Testimony: My husband and I are returning Kamaaina, born and raised in Hawaii. After living 38 years on the mainland while I went to school and then had a career, we came home in 2020. As kupuna who bought our Mokuleia condo in 1990 so we would have someplace to come home to with our kids every year so that they would get to know and love our home and their second home, we have worked long and hard to keep our Mokuleia condo while taxes and maintenance fees are ever		

increasing (especially since insurance costs are skyrocketing for all condos in Hawaii due to the many catastrophes including wildfires in Lahaina and other wildfires and floods throughout the US). We live in Mililani, but keep our Mokuleia condo so that we can have that open for ourselves and also for our family and friends who come from the mainland so they can stay near us for weeks or a month at a time. They can't afford the incredibly high rates in Waikiki and with kids, not having a kitchen in a hotel room is inefficient and expensive. We are already taxed as a Res A rate because our Mokuleia condo is not our primary residence, and to be further taxed at a higher rate because we choose to keep our hard earned Mokuleia condo for ourselves, our friends and family is patently unfair. This condo is considered one bedroom, but it's more like a studio with no walls between the bedroom area and living area/kitchen. Plus there is only one parking stall and it is not on the bus line or close to shopping or other amenities. It's not probable that a family would want to rent this place, and as stated, we need to keep this place open for ourselves, our visiting mainland children, grandchildren and friends. Why should we be forced to rent our property out due to being penalized by the "empty homes" tax. Our place is far from empty, we enjoy it weekly, as do our friends and family.

Further,

- Our island needs more housing for our residents. Although building housing is #1 solution, it does not make sense to allow the continued growth of "empty" homes, if they are truly empty.
- I support the proposed CD1 which allows multiple rentals to be included in the minimum of 6 months. This ensures that mid-term rentals, or 30 day rentals are not taxed as empty homes.
- Zillow and MLS show approximately 9,500 furnished, monthly rentals on our island. Events like the Red Hill Crisis and Maui Wildfires require that our islands have temporary, furnished housing for our residents. Without monthly rentals, returning residents will have no affordable options. The newly housed or job/ credit insecure will have no housing options. Our healthcare systems will collapse without accommodations for traveling nurses. The military, universities, film and sporting industries all rely on monthly rentals. We have rented our place to visiting contractors working on the military communications facilities up on the mountains above Mokuleia.

We cannot afford to eliminate this vital housing segment through excessive taxation.

Further, we urge any amendments to this bill that would eliminate penalizing us kupuna for scrimping and saving to buy and maintain our second property that we use on a weekly basis and that our children, grandchildren, friends and other family enjoy throughout the year. This isn't "empty" although it's not our primary residence and we should not be penalized and taxed to oblivion.

Name: kathi white	Email: etoile@hawaii.rr.com	Zip: 96712
Representing:	Position:	Submitted:

Self	Support	Sep 20, 2024 @ 03:36 PM
Testimony: Please support Bill 46 CD1 allowing multiple rentals to be included in the minimum of 6 months.		
Name:	Email:	Zip:
James Lewis	jelhawaii@yahoo.com	96712
Representing:	Position:	Submitted:
Self	Support	Sep 20, 2024 @ 05:40 PM
Testimony: Aloha, Midterm rentals are desperately needed on Oahu (the Gathering Place) Further taxing homeowners will just make housing even more unaffordable. To increase the available housing stock on Oahu and keep pricing down, the bureaucratic red tape involved in trying to build a home must be addressed. The DPP not being able to provide building permits in a timely manner is having a big impact in lack of new homes. Fix the problem at the root---Make it possible to obtain a building permit and start construction in 3 to a maximum of 6 months.		
Name:	Email:	Zip:
Eileen Meuris	emmeuris@gmail.com	96707
Representing:	Position:	Submitted:
Self	I wish to comment	Sep 20, 2024 @ 05:58 PM
Testimony: I oppose this bill as it will not actually help the housing crisis in Hawaii. The people of Hawaii need diverse affordable housing options. This bill will exacerbate inequality by forcing current owners of vacation properties to sell their housing to people who can afford excessive taxation to keep their units vacant, thereby depriving local businesses, charities and churches of income from part-time residents. Developments such as Ko Olina and Turtle Bay were always intended to be vacation and tourist destinations and should be exempted from this type of law.		
Name:	Email:	Zip:
Johnnie-Mae Perry	waianaenb569@gmail.com	96792
Representing:	Position:	Submitted:
Self	Support	Sep 20, 2024 @ 07:33 PM
Testimony: Support Bill 46, many units sits empty at Makaha Towers located Makaha, O'ahu, Hawai'i		
Name:	Email:	Zip:
Ellen Godbey Carson	egcarson@icloud.com	96814

Representing: Church of the Crossroads (Honolulu)	Position: Support	Submitted: Sep 20, 2024 @ 10:22 PM
Name: Ellen Godbey Carson	Email: egcarson@icloud.com	Zip: 96814
Representing: Self	Position: Support	Submitted: Sep 20, 2024 @ 10:25 PM
Name: Kate Bliss	Email: katebliss@hotmail.com	Zip: 96816
Representing: Self	Position: Support	Submitted: Sep 21, 2024 @ 12:27 AM
Testimony: Our island needs more housing for our residents. Although building housing is #1 solution, it does not make sense to allow the continued growth of "empty" homes. I support the proposed CD1 which allows multiple rentals to be included in the minimum of 6 months. This ensures that mid-term rentals, or 30 day rentals are not taxed as empty homes. Zillow and MLS show approximately 9,500 furnished, monthly rentals on our island. Events like the Red Hill Crisis and Maui Wildfires require that our islands have temporary, furnished housing for our residents. Without monthly rentals, returning residents will have no affordable options. The newly housed or job/ credit insecure will have no housing options. Our healthcare systems will collapse without accommodations for traveling nurses. The military, universities, film and sporting industries all rely on monthly rentals. We cannot afford to eliminate this vital housing segment through excessive taxation.		
Name: LILLIE MCAFEE	Email: lilliemcafee@gmail.com	Zip: 96792
Representing: Self	Position: Support	Submitted: Sep 21, 2024 @ 01:14 AM
Testimony: I support the proposed CD1 which allows multiple rentals to be included in the minimum of 6 months. This ensures that mid-term rentals, or 30 day rentals are not taxed as empty homes.		
Name: Don Maxwell	Email: donmaxwell2@gmail.com	Zip: 96792
Representing: Self	Position: Support	Submitted: Sep 21, 2024 @ 02:38 AM
Testimony:		

Our island needs more housing for our residents. Although building housing is #1 solution, it does not make sense to allow the continued growth of "empty" homes.

I support the proposed CD1 which allows multiple rentals to be included in the minimum of 6 months. This ensures that mid-term rentals, or 30 day rentals are not taxed as empty homes.

Name: Mike Jackson	Email: mikejacksonatlarge@gmail.com	Zip: 96792
Representing: Self	Position: Support	Submitted: Sep 21, 2024 @ 02:42 AM

Testimony:

Our island needs more housing for our residents. Although building housing is #1 solution, it does not make sense to allow the continued growth of "empty" homes.

I support the proposed CD1 which allows multiple rentals to be included in the minimum of 6 months. This ensures that mid-term rentals, or 30 day rentals are not taxed as empty homes.

Name: Kevin Johnson	Email: kjddrp@earthlink.net	Zip: 96707
Representing: Self	Position: Support	Submitted: Sep 21, 2024 @ 05:37 AM

Testimony:

As a resident of a condominium complex on Oahu, I wish to strongly voice my SUPPORT of Bill 46. I believe it addresses a number of issues affecting our county.

First and foremost is the lack of finances to adequately address the myriad of challenges facing a county of our size.

Everyone loves to cry for low taxes but they come at a cost. Burgeoning crime, infrastructure negligence and inadequate social services are but a few of the consequence of poor funding.

Second, is the growing burden that short-term rentals are placing on our neighborhoods. Even in a neighborhood such as mine which limits rentals to 30 days, loopholes and lack of enforcement (again, due to inadequate financing) result in weekly rentals. My building of has gone from 75% owner-occupied to less than 40% in the short time I have lived here. These people have no incentive to follow association rules, cause traffic congestion and generally tend to be poor neighbors.

Finally, there is a level of sustainable tourism that Oahu can maintain. Any effort to increase what visitors must pay (taxes will be passed on to the consumer) will ultimately lead to a balancing of what current services can provide.

I sincerely appreciate what is trying to be accomplished with Bill 46 and again, voice my SUPPORT.

Name: Terence Tang	Email: terence.tang@gmail.com	Zip: 96825
Representing:	Position:	Submitted:

Self	Oppose	Sep 21, 2024 @ 07:51 AM
Testimony: Aloha Chair and members of the committee, I respectfully submit testimony in opposition to the proposed empty homes tax. This tax unfairly targets property owners and will do little to address the core issue of housing affordability in Hawaii. Penalizing property owners with vacant homes, many of whom may have legitimate reasons for the vacancies, creates an unnecessary financial burden and may discourage future investments in local housing. I personally have a long term tenant in an investment property. Instead of imposing punitive taxes, I urge the committee to consider more effective solutions that focus on the real barriers to affordable housing in the state. For instance, addressing Hawaii's restrictive zoning laws and complex regulatory hurdles would do more to encourage the development of housing that could meet the needs of local residents. These structural changes would promote sustainable growth without infringing on property rights. Furthermore, the empty homes tax could have unintended consequences, such as reducing the availability of long-term rentals, further exacerbating the housing shortage. Property owners may choose to avoid taxation by using their homes for short-term rentals, which would drive up housing prices and reduce the stock of long-term housing for local residents. This is counterproductive to the stated goal of improving housing availability. In conclusion, I believe that Hawaii should focus on removing barriers to development and promoting policies that encourage housing production. These are the long-term solutions to the housing crisis. The empty homes tax is a reactive and punitive measure that will not address the underlying challenges and may worsen the situation. Mahalo for your time and consideration.		
Name:	Email:	Zip:
Carin Case	carinhcase@aol.com	96822
Representing:	Position:	Submitted:
Self	Support	Sep 21, 2024 @ 09:01 AM
Testimony: Our family supports Bill 46 CD1. Zillow and MLS show approximately 9500 furnished monthly rentals on our island. Events like the Red Hill crisis and Maui wildfires require that our islands have temporary furnished housing for our residents. Without monthly rentals, returning residents will have no affordable options and the newly housed or job/credit insecure will have no housing options. Our healthcare systems will collapse without accommodations for traveling nurses. The military, universities, film and sporting industries all rely on monthly rentals. We cannot afford to eliminate this vital housing segment through excessive taxation.		

Let's get this right!

The Case 'Ohana

Name: Kathie Schmid	Email: kathie@captaincookresorts.com	Zip: 96818
Representing: Self	Position: Support	Submitted: Sep 21, 2024 @ 10:15 AM

Testimony:

Aloha,

I support the proposed Chair Weyer's CD1 but ask that Vice Chair Kia'aina's language regarding exemption be included: "dwelling unit that is physically occupied by the owner, renter or other permitted occupant of the property for an aggregate total of six months or more in the tax year".

I do NOT support the original bill as it would consider mid and short-term rentals "empty". Our rentals are not empty and provide important accommodation options to our residents and visitors.

Zillow and MLS show approximately 9,500 furnished, monthly rentals on our island. Events like the Red Hill Crisis and Maui Wildfires require that our islands have temporary, furnished housing for our residents. Without monthly rentals, returning residents will have no affordable options. The newly housed or job/ credit insecure will have no housing options. Our healthcare systems will collapse without accommodations for traveling nurses. The military, universities, film and sporting industries all rely on monthly rentals. We cannot afford to eliminate this vital housing segment through excessive taxation.

Name: Elizabeth Daly	Email: thedachtlers@gmail.com	Zip: 94920
Representing: Self	Position: Support	Submitted: Sep 21, 2024 @ 10:16 AM

Testimony:

I support the proposed Chair Weyer's CD1 but ask that Vice Chair Kia'aina's language regarding exemption be included: "dwelling unit that is physically occupied by the owner, renter or other permitted occupant of the property for an aggregate total of six months or more in the tax year".

I do NOT support the original bill as it would consider mid and short-term rentals "empty". Our rentals are not empty and provide important accommodation options to our residents and visitors.

Name: Harold Arnold	Email: halarnold2000@yahoo.com	Zip: 96795
Representing:	Position:	Submitted:

Self	Support	Sep 21, 2024 @ 10:25 AM
Testimony: I vigorously support for Bill 46 Chair Weyer's CD1 with the addition of Bill 46 Vice Chair Kia'aina's CD1 proposed language regarding rental exemption. Moreover, I do NOT support the original bill. Our island needs more housing for our residents. Although building housing is #1 solution, it does not make sense to allow the continued growth of "empty" homes. I support the proposed Chair Weyer's CD1 but ask that Vice Chair Kia'aina's language regarding exemption be included: "dwelling unit that is physically occupied by the owner, renter or other permitted occupant of the property for an aggregate total of six months or more in the tax year". I do NOT support the original bill as it would consider mid and short-term rentals "empty". Our rentals are not empty and provide important accommodation options to our residents and visitors. Zillow and MLS show approximately 9,500 furnished, monthly rentals on our island. Events like the Red Hill Crisis and Maui Wildfires require that our islands have temporary, furnished housing for our residents. Without monthly rentals, returning residents will have no affordable options. The newly housed or job/ credit insecure will have no housing options. Our healthcare systems will collapse without accommodations for traveling nurses. The military, universities, film and sporting industries all rely on monthly rentals. We cannot afford to eliminate this vital housing segment through excessive taxation. Thanks for your consideration, Hal Arnold, Waimanalo		
Name:	Email:	Zip:
Michael Heh	mikeheh100@gmail.com	96731
Representing:	Position:	Submitted:
Self	Support	Sep 21, 2024 @ 10:27 AM
Testimony: I strongly support the proposed CD1 which allows multiple rentals to be included in the minimum of 6 months. This ensures that mid-term rentals, or 30 day rentals are not taxed as empty homes. Zillow and MLS show approximately 9,500 furnished, monthly rentals on our island. Events like the Red Hill Crisis and Maui Wildfires require that our islands have temporary, furnished housing for our residents. Without monthly rentals, returning residents will have no affordable options. The newly housed or job/ credit insecure will have no housing		

options. Our healthcare systems will collapse without accommodations for traveling nurses. The military, universities, film and sporting industries all rely on monthly rentals. We cannot afford to eliminate this vital housing segment through excessive taxation.

PLEASE Do the right thing and make Bill 46 law!

Mike Heh

Name: Robert Griffith	Email: lagosbob@yahoo.com	Zip: 96815
Representing: Self	Position: Support	Submitted: Sep 21, 2024 @ 10:28 AM

Testimony:

I would like to submit comments regarding BILL 46 (24).

I support the proposed Chair Weyer’s CD1 but ask that Vice Chair Kia’aina’s language regarding exemption be included: “dwelling unit that is physically occupied by the owner, renter or other permitted occupant of the property for an aggregate total of six months or more in the tax year”.

I do NOT support the original bill as it would consider mid and short-term rentals “empty”. Our rentals are not empty and provide important accommodation options to our residents and visitors.

The accommodations for traveling nurses, military, universities, film and sporting industries all rely on monthly rentals as well as local residents needing accommodation for personal needs. We cannot afford to eliminate this vital housing segment through excessive taxation.

Robert Griffith
2140 Kuhio, #2402
Honolulu HI 96815

Name: Charles Stark	Email: cstark@sonic.net	Zip: 96825
Representing: Self	Position: Support	Submitted: Sep 21, 2024 @ 10:28 AM

Testimony:

Our island needs more housing for our residents. Although building housing is #1 solution, it does not make sense to allow the continued growth of “empty” homes.

I do not support the original bill, but I support the proposed Chair Weyer’s CD1 but ask that Vice Chair Kia’aina’s language regarding exemption be included: “dwelling unit that is physically occupied by the owner, renter or other permitted occupant of the property for an aggregate total of six months or more in the tax year”.

I do NOT support the original bill as it would consider mid and short-term rentals “empty”. Our rentals are not empty and provide important accommodation options to our residents and visitors.

Zillow and MLS show approximately 9,500 furnished, monthly rentals on our island. Events like the Red Hill Crisis and Maui Wildfires require that our islands have temporary, furnished housing for our residents. Without monthly rentals, returning residents will have no affordable options. The newly housed or job/ credit insecure will have no housing options. Our healthcare systems will collapse without accommodations for traveling nurses. The military, universities, film and sporting industries all rely on monthly rentals. We cannot afford to eliminate this vital housing segment through excessive taxation.

Name: Levi Brooker	Email: levibrooker@gmail.com	Zip: 96707
Representing: Self	Position: Support	Submitted: Sep 21, 2024 @ 10:29 AM

Testimony:

While I was not supportive of the initial bill, I do support Chair Weyer’s CD1. However, it should also incorporate the additional exemption language from Vice Chair Kia’aina’s version (requiring permitted occupancy for at least half of the year).

Our home in Ko Olina’s property taxes have already TRIPLED in the past 2 years due to the Residential A classification, and as a legal 30-day rental, we also pay the state and county almost 18% in GET/TAT/OTAT on all GROSS rental income. Our home is either occupied by my family or legally rented on a 30+ day basis nearly every month of the year, so to classify it as an empty home is not accurate or fair, nor is it to blame for the housing crisis. Oahu has effectively stamped out nearly all short term housing at this point, and the remaining handful of legal 30-day rentals in Ko Olina are necessary to serve the island’s genuine need for short term housing, in addition to stimulating the local economy.

In summary, we are already paying more than our fair share of taxes and, despite not even breaking even on the investment due to said taxes, we are also serving a purpose in the community as opposed to just holding housing offline for private enjoyment. I am appreciative of CD1’s acknowledgment of these facts via the proposed exemption, and am thus supportive of Chair Weyer’s CD1 version of the bill at this point (with Vice Chair Kia’aina’s support exemption language included).

Name:	Email:	Zip:
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Kelly Lee	kellyreports@gmail.com	96734
Representing: OSTRA - Oahu Short Term Rental Alliance	Position: Support	Submitted: Sep 21, 2024 @ 11:22 AM
Name: David Whitegon	Email: seajoycego@gmail.com	Zip: 92651
Representing: Self	Position: Support	Submitted: Sep 21, 2024 @ 11:53 AM
Testimony: We support Bill 46MWCD1 with the addition of Bill 46EKCD1 proposed language regarding rental exemption . We do NOT support the original bill. I support the proposed Chair Kia'aina's language regarding exemption be included : "dwelling unit that is physically occupied by the owner, renter for other permitted occupant of the property for an aggregate total of six months or more in the tax year". I do NOT support the original bill because it would consider mid and short -term rentals "empty". Said rentals are not empty and provide important accommodation options to our residents and visitors.		
Name: Nahono Bayne	Email: aloha808222@gmail.com	Zip: 96701
Representing: Self	Position: I wish to comment	Submitted: Sep 21, 2024 @ 11:32 PM
Testimony: In markets like Hawaii, some investors buy properties with no intention of living or renting them out, hoping to sell them at a higher price. This speculation drives up property values, making it harder for locals to afford a home. An empty housing bill should be aiming to ensure that the housing market serves the needs of the local population, rather than being dominated by absentee owners and speculators. This will help more people in Hawaii secure affordable housing and reduce homelessness. Why do locals need to suffer and have no home because money is more important than human beings.		
Name: RUSSELL KEKUEWA	Email: hmr@usa.net	Zip: 96814
Representing: Self	Position: Support	Submitted: Sep 21, 2024 @ 11:40 PM
Testimony: Our island needs more housing for our residents. Although building housing is #1 solution, it does not make sense to allow the continued growth of "empty" homes. I support the proposed Chair Weyer's CD1 but ask that Vice Chair Kia'aina's language regarding exemption be included: "dwelling unit that is physically occupied by the owner, renter or other permitted occupant of the property for an		

aggregate total of six months or more in the tax year".

I do NOT support the original bill as it would consider mid and short-term rentals "empty". Our rentals are not empty and provide important accommodation options to our residents and visitors.

Zillow and MLS show approximately 9,500 furnished, monthly rentals on our island. Events like the Red Hill Crisis and Maui Wildfires require that our islands have temporary, furnished housing for our residents. Without monthly rentals, returning residents will have no affordable options. The newly housed or job/ credit insecure will have no housing options. Our healthcare systems will collapse without accommodations for traveling nurses. The military, universities, film and sporting industries all rely on monthly rentals. We cannot afford to eliminate this vital housing segment through excessive taxation.

Name: Glenn Shepard	Email: sda888ajs@icloud.com	Zip: 96815
Representing: Self	Position: Support	Submitted: Sep 22, 2024 @ 05:03 AM

Testimony:

I support the revised bill CD1 that allows units being used by renters and owners occupying the dwelling 6 months or more per year. I do not support the original bill proposed.

I agree we need more affordable housing for all local residents but penalizing investors and second homes owners more than the existing penalty of double property taxation starts to affect the interests of investing in Hawaii. If all Californians and Oregonians and Japanese stop investing in Hawaii what does that solve? A better path is to have the federal government assist Hawaii in building affordable units. There are plenty of empty parcels of land that can be developed and have sat empty for years. Those are the property owners that the council should be going after. You are already double taxing us home owners please do not try to triple tax us.

Sincerely

Glenn AJ Shepard

PS the original bill mentions that the medium SFR home are over a \$1,000,000. According to my research a SFR home medium is \$725 and a Condo medium is \$500,000.

Name: Lisa Vlachakis	Email: lisaleach32@hotmail.com	Zip: 96706
Representing: Self	Position: Support	Submitted: Sep 22, 2024 @ 06:40 AM

Testimony:

I support the proposed Chair Weyer's CD1 but ask that Vice Chair Kia'aina's language regarding exemption be included:

"dwelling unit that is physically occupied by the owner, renter or other permitted occupant of the property for an aggregate total of six months or more in the tax year". Rentals are not empty, but have vacancies, and provide necessary accommodation options to residents and visitors.

Name:

roger epstein

Email:

repstein10@gmail.com

Zip:

96821

Representing:

Self

Position:

Support

Submitted:

Sep 22, 2024 @ 10:03 AM

Testimony:

Too much of our precious limited housing units are owned by people barely using them. That limits available rentals and drives housing prices higher. It's only fair that these owners add additional tax revenue to offset these costs to our community, as this bill proposes. Mahalo for considering my opinion.

Name:

david derauf

Email:

derauf@hawaii.edu

Zip:

96816

Representing:

Self

Position:

Support

Submitted:

Sep 22, 2024 @ 10:28 AM

Testimony:

Dear Council Members:

No issue is as important to the health of our community at this time as solving the housing CRISIS. We can afford to delay no longer.

Our most promising youth are leaving this state to find a place they can afford to love while housing gets gobbled up by offshore investors. This is NOT pono.

Please act now and pass this bill as one small measure to improve this situation!

Mahalo for your leadership on this crucial issue.

David Derauf MD MPH

Name:

Kaiula Jack

Email:

kai@aliibeachrentals.com

Zip:

96825

Representing:

Self

Position:

Support

Submitted:

Sep 22, 2024 @ 11:11 AM

Testimony:

I do agree that empty homes should be taxed at a higher rate, but I did not support this proposed Bill in it's original form, because it didn't make sense that legal mid and short term rentals would still be considered as "empty" even though the property physically was being occupied. You can't consider a property empty if it is occupied, right?

Mid term and short term rentals provide a valuable housing option for the many traveling nurses, doctors, professionals, and local people coming back to Hawaii to visit their loved ones and friends, so these types of rentals have great value and should not be penalized by way of higher property taxes.

I support Chair Weyer’s CD1 but may I suggest we add Chair Kia’aina’s following language regarding exemption: “dwelling unit that is physically occupied by the owner, renter or other permitted occupant of the property for an aggregate total of six months or more in the tax year”. This makes much more sense to me.

In summary... yes I do agree that empty homes should be taxed at a higher rate!! But homes that are rented as legal mid and short term rentals are a legitimate an important rental option for our community and should not be considered "empty" homes.

Mahalo for all your hard work, valued time, and important consideration.

Aloha
Kaiula Jack

Name:	Email:	Zip:
Claire and Pieter Van Wingerden	clairevw@aol.com	98075
Representing:	Position:	Submitted:
Self	Oppose	Sep 22, 2024 @ 11:56 AM

Testimony:

While we understand and approve the goal of increasing affordable housing for Oahu's residents, we question whether this bill will solve the issue of affordable housing. The CD Howe Institute reported on a similar housing bill implemented in Vancouver: "We show that the tax effectively reduced the number of empty homes without impacting new housing construction. However, it did not affect average rent. This shows that while the tax improved housing availability, it did not address affordability, indicating a need for further measures to address the wider housing crisis. C.D. Howe Institute August 1, 2024." Many homes in Honolulu County which are not occupied year-round are at a selling price level and monthly rent level which are not considered and affordable for many individuals. Concern has also been raised about the following issues: the administrative cost that would come with this tax; the need for fewer restrictions on home building in Hawaii to incentivize the construction of new homes; and the need to consider other, more effective measures to address the housing need, such as the requirement that new apartment buildings reserve a certain number of units for low-rent housing. Thank you for the opportunity to submit our comments.

Name:	Email:	Zip:
Lori Jakubowski	lorij246@gmail.com	89705
Representing:	Position:	Submitted:
Self	Support	Sep 22, 2024 @ 03:58 PM

Testimony:

I support CD1. Do not vote to tax 30 day rentals as a vacant property.

We rent our condo for 30 days or more, to teachers who teach dummer school at Punahoe and construction workers who have come to work from the mainland. Also to tourists. We have family staying there on vacation and we allow our neighbors to use the property when family comes to visit so everyone has a bed.

It is seldom vacant, but taxing us for 30 day rentals will make our ownership cost prohibitive.

Support CD 1

Name:

Kevin Dieffenbach

Email:

kdmd3@msn.com

Zip:

96817

Representing:

Self

Position:

Support

Submitted:

Sep 22, 2024 @ 04:51 PM

Testimony:

Aloha,

As a >30 resident owner on Oahu, I have also owned a rental unit in Ko'Olina for 25 years. It has primarily been used as mid/long-term rental, but with gaps used for vacationers, as well as ourselves and extended family/friends.

Renters have included Military, Teachers, Health Care workers, Clergy, LPGA[pro women golfers] and transitional families moving to/from Hawaii. I have always paid the required Income tax/GET/TAT. The income has helped pay for our 2 children's college tuition.

Ko'Olina is a designated Resort area; it was not planned or primarily utilized as a long-term rental for island residents. Our island needs more housing for our residents. Although building housing is #1 solution, it does not make sense to allow the continued growth of "empty" homes.

I support the proposed Chair Weyer's CD1 but ask that Vice Chair Kia'aina's language regarding exemption be included: "dwelling unit that is physically occupied by the owner, renter or other permitted occupant of the property for an aggregate total of six months or more in the tax year". This will allow me to continue to use my property in the ways described above. I would also suggest that this bill should exempt Hawaii Resident owners and apply only to Non-residents.

I do NOT support the original bill as it would consider mid and short-term rentals "empty". Our rentals are not empty and provide important accommodation options to our residents and visitors.

Zillow and MLS show approximately 9,500 furnished, monthly rentals on our island. Events like the Red Hill Crisis and Maui Wildfires require that our islands have temporary, furnished housing for our residents. Without monthly rentals, returning residents will have no affordable options. The newly housed or job/ credit insecure will have no housing options. Our healthcare systems will collapse without accommodations for traveling nurses. The military, universities, film and sporting industries all rely on monthly rentals. We cannot afford to eliminate this vital housing segment through excessive taxation.

Mahalo, Kevin Dieffenbach		
Name: George Winters	Email: gwinters@henryhparis.com	Zip: 96706
Representing: Self	Position: Oppose	Submitted: Sep 22, 2024 @ 04:53 PM
Testimony: This bill is making some progress on working toward being a fair bill. Three percent of appraised value is just outlandish. Since I bought our property in 2009, taxes have tripled on my tax rate on appraisal value over \$1,000,000. The city let these condos be built , sold, and now blame for high prices and a home shortage. If this is going to be an empty home tax, why is only 25% of the receipts going to help the homeless. What few cities that have enacted this taxation had a much lessor rate and a maximum attached to it. I realize this sounds good, but it will ruin Oahu investment or Hawaii will turn into rental properties.		
Name: Vicki Cobb	Email: vickicobb@comcast.net	Zip: 60462
Representing: Self	Position: Oppose	Submitted: Sep 22, 2024 @ 05:23 PM
Name: Francin Ansotigue	Email: francin.ansotigue@gmail.com	Zip: 96707
Representing: Self	Position: Oppose	Submitted: Sep 22, 2024 @ 08:23 PM
Testimony: Aloha Chair and Committee Members, I am writing to express my opposition to the proposed tax on vacant homes. This tax unjustly singles out property owners and fails to tackle the fundamental problem of housing affordability in Hawaii. Imposing financial penalties on owners of vacant properties, many of whom have valid reasons for the vacancies, adds an undue financial strain and could deter future investments in the local housing market.		
Name: Shawn Kanaiaupuni	Email: skanaiaupuni@pidfoundation.org	Zip: 96817
Representing: Partners in Development Foundation	Position: Support	Submitted: Sep 22, 2024 @ 09:20 PM
Name: Brodie Lockard	Email: blockard@iname.com	Zip: 96734

Representing: Self	Position: Support	Submitted: Sep 22, 2024 @ 10:05 PM
Testimony: Please support this important bill.		
Name: Kathy Fay	Email: fay.kathy@gmail.com	Zip: 96734
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 06:09 AM
Testimony: I'm supporting Bill 46 CD1 MW3 but request that all revenues be dedicated to affordable housing & homelessness rather than the 50% dedicated in Committee draft 1 MW3. I believe that a thriving community is based on affordable housing for all income levels. My children grew up in Hawaii but moved to the mainland. The high cost of housing has prevented them from being part of the community that they feel a deep attachment to. Long-term, dedicated funding is needed to address this crisis and the Empty Home Tax can be part of the solution.. Keep our families together. Our community needs our family members and our economy needs workers who can afford to live here.		
Name: Dale Jensen	Email: dalejensen2@gmail.com	Zip: 96734
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 07:31 AM
Name: Chloe Brown	Email: chloebrown@gmail.com	Zip: 96815
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 07:42 AM
Testimony: I strongly support Bill 46 CD1. The proposed CD1 allows multiple rentals within a minimum 6-month lease term, ensuring that mid-term and 30-day rentals are not unfairly taxed as empty homes. These rentals provide crucial temporary housing, especially during crises. They are essential for various sectors, including healthcare, military, universities, film, and sporting industries. Bill 46 CD1 ensures that these necessary rentals remain available to support our local residents and essential workers. I urge you to support this bill to maintain mid-term and 30-day rentals as a valuable housing option on Oahu.		

Thank you for your time and consideration.		
Name: Gregory Stephens	Email: ges777@me.com	Zip: 96707
Representing: Self	Position: Oppose	Submitted: Sep 23, 2024 @ 08:19 AM
Name: Karen Shimabukuro	Email: hawaiiiauntie@gmail.com	Zip: 96789-3538
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 08:23 AM
Name: Shaun Campbell	Email: islolandia@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 09:08 AM
Name: Douglas Winnie	Email: sinclairwinnie@aol.com	Zip: 90027
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 09:41 AM
Testimony: Choose Written Testimony unless you are interested in also providing oral testimony. Include your support for Bill 46 MW CD1 with the addition of Bill 46 EK CD1 proposed language regarding rental exemption. Please include that you do NOT support the original bill. Talking Points Our island needs more housing for our residents. Although building housing is #1 solution, it does not make sense to allow the continued growth of "empty" homes. I support the proposed Chair Weyer's CD1 but ask that Vice Chair Kia'aina's language regarding exemption be included: "dwelling unit that is physically occupied by the owner, renter or other permitted occupant of the property for an aggregate total of six months or more in the tax year".		

I do NOT support the original bill as it would consider mid and short-term rentals “empty”. Our rentals are not empty and provide important accommodation options to our residents and visitors.

Zillow and MLS show approximately 9,500 furnished, monthly rentals on our island. Events like the Red Hill Crisis and Maui Wildfires require that our islands have temporary, furnished housing for our residents. Without monthly rentals, returning residents will have no affordable options. The newly housed or job/ credit insecure will have no housing options. Our healthcare systems will collapse without accommodations for traveling nurses. The military, universities, film and sporting industries all rely on monthly rentals. We cannot afford to eliminate this vital housing segment through excessive taxation.

Name: Jim Tree	Email: ssitree@aol.com	Zip: 96707
Representing: Self	Position: I wish to comment	Submitted: Sep 23, 2024 @ 10:04 AM

Testimony:

I wish to speak out in favor of Councilmember Esther Kia'aina first two Exemptions in Bill 46, the Empty Homes Tax. These first two exemptions speak to occupying empty residential properties. That is the purpose of the bill. It makes no sense to add another component that the occupant must be the principal resident of the property. If the purpose is for empty homes to be occupied and to create affordable housing then this is accomplished whether the occupant is the principal resident or not. There are many people that stay in residential properties on Oahu when they are not the principal resident. According to Bill 46 a person can have only one principal residence. How does it help when a person's principal residence is on Maui but they need to come to Oahu for 8 months to receive medical care? Councilmember Weyer's first two exemptions require that to get credit for the occupancy the occupant must be the principal resident. In the case I have pointed out the owner of the property rented the property to a native of Maui, whose principal residence is in Maui. The Oahu owner would have to pay a \$30,000 empty homes tax for helping out this brother. Makes no sense. Please replace the wording in Councilmember Weyer's first two exemptions for the language from Councilmember Kia'aina's first two exemptions. The same would apply to someone renting for 6 months or longer to a military family or traveling nurses. We need these people to be able to find suitable housing. How will they find housing when the owner of the home gets stuck with a \$30,000 empty homes tax because the military member or traveling nurse owns a principal residence elsewhere. Mahalo.

Name: Elizabeth (Liz) McArdle Solomon	Email: e-m-s@comcast.net	Zip: 94108
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Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 10:30 AM
Testimony: Our island needs more housing for our residents. Although building housing is #1 solution, it does not make sense to allow the continued growth of “empty” homes. I support the proposed Chair Weyer’s CD1 but ask that Vice Chair Kia’aina’s language regarding exemption be included: “dwelling unit that is physically occupied by the owner, renter or other permitted occupant of the property for an aggregate total of six months or more in the tax year”. I do NOT support the original bill as it would consider mid and short-term rentals “empty”. Our rentals are not empty and provide important accommodation options to our residents and visitors. Zillow and MLS show approximately 9,500 furnished, monthly rentals on our island. Events like the Red Hill Crisis and Maui Wildfires require that our islands have temporary, furnished housing for our residents. Without monthly rentals, returning residents will have no affordable options. The newly housed or job/ credit insecure will have no housing options. Our healthcare systems will collapse without accommodations for traveling nurses. The military, universities, film and sporting industries all rely on monthly rentals. We cannot afford to eliminate this vital housing segment through excessive taxation.		
Name: Robert Perkinson	Email: perk@hawaii.edu	Zip: 96817
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 11:36 AM
Testimony: Aloha. I'm losing my colleagues at UH to less competitive universities just because they can't find affordable housing. This is a big problem for everyone on O'ahu. The housing crisis will require a lot of solutions. But one thing we can do right away is work to get more empty units onto the housing market. We're 50,000 units short of need in Hawaii overall, say economists. We have to build more affordable housing. But that takes time. In the meantime, we can at least nudge owners of empty properties to sell or rent. A higher tax rate for empty properties is a smart way to go. This is low-hanging		

fruit.

I know there are complications with implementation, but please don't let perfect kill the good. Please get this passed, even if it will have to be refined later.

We can't wait. We're drowning.

Mahalo, Robert Perkinson

Name: Andres Autrique	Email: Autrique12@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 11:39 AM

Name: Kaili hopkins	Email: kaili.aliibr@gmail.com	Zip: 96817
Representing: Ali'i Beach Rentals	Position: Support	Submitted: Sep 23, 2024 @ 12:17 PM

Testimony:

Aloha kakahiaka, I do agree that empty homes should be taxed at a higher rate!! But homes that are rented as legal mid and short term rentals are a legitimate and important rental option for our community and should not be considered "empty" homes. As these are being occupied for most of the year and bringing revenue to 'Oahu and the Hawai'i economy.

My support is for Chair Weyer's CD1 but my only suggestion is that we add Chair Kia'aina's following language regarding exemption: "dwelling unit that is physically occupied by the owner, renter or other permitted occupant of the property for an aggregate total of six months or more in the tax year".

Mahalo for your time on this matter.

Name: Rita Wong	Email: rita.aliibr@gmail.com	Zip: 96821
Representing: Ali'i Beach Rentals	Position: Oppose	Submitted: Sep 23, 2024 @ 12:39 PM

Testimony:

Empty homes should be taxed at a higher rate, but legal mid- and short-term rentals would still be considered "empty" even though the property is/was physically occupied. Mid- and short-term rentals provide a valuable housing option for the many traveling nurses, doctors, military personnel, and returning locals, so these types of rentals have great value and should not be penalized by higher property taxes.

Yes, empty homes should be taxed at a higher rate. However, homes rented as legal mid- and short-term rentals are

legitimate and essential rental options for our community and are not considered "empty" homes.

Thank you so much!

Name: Michael Brant	Email: michaeljbrant@hotmail.com	Zip: 96815
Representing: Self	Position: I wish to comment	Submitted: Sep 23, 2024 @ 12:44 PM

Testimony:

I support the amended CD1 of Bill 46.

It was a significant oversight to have left out vacation rentals in full operation and in full compliance with all regulations from the list of exemptions to the Bill. Of course they are not vacant!

Please be sure that CD1 is the version that emerges from this Committee.

Mahalo!

Name: Roberta Morgan	Email: robertamorgan@mac.com	Zip: 96707
Representing: Self	Position: Oppose	Submitted: Sep 23, 2024 @ 01:00 PM

Name: Martin Murphy	Email: martymurphy04@comcast.net	Zip: 94116
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 01:48 PM

Testimony:

I support Chair Weyer's version with the exception of adding Vice Chair's exemption language "dwelling unit that is physically occupied by the owner, renter or other permitted occupant of the property for an aggregate total of six months or more in the tax year".

Name: Pearl Sheck	Email: pearlsheck.mp0904@gmail.com	Zip: 96819
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 02:05 PM

Testimony:

I, Pearl Sheck, am in support of the City and Council Bill 046 (24) to increase taxes on empty homes. Housing has been a continued problem that our government has not been able to address. Our people have been struggling to find affordable housing in Hawaii which leads to the decision of moving to the mainland. I strongly believe and support that this bill to increase tax on empty homes could increase the affordable housing stock for the local residents.

Name: Debra Kenworthy	Email: dkenworthy@comcast.net	Zip: 96791
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 02:11 PM
Testimony: I do NOT support the original bill as it would consider mid and short-term rentals “empty”. Our rentals are not empty and provide important accommodation options to our residents and visitors.		
Name: Carol N Lau	Email: cnolt211@gmail.com	Zip: 96822
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 02:14 PM
Testimony: TESTIMONY IN SUPPORT OF BILL 46 (24) Affordable housing is critical to keeping families healthy and intact. As a Native Hawaiian/ Kanaka Maoli, it is so disconcerting for me to know that about half of our Native Hawaiian population cannot afford to live on our ‘aina, and are either homeless/ houseless, or have had to relocate to the continent. Also for the families who come to the health center in Kalihi where I work, stable, affordable housing is an important, ongoing challenge. Many of our patients have to live squeezed into small spaces meant for far fewer. We have multigenerational families, doubled, tripled, and more in tiny living spaces, on top of the other challenges they have, being on the lower ends of the socioeconomic scale.		
Name: Shellie Niles	Email: shellie.niles@catholiccharitieshawaii.org	Zip: 96822
Representing: Catholic Charities Hawaii	Position: Support	Submitted: Sep 23, 2024 @ 02:18 PM
Name: Dr. David Derauf	Email: dderauf@kkv.net	Zip: 96717
Representing: Kokua Kalihi Valley Comprehensive Family Services	Position: Support	Submitted: Sep 23, 2024 @ 02:38 PM
Name: david bettini	Email: davidbettini@yahoo.com	Zip: 94949
Representing: Self	Position: I wish to comment	Submitted: Sep 23, 2024 @ 02:42 PM

Testimony:

Aloha.

My family along with my two brothers and wife's purchased a condominium at the Beach Villas at Ko Olina in 2009 as a secondary home in a resort community. We purchased the unit at the suggestion of our 4th brother Richard Bettini who has resided on Oahu for close to 50 years. Richard will be celebrating his 45 year of employment at the Waianae Coast Comprehensive Health Center this year. One of the main reasons we purchased the condominium was so we could visit with our brother and family. In addition our parents grave site is on Oahu which we visit during our time on island.

Needless to say, this new tax will make our condominium no longer affordable and we would have to sell it. I would support an affordable tax capped at \$7,400 which I believe has been done in 3 or 4 other cities in the U.S. for dwellings that are not occupied for 6 months a year but having to pay an additional \$50,000 over our current property tax seems excessive.

Mahaho for your consideration.

David Bettini

Name:

Dr. David Derauf

Email:

dderauf@kkv.net

Zip:

96819

Representing:

Kokua Kalihi Valley Comprehensive Family Services

Position:

Support

Submitted:

Sep 23, 2024 @ 02:42 PM

Name:

Michael Epp

Email:

michaeljohnnepp@gmail.com

Zip:

96717

Representing:

Self

Position:

Support

Submitted:

Sep 23, 2024 @ 02:52 PM

Testimony:

Aloha! I am submitting personal testimony in full support of supports Bill 46 (2024) Relating to Real Property Taxation (Empty Homes Tax). Lack of affordable housing is among the most urgent economic, social, and health issues facing Hawaii families. It creates profound and damaging stressors for families; it breaks up families and reduces resilience, forcing out migration to the continental United States; it weakens familial and community ties that are the bedrock of Hawaii's culture. In my own community of Hauula, I sense a justifiable fear of gentrification and a statewide real estate free-for-all that offers few disincentives for continental US and international investors. I have carefully read the justification and language of Bill 46 (2024) and wholly agree with its rationale, regulatory approach, priorities, and empty houses taxation. I currently serve on the community association and neighborhood board of my community, though I am submitting testimony only on my own behalf. I respectfully and strongly urge our City Council to pass this measure without delay. Mahalo! Michael Epp

Name:

Email:

Zip:

Linda Fisher	linda.fisher0408@yahoo.com	96707
Representing: Self	Position: Oppose	Submitted: Sep 23, 2024 @ 02:54 PM
Testimony: This is an outrageous and ridiculous unwarranted tax. Property tax in Hawaii is more than California. California charges 1.1%. . . . There are no additional taxes. Is the Hawaii government trying to make residents move away and sell their homes? Some will. Hawaii has the highest cost of living of any state in the US. Now, with this bill, you are trying to bring the cost of living even higher. You are trying to tax all of us so high that as much as we love to live in Hawaii, we will be forced out. I currently live full time in Hawaii and have a second home in California. I do not pay any additional taxes for California if I am not in residence also note that if I were to rent the California property, the property taxes remain the same rate, they do not increase for rentals. You are already charging extra tax for rental, that should be enough. Why are you trying to hurt the residents of Hawaii????? PLEASE DO NOT PASS THIS BILL - IT'S BAD FOR HAWAII		
Name: Karin OMahony	Email: k7omahony@aol.com	Zip: 96795
Representing: Self	Position: I wish to comment	Submitted: Sep 23, 2024 @ 03:08 PM
Testimony: I DO NOT support the original bill. I DO support Bill 46 MW CD1 with the addition of Bill 46 EK CD1 proposed language regarding rental exemption. I support the proposed Chair Weyer's CD1 but ask that Vice Chair Kia'aina's language regarding exemption be included: "dwelling unit that is physically occupied by the owner, renter or other permitted occupant of the property for an aggregate total of six months or more in the tax year". I do NOT support the original bill as it would consider mid and short-term rentals "empty". Our rentals are not empty and provide important accommodation options to our residents and visitors. Disaster events like the Red Hill Water contamination and Maui Wildfires or even just a flood or remodel or other one house damage event require that our islands have temporary, furnished housing for our residents. There are many reasons we need furnished short and mid term rentals for residents and necessary workers. People moving home, buying a new home, remodeling a home, contract teachers, interns, construction workers, doctors, nurses and others in transition. New renters wondering if they can make a go of it, college students, people here for health care needs of their own or to care for family. We cannot afford to eliminate this vital housing segment through excessive taxation.		

Our insurance costs are some of the highest in the nation, and one of my homeowner neighbors is having a hard time even getting a company to write insurance for them. This is because every time there is any problem that requires the homeowners be rehoused temporarily, the insurance companies have to pay for overpriced hotel accommodation or rent a home for longer than is needed to comply with the ever increasing restrictions on rental properties. Enough already.

Build more housing. This excessive taxation expense only hurts residents who have a rental or need to rent temporarily. The super wealthy folks can just pay whatever you charge or sell to a wealthy foreign investor.

Thank you for correcting the grievous errors in this bill.

Name: Younghi Overly	Email: yoverly@gmail.com	Zip: 96815
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 03:11 PM

Testimony:

I support bill 46 CD1 MW3 and request that all revenues be dedicated to affordable housing & homelessness.

Name: Richard Fernandez	Email: janinarichard@gmail.com	Zip: 96734
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 03:23 PM

Testimony:

Council folks,

I support the empty house bill but lets stop deceiving constituents with any exceptions types of rental terms. If the home is occupied it is NOT AN EMPTY HOME!!!

Mahalo,,
Richard

Name: Nikhil Khurana	Email: ninjanikhil@gmail.com	Zip: 96814
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 03:25 PM

Testimony:

I believe that homes sitting empty while people live here without shelter is terrible. Out of state buyers or large corporations buying homes and using it as an investment property is immoral and should be disincentivized by any means.

This bill is a common sense way to address the issue. Use the money to get people into housing that is sorely needed.

Name: SCOTT SUTHERLAND	Email: scottjksutherland@gmail.com	Zip: 96817
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 03:27 PM

Testimony:

My name is Scott Sutherland, and I am a resident of Kalihi, Oahu. I am writing to express my strong support for Bill 46 CD1 MW3, the Empty Homes Tax. This measure is essential in addressing the urgent housing crisis that O'ahu is currently facing.

O'ahu is experiencing a critical shortage of affordable housing, with many residents struggling to find a place to call home. Meanwhile, numerous properties remain vacant for extended periods, often owned by individuals or entities that do not utilize these spaces. By implementing an Empty Homes Tax, we can incentivize property owners to either rent out their homes or contribute financially to affordable housing initiatives.

This tax serves a dual purpose: it not only discourages the hoarding of housing stock but also generates much-needed funds that can be directed towards developing affordable housing solutions. By encouraging property owners to utilize their empty homes, we can increase the availability of housing for those who need it most.

Name: Ralph Furley	Email: rfmail2007@gmail.com	Zip: 96734
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 03:28 PM

Testimony:

Folks,

I support this bill that Chair Weyer's proposed. I do not know what rental occupancy would have anything to do with a "empty house" bill.

Name: Cecilia Gomez	Email: ceciliagomezhawaii@gmail.com	Zip: 96734
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 03:30 PM

Testimony:

I support this bill by Weyer

Name:	Email:	Zip:
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Jack Miller	jackmiller1287@hotmail.com	96744
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 03:32 PM
Testimony: I support this bill and it should comply with its title - EMPTY HOME. Nothing to do with a rented home. Jack		
Name: Marisa Pangilinan	Email: marisapangilinan@gmail.com	Zip: 96816
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 03:50 PM
Testimony: Thanks for your time. I live in Kaimuki and on my street alone there are 3 homes that have been empty for over 4 years, one of them for over 40 years! The neighborhood is a highly sought after place and I see monster homes getting built to replace the lack of housing. I don't think monster homes suite the community well, where it actually draws in too many people and way less green space for cooling of the area. Kaimuki is a thriving local community and by demanding homes be used for families rather than sit vacant until they become tear-down worthy. I hope this helps with bringing families back to the community and neighborhood.		
Name: Greg Puppione	Email: gpuppione@gmail.com	Zip: 96816
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 03:51 PM
Testimony: I support Bill 46 CD1 MW3, but request that all revenues be dedicated to affordable housing & homelessness because, housing requires dedicated, long-term funding, and new housing takes years to plan, permit and build. Between land prices and construction costs, even middle class housing now requires some subsidy to build. Long-term, dedicated funding is needed to address this crisis, and this could be one good source for that revenue. In truth, we have enough housing for all our people, but we're just not using it for local housing, so please keep our families together. Our community needs our family members and our economy needs workers who can afford to live here. This bill is a positive step in that direction.		
Name: Steven Walther	Email: walthers111@gmail.com	Zip: 96815
Representing: Self	Position: I wish to comment	Submitted: Sep 23, 2024 @ 04:00 PM
Testimony:		

I live at 3454 Kepuhi St, Honolulu HI 96815. I'm surrounded by 6 vacant homes a couple that have been vacant for approximately 20 years. Most of them are dilapidated and have overgrown yards that are a fire hazard. Also there frequently broken into by homeless people. I think there should be a penalty on the homeowners for letting this happen.

Mahalo

Name: Nanea Lo	Email: naneaclo@gmail.com	Zip: 96826-1407
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 04:02 PM

Testimony:

As someone deeply committed to the well-being of our communities, I wholeheartedly support Bill 46 CD1 MW3. It's crucial that all revenues generated go directly toward addressing affordable housing and homelessness. The housing crisis in Hawai'i requires long-term, dedicated funding—without it, we can't even begin to tackle the planning, permitting, and building that goes into creating new homes. Our 'ohana deserve the opportunity to live and thrive here. We have enough homes, but they need to be for locals, not external investors. Let's work together to keep our families together and ensure that our people can afford to stay in their ancestral homeland.

Name: Nanea Lo	Email: nanea@nativestories.org	Zip: 96795
Representing: Native Stories	Position: Support	Submitted: Sep 23, 2024 @ 04:06 PM

Testimony:

Aloha Chair, Vice Chair, and Members of the Council,

My name is Nanea Lo, and I am the Executive Director of Native Stories, an organization dedicated to amplifying Indigenous voices and sharing the narratives of our people, native stories. I am writing to express my support for Bill 46 CD1 MW3, with a request that all revenues be dedicated specifically to affordable housing and addressing houselessness/homelessness.

The current housing crisis in Hawai'i is a critical issue for our Native Hawaiian communities. Without long-term, dedicated funding, it will be impossible to meet the housing needs of our people. The cost of land, coupled with soaring construction prices, makes it increasingly difficult for families, even those in the middle class, to find affordable homes. This has led to an alarming rise in houselessness/homelessness, disproportionately affecting Native Hawaiians.

We need more than just housing development—we need housing that is for the local people, built to keep our families here in their ancestral homeland. The current inventory of homes should be prioritized for local residents, not for vacation rentals or external investors. It's time we shift the focus to keeping our communities intact by ensuring that housing is accessible and affordable for our working families.

Native Stories works to share the cultural history and future vision of Hawai'i, and without affordable housing, we risk losing the very people who embody and carry forward these stories. Let's invest in our local families and create pathways that ensure they can live, work, and thrive in Hawai'i for generations to come.

me ke aloha 'āina

Nanea Lo
Executive Director
Native Stories

Name: Bianca Isaki	Email: BIANCA@KAHEA.ORG	Zip: 96744
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 04:18 PM

Testimony:
This critical bill would help address the dire housing crisis in O'ahu by taxing properties that sit empty most of the time, forcing owners to either pay money towards affordable housing development or transition their properties to house people. Please support it.
Bianca Isaki

Name: Virginia Dudden	Email: virginia@dudden.com	Zip: 96734
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 04:33 PM

Testimony:
Thank you for the opportunity to support proposed amendment CD1 to Bill 46 (24). This amendment would allow multiple rentals to be included in the minimum 6 months of occupancy. Thus meeting the requirement of a lived in home. Mid-term and 30 day rentals provided for much needed housing on Oahu. They should not be taxed as empty houses.

Our island does need more housing for our residents. Easing building and zoning bottle necks is the best solution. Raising taxes on homes that truly are occupied and contribute to the economic health of Oahu is not the answer.

30+ and mid-term rentals fill in the gaps for return residents, residents extended family visits, housing for military, medical, university and entertainment industries. Oahu benefits from these homes and condos. Please, do not eliminate this critical housing component through excessive taxation.

Chair Weyer, I also support your suggestion that the taxes generated by truly vacant taxes be used in part to shelter un-

homed families.

Please support CD1.

Name:

Jane Arnold

Email:

staceyjanearnold@gmail.com

Zip:

96816

Representing:

Self

Position:

Support

Submitted:

Sep 23, 2024 @ 04:45 PM

Testimony:

Please support Bill046 (24). Thank you.

Name:

Andrew Pereira

Email:

andrewpereira95@gmail.com

Zip:

96789

Representing:

Self

Position:

Oppose

Submitted:

Sep 23, 2024 @ 04:50 PM

Testimony:

Aloha Chair Waters, Vice-chair Say and members of the Council.

I am writing as a resident of O'ahu to make you aware of the many pitfalls that exist in your consideration of Bill 46, otherwise known as the "empty home" tax.

As noted in a lawsuit filed against the City and County of San Francisco's empty home tax, otherwise known as Proposition M, I would like to make the Council aware of the following information:

First, the United States Supreme Court has repeatedly held that property owners' "power to exclude [others from the property] has traditionally been considered one of the most treasured strands in an owner's bundle of property rights," and is protected by the Takings Clause of the U.S. Constitution. *Loretto v. Teleprompter Manhattan CATV Corp.*, 458 U.S. 419, 435 (1982).

As a necessary corollary of that holding, the Court has also, in *Yee v. City of Escondido*, 503 U.S. 519 (1992), and other cases, held that the government cannot compel a property-owner to rent his or her property to third parties without violating that Clause.

Second, while the charge imposed by Bill 46 is denominated a tax, that label is not conclusive; in determining whether a charge imposed by an ordinance is revenue-raising or regulatory — is a tax or a penalty — "the court will look to the substantive provisions of the ordinance and not merely its title and form." *United Bus. Comm'n v. City of San Diego*, 91 Cal. App. 3d 156, 165-66 (1979). Bill 46 is, in fact, a penalty with a predominantly regulatory purpose, and that regulatory purpose — compelling property-owners to rent out their real property — runs afoul of the Takings Clause

Third, even if the various courts, and ultimately the Supreme Court were to conclude that Bill 46, in fact, imposes a “tax,” that would not save it. For one thing, a property owners’ right to keep their property vacant — to exclude others — is an essential element of the property rights protected by the Takings Clause of the Fifth Amendment, and the government may not “impose a charge for the enjoyment of a right granted by the federal constitution,” *Murdock v. Comm’n of Penn.*, 319 U.S. 105, 113 (1943).

In other words, the government may not single out a constitutional right for special taxation or condition the exercise of that right on a payment to the government. *Levin v. City & Cty. of S.F.*, 71 F. Supp. 3d 1072 (N.D. Cal. 2014) (enjoining charge imposed by San Francisco as condition of evicting tenants to remove rented units from the market as an unconstitutional taking of private property).

In summary, property owners in the City and County of Honolulu have a constitutional right under the Takings Clause of the Fifth Amendment to not be coerced by the government into renting out their property, whether they desire to keep it unoccupied temporarily or indefinitely. See *Yee*, 503 U.S. at 528; *Loretto*, 458 U.S. at 435-40; *Cwynar*, 90 Cal. App. 4th at 658; *Seawall Associates*, 74 N.Y.2d at 104, 542 N.E.2d 1059.

Many O'ahu residents have worked all of their lives to pay off their mortgages, thus allowing them to enjoy retirement by visiting family members who now reside on the continent or elsewhere. Sometimes these visits last several months at a time, and to be penalized simply because you are visiting family in other locations for six months or more and do not wish to rent your home, is inherently wrong. That is especially true when the penalty, or so-called tax, is in the tens of thousands of dollars for a single tax year (\$36,000 for a property valued at \$1.2 million). Furthermore, many property owners are hesitant to rent their primary residences for fear they will not be able to regain control of their properties if a renter refuses to leave.

Finally, it's my sincere hope that the City Council will take all of the above information into consideration and await the results of a study commissioned by the city's Department of Budget and Fiscal Services (BFS), as detailed in Departmental Communication 620 on Aug. 20, 2024, before considering an empty home tax.

Name: Rhonda Nishimura	Email: ranishimura@gmail.com	Zip: 96817
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 05:20 PM
Testimony: See prior written testimony supporting Bill 46 that addresses the issue of affordable housing and homelessness. The number of "vacant" housing is substantial, half located on Oahu. "Vacant" housing is now available, accessible. Dedicating monies to build and develop affordable housing is a "band aid" solution that's more labor intensive, government regulation intensive, fiscal intensive. Directing the city's attention to "empty homes" should be an easy choice from a		

"best practices" perspective.

Millennials, Gen Y and future Gen Z are an untapped pool of "Hawaii" talent and our future. Our best and brightest.

And housing is a huge decision making component whether they stay here or exit.

I know of several friends who've had to convert their homes to accommodate their children and their kids, a multi-generational household. Why? Unaffordable housing including rental housing. Recognizing that there exists pockets of family owned housing that depends on short-term leases, carved out exceptions can be accomplished. Key is accurately identifying those vacant homes, perhaps placing the onus on these homeowners to submit verifiable documentation, fund the staff to implement and enforce the program, etc.

Name:

James Cooper

Email:

jimcooper@mindspring.com

Zip:

96816

Representing:

Self

Position:

Support

Submitted:

Sep 23, 2024 @ 05:28 PM

Testimony:

This critical bill would help address the dire housing crisis in O'ahu by taxing properties that sit empty most of the time, forcing owners to either pay money towards affordable housing development or transition their properties to house people.

All revenues generated from this bill should be dedicated to affordable housing & homelessness.

Our community needs our family members and our economy needs workers who can afford to live here.

Mahalo

Name:

Ann Saffery

Email:

kamaka68@gmail.com

Zip:

96782

Representing:

Self

Position:

Support

Submitted:

Sep 23, 2024 @ 05:50 PM

Testimony:

Aloha All,

I support this bill, please take action!!

Mahalo, mahalo for ALL you do.

Name:

Lorna Holmes

Email:

lholmes@hillsdale.edu

Zip:

96817

Representing:

Self

Position:

Support

Submitted:

Sep 23, 2024 @ 06:54 PM

Testimony:

It's very unjust that Hawaii has the lowest property taxes in the US, and allows off-island investors to waste our housing

resources which are so desperately needed.

We have enough housing for all our people, if we just made it available.

Keep our families together. Our community needs our family members and our economy needs workers who can afford to live here.

Please pass the empty homes tax, which has worked well in other communities such as San Francisco.

Mahalo,

L Holmes, Honolulu

Name:

David Leake

Email:

dwleake@aol.com

Zip:

96744

Representing:

Self

Position:

Support

Submitted:

Sep 23, 2024 @ 06:55 PM

Testimony:

I strongly support Bill 46 CD1 MW3. All revenues should be dedicated to affordable housing and homelessness. These issues require dedicated, long-term funding, especially because new housing takes years to plan, permit and build.

Between land prices and construction costs, even middle class housing now requires some subsidy to build. Please ensure we have enough housing for all our people, so we can keep our families together. Our community needs our family members and our economy needs workers who can afford to live here.

Name:

Pamela Domingue

Email:

beachvillasb903@gmail.com

Zip:

96706

Representing:

Self

Position:

Oppose

Submitted:

Sep 23, 2024 @ 07:00 PM

Testimony:

I own a villa at the Beach Villas in KoOlina. I am also a business owner on the island of Oahu. I am in town every 4 to 6 weeks and I will stay at the Villa when I am there, and I rented out when I'm not.

However, Bill 46 will impact me because at some point in my life, I would like to use this villa a lot more and have it as a second home, not having to rent it out.

This villa is in a resort zone. I have family ties to the island of Oahu. My mother was born and raised here. I do not want to take housing from anybody which is why I sold my house in Makakilo and we made the decision to buy in KoOlina. I employ citizens in Oahu and the last thing I want to do is make housing more expensive for them. These are my family. These are my employees.

Resort zone should be excluded from this tax as they are not infringing on housing for any of those that live in Oahu they are designed for vacation, for resort, for people that are spending money and putting it back into the ecosystem of Oahu.

I realize right now that every person that rents my unit in the resort zone is spending money on the island which creates jobs and helps the economy. And at some point when I am able to not have to rent and stay there more often I will be able to put more money back into the economy. In the meantime, I'm very conscious of how everything affects family and friends and employees.

I have to say that I feel the taxes and nowhere in the country has the tax as high as What the council is proposing.

I also strongly feel that resort zones should be excluded from this tax while I understand the intent of the tax and I do feel that housing is out of control. I feel that the net residential neighborhoods are what's impacted. Lower tax and residential neighborhoods make sense and I can understand why that would be beneficial however, 3% Is unreasonable.

Considering what's going on in San Francisco, Berkeley, and Oakland, people are moving out, and the economy is hurting even more since they impose these taxes.

I feel that one might be a more reasonable amount, and I do feel that resort zone should be excluded.

Thank you for the consideration of my testimony.

Pam Domingue

Name: Pua Pinto	Email: puaoeleili@gmail.com	Zip: 96734
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 07:55 PM

Testimony:
Aloha,

Houses that are empty should collect extra tax. Please support this bill to repair the many finite resources run short by too many people in these islands.

Name: Padmani Brown	Email: padmani@mac.com	Zip: 96734
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 08:53 PM

Testimony:
I support Bill 46 CD1 MW3 but request that all revenues be dedicated to affordable housing & homelessness.
Committee draft 1 MW3 dedicates 50% of revenues to housing and homelessness.
Housing requires dedicated, long-term funding

New housing takes years to plan, permit and build.

Between land prices and construction costs, even middle class housing now requires some subsidy to build.

Long-term, dedicated funding is needed to address this crisis.

The EHT has been successful in Vancouver BC where over half the previously empty homes were transformed into housing for residents.

We have enough housing for all our people, we're just not using it for local housing.

Keep our families together. Our community needs our family members and our economy needs workers who can afford to live here.

Thank you.

Name:

Nicole Woo

Email:

woo.nicole@gmail.com

Zip:

96813

Representing:

Self

Position:

Support

Submitted:

Sep 23, 2024 @ 09:12 PM

Testimony:

Aloha! We all know that the most urgent crises facing our county is the lack of affordable housing options and its inevitable result, homelessness. Living in downtown Honolulu, I see the effects of these crises every day in the faces of homeless people on the sidewalks of my neighborhood. And I often hear from friends and acquaintances that they're "scared" of going downtown to eat and shop due to the presence of homeless people, which makes it that much harder for our wonderful local businesses to survive. An empty homes tax would help increase the supply of housing by incentivizing wealthy owners of empty homes to sell or rent them to local residents. And it makes sense to use the funds raised by the tax to support the development of affordable housing and homelessness solutions. I urge you to pass Bill 46 and direct the revenues to build affordable housing and address homelessness. Mahalo for this opportunity to provide testimony!

Name:

Chantal Keliioomalu

Email:

chantalk@hawaii.edu

Zip:

96707

Representing:

Self

Position:

Support

Submitted:

Sep 23, 2024 @ 09:13 PM

Testimony:

I hope that the benefits and funding from this tax would outweigh the time and paper chasing of proof. Need to have a process for empty houses that are not livable and people cannot afford construction -- either a rehab loan program or exemption -- it would not be ok for people to pay higher taxes and or forced to sell family properties based on they cannot afford construction or have other barriers to rehabbing the property.

Empty houses should be utilized and I support efforts to reduce empty houses.

Name:

Mary Spadaro

Email:

MLSpadaro@yahoo.com

Zip:

96813

Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 09:37 PM
Testimony: Housing should be for making homes for families to own, raise families in, and build equity; not a commodity for investment and profit. Hawaii is on the wrong path if we want a thriving community. We must do all we can to make housing affordable for people who want to live here, work here, raise their children here and contribute to the wellbeing of people in our community. Although I do not believe this tax goes far enough, I am in favor of this bill as a good starting point. Please pass 46 (24). Sincerely, Mary Spadaro		
Name: GALEN FOX	Email: galenwfox@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 09:42 PM
Testimony: I support Bill 46 CD1 MW3 because it dedicates collected revenues (50%) to housing and homelessness. It would be better, however, to dedicate 100% of the revenue to affordable housing & homelessness. I have been working on Hawaii's housing crisis for a decade, as the crisis grows worse every year. Our population, especially our young, leave for the mainland. Our housing shifts to wealthy, out-of-state investors. We need, we must have, sustained funding dedicated to building homes for residents. Bill 46 could help provide that needed dedicated funding for housing. Aloha, Galen Fox		
Name: Christy MacPherson	Email: iainandaustin@hotmail.com	Zip: 96817
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 10:17 PM
Testimony: Aloha Chair Weyer, Vice Chair Kia'aina, and members of the Committee on Housing, Sustainability and Health, As a concerned local citizen, I am in STRONG support of Bill 046(24). We are all too aware that the housing crisis in our County has reached dismal levels. There seem to be very few realistic solutions that would create more affordable housing unit availability for our island residents at this time. However, the Empty Homes Tax is one that will have a significant and positive impact on the housing market here. After researching and discussing this tax proposal for a while now, we know what it can do for our people. We know that its benefits are two-fold in increasing housing supply and bringing in revenue for our County.		

I urge the Council to consider designating all revenue from the EHT for affordable housing and homelessness services. This is sorely needed.

Mahalo for your consideration,
Christy K. MacPherson

Name: Byron Ho	Email: leftsidepromo@aol.com	Zip: 96828
Representing: Self	Position: Oppose	Submitted: Sep 23, 2024 @ 11:18 PM

Testimony:

One the most ridiculous tax schemes I've heard of, I oppose this bill in it's entirety. The fact of the matter is that anytime a property owner is not physically residing in their home, they should be refunded property tax because they are using NO city services at the time. No refuse, collection, no first responders, fire, police, no public transportation, or any city provided services.

If there was is a significant portion of homes that the city can somehow deem empty by definition, those property owners are over paying for months of non-use. If that time period is 6 months, then half the tax should be returned as that is fair. An attempted to tax increase is the exact opposite action the city should be taking. Part time residents supplement the full time and the city, that is the truth.

There have been no independent and unbiased surveys, just conjecture, that thousands of homes could be taxed and somehow that threat will motivate these owners sell them off like day old bread, to "locals." Well, if there's any logic in what we have been told for years, it is that STR's are set up to cater to tourists, meaning higher end homes, most likely near the beach, or tucked away in the mountainside, with a view. These multi-million dollar homes are not the target homeowner market and this bill's reasoning is flawed in assuming it is anything other.

The reality and truth is that even if there where a few of these target taxed homes there is a high probability that they are not even close to being "affordable" by city standards. Therefore, the secondary pressure tactic built into this bill will not create more of the housing needed. The housing shortage is a national emergency, not just a local one. Nothing in Bill 46(24) represents reality and fact, it should be put to bed forever.

Name: Evelyn Hao	Email: evyhao@gmail.com	Zip: 96822
Representing: Self	Position: Support	Submitted: Sep 23, 2024 @ 11:23 PM

Testimony:

Dear Council Members-- An apartment or a house is more than a roof over your head. It is a place where working people and their children can find stability and safety—where they can start to dream and make plans to make those dreams come true.

Thousands of Honolulu residents are in such great need of a home, and yet there are many apartments and houses in Honolulu left empty.

I strongly support Empty Homes Tax Bill 46 (2024). It will provide one avenue toward opening up more available/affordable housing for our residents. It incentivizes property owners to rent out or even sell their empty homes to Honolulu residents. And for homeowners who can afford to keep their homes empty, Bill 46 allows them to be contributors to Honolulu's housing efforts.

Please pass this bill which Honolulu families' need. Sincerely, Evelyn Hao

Name: Cheryl Wilson	Email: clmccutcheon@msn.com	Zip: 96707
Representing: Self	Position: Oppose	Submitted: Sep 24, 2024 @ 06:12 AM

Testimony:

I have studied what other cities have attempted to solve this problem. I would like to expand on this and what impact negative and positive has taken place

Name: Ted Kefalas	Email: maliah@grassrootinstitute.org	Zip: 96813
Representing: Grassroot Institute of Hawaii	Position: Oppose	Submitted: Sep 24, 2024 @ 06:21 AM

Name: David Shizuma	Email: kawikasmal@gmail.com	Zip: 96744
Representing: Self	Position: Support	Submitted: Sep 24, 2024 @ 06:27 AM

Testimony:

Aloha,

I support this as a means to encourage the utilization of our existing homes for residential housing. Homes in Hawaii should not be used as transient vacation rentals nor should they sit empty. I believe this helps in making that happen, helping with our current housing crisis.

Name: Janae Wong	Email: janaew@hawaii.edu	Zip: 96822
Representing: Self	Position: Support	Submitted: Sep 24, 2024 @ 07:09 AM

Testimony:

September 24, 2024

Aloha Chair Weyer, Vice Chair Kia'aina and Committee Members,

My name is Janae Wong. I am currently a graduate student at the Thompson School of Social Work & Public Health at UH Manoa and have the privilege of interning at Hawai'i Appleseed.

I am writing in support for Bill 046 (2024).

I have experience working with young adults, individuals, and families who are directly impacted by the housing crisis within Hawai'i. I have seen an exponential increase of families needing housing as many are unable to afford their current place and/or are being asked to move out. Moreover, individuals within our community continue to feel the impacts and stressors due to the fires, which places a significant burden on family systems. I am passionate about helping those in need and fully support Bill 046 (2024) to provide local families greater access to affordable housing.

Thank you for your consideration and efforts in creating a more equitable community.

Janae Wong
janaew@hawaii.edu

Name:	Email:	Zip:
Mishka Sulva	mishkaks@gmail.com	96816
Representing:	Position:	Submitted:
Self	Support	Sep 24, 2024 @ 07:21 AM

Testimony:

I'm writing in support of this bill because the purpose of housing is to house people. We have over 34,253 vacant homes on O'ahu that could be housing local residents. That's 1 in 10 housing units on O'ahu. This bill would help address that by replicating a model that has worked in other jurisdictions to tax property owners on a gradually increasing basis if they are not using their homes for long-term residential purposes. We live on an island. Endless development is not sustainable and it is not a solution. Law and regulation must bring order to the housing market and ensure that people of all walks of life can have a roof over their heads. Furthermore, the revenues raised via this proposed tax should be used entirely for the purposes of addressing affordable housing and our homeless crisis. This type of legislation has been successful in other jurisdictions such as Vancouver BC where over half the previously empty homes were transformed into housing for residents.

I urge you council members to take an important step towards ending the housing crisis and pass this bill.

Name:	Email:	Zip:
Julia Berlin	Julia.berlin421@gmail.com	96816

Representing: Self	Position: Support	Submitted: Sep 24, 2024 @ 07:36 AM
Testimony: Oahu is like any other place in the world and we should put actions in place to protect the aina. There's nothing more infuriating when I hear of a person who has a relative or a friend of a friend that "lives part time" here in a purchased home. They have no idea the harm they are contributing to in this islands economy. While I also see on TikTok Hawaiian residents who have moved to places like Las Vegas to support their families. I also hear things like foreigners purchasing housing to built a portfolio but it remains an empty unit. How much truth is there to these rumors and how often is it happening? This reminds me so much of when the Native Americans were forced off their land to live somewhere else where they had no attachment or history. The EHT has been successful in Vancouver BC where over half the previously empty homes were transformed into housing for residents. Let's get this bill into action!		
Name: Mitch Maxwell	Email: btfxhawaii@aol.com	Zip: 96707
Representing: Self	Position: I wish to comment	Submitted: Sep 24, 2024 @ 07:38 AM
Testimony: I am only in favor of this bill only if it includes the amended language that exempts short-term, and mid-term rentals. These rentals are vital to our economy!		
Name: Marian Heidel Heidel	Email: mheidel808@icloud.com	Zip: 96734
Representing: Self	Position: Support	Submitted: Sep 24, 2024 @ 08:44 AM
Testimony: I support this bill, as I hope that it will cause some folks who own empty houses, to make them available for long-term rentals. It is obvious that we need more affordable housing. On my street there is a house that has been empty for years; the owners died, and their children have not decided whether to sell it or keep it. It is a shame that it isn't available. It is the most rapid way to make housing available, as opposed to building new ones.		
Name: Ann and Donald Gerry	Email: agerry222@aol.com	Zip: 96707
Representing: Self	Position: Oppose	Submitted: Sep 24, 2024 @ 08:51 AM
Testimony: We are 20 year full time residents of Hawaii. 15 years ago we bought our dream condo in Ko Olina and live there full time. We are active members of our community donating our time, talent and treasure to our predominant Hawaiian church in Nanakuli which is on Hawaiian homelands. We serve the parish in various capacities...Adult Catechism instructor, lectors,		

ministers of the eucharist, working the food pantry and maintenance of the church.

We have contributed faithfully to our building fund in hopes of building a multi purpose building in the near future.

We are retired military and my husband continues to work for the US Navy in a civilian position. He will retire from his civilian job in 3 years at the age of 68. He is working a few extra years so we can continue to live in Hawaii in retirement.

As we all know, living here is not cheap so in order to facilitate this he is working longer.

Our family which includes 3 sons, their spouse and grandchildren live on the mainland....CA, RI, FL. 2 of our sons are active duty military. My husband's mother lives independently in MA and we hope to keep her in her home as long as possible. We are constantly, leaving our home and flying to the mainland to support our family in various capacities...babysitter, caregiver, home repairs, deployment support etc. We plan to do much more of this when my husband retires. We also hope to travel more in retirement. We maybe gone for 6 months or more over the year. That fact that we would have to carefully count the days we are gone in order to avoid paying the empty homes tax is beyond stressing for us. We cannot afford this tax. We will not be able to afford our home. We do not want to rent our primary home while we are gone. That would involve us renting a storage unit to move our personal stuff out of the condo in order to rent it. I do not consider this fair. This is MY HOME, one that my husband worked hard and saved for in order to afford. With rising costs this get harder every year. This tax would be something that would force us to sell and leave Hawaii.

The rent on our condo would be too high for most people to afford and would not result in changing the current affordable housing shortage.

Please, please think carefully before passing this bill. You will lose good contributing citizens and residents, including us, if this bill is passed. I

Name: Maile Skinner	Email: mailems@hawaii.edu	Zip: 96791
Representing: Self	Position: Support	Submitted: Sep 24, 2024 @ 09:03 AM
Name: Maile Skinner	Email: mailems@hawaii.edu	Zip: 96791
Representing: Self	Position: Support	Submitted: Sep 24, 2024 @ 09:06 AM
Name: Maile Skinner	Email: mailems@hawaii.edu	Zip: 96791
Representing: Self	Position: Support	Submitted: Sep 24, 2024 @ 09:08 AM
Name: Will Caron	Email: willcaronforhawaii@gmail.com	Zip: 96744
Representing:	Position:	Submitted:

Self	Support	Sep 24, 2024 @ 09:09 AM
Testimony: The lack of affordable housing in Honolulu is the number one cost-of-living problem facing us today, and it has been that way for 50 years. It will be that way for another 50 years unless our elected officials at the county (and state) level begin to take bold, data-driven action to reign-in out-of-control housing prices. The Hawai'i Appleseed report on Empty Homes Tax proposals shows that the policy can be successful when structured correctly. I urge the committee members to review the recommended tax structure proposed by Appleseed, whose researchers spent many hours researching and analyzing these types of proposals. As a working professional that contributes to the Hawai'i economy, I was nevertheless priced out of the urban core two years ago and forced to move back to the windward side of O'ahu, where I grew up, in Kahalu'u, because the housing prices are (somewhat) cheaper out here. My testimony before in this committee, led by our two windward-O'ahu council-members, is surely not the only story like this that you have heard. While I absolutely love Kahalu'u and the windward side in general, I am incredibly fortunate to have a job that is primarily remote. Working from home is the only way that moving back to Kahalu'u has been feasible for me. If I had a job that required a physical presence at a place of work in town, the transportation costs and cost in time spent in the car to live out here would not be feasible for me, and I would have been faced with an impossible decision that very likely could have forced me to leave Hawai'i forever. At the same time, as I drive through Kahalu'u toward Kane'ohe to buy groceries, I see far more people experiencing homelessness, and far more incidences of the kinds of mental health and drug abuse problems that are a direct result of living unsheltered than I ever saw while growing up in the area. These twin symptoms of the housing crisis—homelessness and the drain of Hawai'i's working professionals, of its brightest students, of our very future—are what we are faced with here if the crisis continues unabated. I urge the committee to take every available opportunity to prevent that from happening. The 2020 U.S. Census reported 34,425 vacant housing units in Honolulu County. That is nearly 1 in every 10 housing units on O'ahu. Our current property tax policies fail to prioritize housing for Hawai'i's residents. An Empty Homes Tax is a critical step towards remedying this issue, encouraging property owners to utilize their properties as homes for local residents, and increasing the supply of available housing to better meet local demand. Importantly, the tax will not increase the cost of housing for O'ahu residents who are homeowners or renters. Properties that serve as the principal residence for local residents for at least 6 months a year will be exempt from this tax. Instead, it targets second homes, vacation homes, blighted properties, corporate retreats, and investment properties that do not serve as homes for Hawai'i residents. Logically, the only folks that would likely oppose a tax on the investment-owners that are buying these properties and keeping them vacant just to reap a windfall later on are people who are those very same investment owners. Either that or		

short-term vacation rental owners who, in their own way, are doing essentially the same thing—commodifying a basic need that their struggling neighbors are being priced out of because of their desire to make a profit. I do not believe that these profit motives come anywhere close to being as important as solving our housing crisis

No single solution can solve our housing and homelessness crises entirely, but the Empty Homes Tax is a crucial step in prioritizing Oahu’s housing for Oahu’s residents. I urge you to support Bill 46 (2024).

Name: Maureen Oberacker	Email: antiqconn@msn.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Sep 24, 2024 @ 09:30 AM

Testimony:

I support bill046(24) The housing shortage "crisis" has been an issue for decades. Homes and condos are purchased by foreign or non-resident owners for occasional visits (buy/sell or rent short-term for profit).

There is also deceit where buyers say they will be the owner-occupant in order to be able to purchase a condo (and get good mortgage rates) or to avoid paying taxes+ on rentals.

The cost of owning or renting has continually escalated as a result and

Many locals will never be able to buy a home (average cost is \$1.1 million).

The workforce have been forced to move farther away from where they work.

And, they often work 2-3 jobs to pay rent (or pay the mortgage) plus pay for basics and they still rely on credit cards.

It equates to more time away from home, more time on the road (creating more traffic for everyone) and less time with family/friends enjoying living in Hawaii.

We live on an island so we have limits on where we can build/live and too many locals have been priced out of Hawaii and forced to move to the mainland leaving friends and ohana behind.

WE NEED TO ADDRESS THE HOUSING SHORTAGE "CRISIS" NOW.

New construction takes years with land acquisition, permits, plans, hiring crews, ordering materials (bringing them in by containers)+++

THE EMPTY CONDOS/HOUSING ALL READY EXIST.

This bill makes sense and we need to do what's right for our residents (your constituents).

This bill will help to house our work force, our local families, our aging population and our homeless population.

Our island is filled with homeless individuals and families (our ohana) who not too long ago had housing. Sadly, there are also many whose downward spiral started years ago.

Some of the individuals I talk to on the street are on long waiting lists for housing.

Sadly, they lost their homes from escalating rents (price gouging since covid) or were told by owners they were doing renovations and then they doubled the rent making it impossible to afford.

They also share personal stories of health challenges, lost their jobs or their jobs don't pay enough to keep or qualify (*) for current housing costs so they end up on the street.

It is easy to spiral when people have no hope and don't see any light at the end of the tunnel.

(*)Some management companies in recent years require potential renters to have income 3 x's the monthly rent or pay up to 6 months rent up front (dispersed to the owner of the property monthly since it is illegal).

WE NEED TO PASS THIS BILL NOW and dedicate 100% of the funds to housing and homelessness where it is needed.

The government will benefit from taxes generated by sale of homes and long term rent taxes.

Name: Kahi Pacarro	Email: kahipacarro@gmail.com	Zip: 96825
Representing: Self	Position: Support	Submitted: Sep 24, 2024 @ 10:02 AM

Testimony:

I highly recommend this bill. With the massive number of empty condos and homes across the island, while individuals are forced to move away or become houseless due to their inability to find a place to live, it makes sense to take measures that could increase their ability to find places to live.

Name: Greg and Pat Farstrup	Email: gfarstrup@msn.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Sep 24, 2024 @ 10:27 AM

Testimony:

Please support this important Measure.

Ku i ka pono!

Name: Jon Tavares	Email: jjt8@hawaii.edu	Zip: 96734
Representing: Self	Position: Support	Submitted: Sep 24, 2024 @ 10:48 AM

Testimony:

Aloha, my name is Jon Tavares, and I was born and raised here on Oahu, my home town is Kailua. I am here today in strong support of Bill 046, the Empty Homes Tax. This bill represents an essential step in addressing the housing crisis that has been affecting our community for far too long. As a local resident I have seen first hand how difficult it is for family and friends to find affordable housing on the island. Despite working hard and contributing to the community, many locals are priced out of the housing market because so many homes are sitting vacant, owned by investors or wealthy out-of-state buyers who have no stake in our neighborhoods. There are 70,000 homes sitting vacant in the state of Hawaii and a 50,000 home supply deficit, how does that make sense at all. I have relatives that have moved to vegas because of how hard it is to live in Hawaii with the way housing prices are right now. I almost feel like every local person I know has friends or family that have moved away for this reason and it is a problem. I absolutely love my home and if I were to have to say one thing wrong about it, it would be housing. I will soon be a first time homebuyer or renter and it sickens me to have to legitimately consider moving to the mainland because I am not sure if I will be able to make a good enough living just to

have somewhere to lay my head at night. Bill 046 encourages these vacant homes to either be rented out or sold, bringing them back into the market for local families and individuals who desperately need a place to live. By taxing empty homes, this bill will discourage absentee ownership and generate revenue that can be used to fund affordable housing initiatives. This is something that the local community needs now more than ever. By implementing just a 3% tax on these vacant homes, the state of Hawaii can expect an annual revenue of about \$183 million to put towards affordable housing and homelessness. This would do wonders for local families and first time home buyers who are being pushed out by ridiculously high prices for housing. Some may argue that this bill is unfair to property owners, but I believe that homeowners who have the privilege of owning property in Hawaii have a responsibility to contribute to the well-being of our community. If they can afford to keep a home empty for the majority of the year, then they should also contribute to solving the housing shortage that affects us all. This bill is about prioritizing the people who live and work here, not absentee owners who see Hawaii as an investment rather than a home. Personally I am very worried about the future of Hawaii because of this problem. Hawaii is just not Hawaii without our local residents and right now they are being pushed out. I would love to continue living here for the rest of my life and raise my family here but if nothing is done to help relieve the pressure of housing in Hawaii I just don't know if that can be a real possibility for me. I urge the council to pass Bill 046 and help make our neighborhoods more accessible and livable for all. Thank you for listening to me.

Name: Keith Webster	Email: keithhawaii@yahoo.com	Zip: 96744
Representing: Self	Position: Support	Submitted: Sep 24, 2024 @ 11:08 AM

Testimony:

To: Honolulu Housing, Sustainability & Health Committee

From: Keith Webster

Re: Bill 46 (2024) CD1 MW3 – IN SUPPORT

Chair Weyer and Vice Chair Kia’āina and committee members:

I’m writing to strongly support bill 46, the Empty Homes tax. It is time to prioritize our housing to house Oahu’s people. My wife and I have been living and working in Hawaii for 35 years. Our young adult son moved to the west coast 3 years ago because of the cost of housing in Hawaii. He didn’t see a way to build a future given the cost of housing here. He wants to live in Hawaii, and we want our family together, but Oahu’s untenable housing costs make this impossible. The Hawaii economy also desperately needs hardworking people like him.

My employer finds it difficult to fill needed positions even though it is considered a good place to work. Our families are being torn apart and our economy will continue to struggle because our paychecks are increasingly insufficient to cover the cost of housing on top of the other costs of living here.

I also encourage you to dedicate all or at least most of the revenue from this tax to affordable housing and homelessness.

Housing is such a big and expensive challenge that a long-term, dedicated revenue stream is needed to support the multi-year planning and implementation for new housing construction. Our land and construction prices are high, and subsidy is now needed even for middle class housing. The County can plan a major role in improving the lives of our people and ensuring a prosperous future with thriving communities.

This approach was tested in Vancouver B.C. and found effective. Our housing problem is even bigger. Let's house our people, strengthen our economy and keep our families together.

Respectfully submitted,

Keith Webster
Kaneohe, Hawaii

Name: Chika Matsumiya	Email: chika@aliibeachrentals.com	Zip: 96815
Representing: Self	Position: Support	Submitted: Sep 24, 2024 @ 11:29 AM

Testimony:

I strongly support the amended CD1 bill over the original bill, which would allow multiple rentals to be included in the minimum of 6 months.

Empty homes should indeed be taxed at a higher rate, but I believe properties with legal short-term and mid-term rentals should not be considered "empty" if they are not genuinely "empty". Hawaii is in need of housing for residents, and building housing is not the only solution we can provide for this problem in the short-term. Without monthly rentals, returning residents will have no affordable options. There are many groups of the population including military, university, and medical assistants who are heavily dependent on monthly rentals. We cannot afford to eliminate this vital segment through excessive taxation.

Thank you for your time and consideration.

Name: Brooke Schroeder	Email: brooke25@hawaii.edu	Zip: 96826
Representing: University of Hawai'i at Mānoa	Position: I wish to comment	Submitted: Sep 24, 2024 @ 11:52 AM

Testimony:

To the members of the Honolulu City Council,

My name is Brooke Schroeder and in this testimony that the University of Hawai'i at Mānoa students are addressing is the Empty Homes Tax under Bill 046. We must address this tax for the implications and future of our island of O'ahu. There is

no doubt a housing crisis and homelessness problem in O'ahu. As someone who has had the honor to live in O'ahu for five years, I have seen the disturbing number of empty homes and homeless people simply walking to campus or the grocery store. O'ahu is known for its rich culture and diversity, but what good is it for people to contribute to the community here when there is an obvious struggle to cater housing for the residents? Not only that but the problem arises from properties sitting vacant and rotting in broad daylight!

Research from the Honolulu Department of Planning and Permitting shows that there is indeed a correlation between high housing prices and a decline in community well-being. Just two years ago, there was a report issued by this Department showing the statistics between low-income renters in Hawai'i per 100 houses there are only about 28 affordable units available! That is quite the imbalance for the fact that Hawai'i is built upon the community and people here. There needs to be a solid incentive and thoughtful approach for not only the increasing demand for affordable homes but also for support of homelessness and improving infrastructure around the island bit by bit. This problem has been going on for too long and many students, including myself, urge for a solution.

A solution to this problem would be implementing an Empty Homes Tax (Bill 046). Incentivizing the owners to sell or rent these homes by imposing a tax on vacant properties will increase the number and supply of homes available.

The major concern of implementing this tax would be the concern of deterring investment towards our city in general. While I understand that concern, honestly we are talking about the greater good for our community and the economy as a whole!

I have mentioned community a lot in this testimony, but what about the side of the property owners and the challenges that can arise from this? Well, this tax can help with fairness and equality for everyone. There would be exemptions for certain circumstances that are most common such as renovations and actively selling property; in the end, there needs to be accountability and action taken for this process as a whole from the homeowners. These actions can include monitoring and reporting the vacant homes which would not only help rebuild the community trust but allow for sustainability within our small land.

Together, the people and locals of O'ahu can reclaim our sense of community, build a stronger foundation under Bill 046, and adopt solutions to overcome this crisis that is happening right now.

Thank you for your time and consideration as we advocate for this uprising issue.

Brooke Schroeder, a student at the University of Hawai'i at Mānoa

Name: Albany Coate	Email: galaxyjunkie10987@gmail.com	Zip: 98506
Representing: Self	Position: Support	Submitted: Sep 24, 2024 @ 11:57 AM

Testimony:
My name is Albany Coate. I am a student in my senior year at UH Mānoa and I am in favor of this bill. Bill 46 and the Empty Homes Tax contain measures that will benefit not only the economy, housing insecurity, but primarily the people of Hawai'i, many of whom are your constituents, who have supported you throughout your terms. I am not from this land and I have a role as such to use what power I have to ensure that those who are from this land and who have lived here for generations have equitable access to affordable housing options. This tax will provide an inconvenience only to those

who have the funds to support an extra tax, it will create ripples positively impacting the rest of society, from these taxes going toward lower housing prices and higher accessibility. I am a student double-majoring and minoring, while working a part time job, who struggles to afford the high costs of housing. This is a decision that would not only affect my experience in finding affordable housing options, but could create thousands in revenue and in quantity of living space. Passing this bill will not only impact lives today, but for generations to come.

Name: Elizabeth Nelson	Email: hawaiiilizzie@gmail.com	Zip: 96744
Representing: Self	Position: Support	Submitted: Sep 24, 2024 @ 11:57 AM

Testimony:

Aloha, I strongly support this bill and believe it will be beneficial if the monies collected can then be used to help provide truly affordable housing for the many in our community who are unhoused. There are good programs in Hawaii that are working tirelessly to this end - Institute for Human Services, Housing Now and many others and they all need funding.

I thank you for your time and hope that you will see the wisdom of this bill.

Elizabeth Nelson
Kaneohe

Name: Taylor Dawley	Email: t.dawley1934@gmail.com	Zip: 96744
Representing: Self	Position: Support	Submitted: Sep 24, 2024 @ 12:05 PM

Testimony:

I am in strong support of the Empty Homes Tax, Bill 46, BILL046(24). This bill provides for a fair tax increase on unoccupied luxury homes and so increases availability of our housing supply for local residents.

Thank you,

Name: Mary Delos Santos	Email: marybetsybithkaulana@gmail.com	Zip: 96823
Representing: Self	Position: I wish to comment	Submitted: Sep 24, 2024 @ 12:23 PM

Name: Thomas Brandt	Email: tbhawaiiowan@aol.com	Zip: 96813-4603
Representing: Self	Position: Support	Submitted: Sep 24, 2024 @ 12:56 PM

Testimony:

Aloha, my name is Thomas Brandt. I am a 45-year resident of Hawaii, including 38 years in downtown Honolulu.

I have been a foresight and policy analyst since 1986, and am a former journalist, travel industry manager, planning and economic development specialist, and natural resources conservation specialist. I also hold masters and doctoral degrees from UH-Manoa, specializing in strategic foresight, public policy, and political economy. My doctoral dissertation research focused on "economic democracy" and local self-reliance.

I strongly support Bill 46 CD1 MW3, but request that 100% of Empty Homes Tax revenues be dedicated to affordable housing & homelessness.

Data indicate we have nearly 35 thousand empty housing units on Oahu alone.

So the Empty Homes Tax can do more, much faster and cheaper, to address our decades-long affordable housing crisis than any other possible legislation that I currently know of, at least on the levels of county and state government.

The Empty Homes Tax is the fastest cheapest way I currently know of to:

- keep local families together, and stop forcing local residents born and raised here to leave their homeland,
- slow Hawaii's "brain drain", and
- address our local labor shortage by making it possible once again for those who work here to be able to afford to live here on wages that local employers can afford to pay.

The Empty Homes Tax can also more quickly increase our housing supply without the lengthy and cumbersome process required to build new housing units, while also providing more long-term revenue to build more permanently affordable housing units for local working class residents only, protected from both local and non-local investors and speculators, who selfishly drive up the cost of housing for local residents trying to make a living here.

We should also use state and/or county tax or bond revenue to pay directly for construction of any new permanently affordable housing for local residents, instead of our traditional practice of using local taxpayer monies to subsidize private for-profit housing developers who cannot build the amount of permanently affordable housing we need, and permanently restrict it to local residents, while also permanently linking the cost of housing to local median incomes, adjusted for future inflation.

This way we can build permanently affordable housing--that truly addresses our housing affordability crisis--without violating the Interstate Commerce Clause of the US constitution.

Also note several examples of housing built for specified groups already exist that do not violate the Interstate Commerce Clause.

These examples show that we can do the same.

But the Empty Homes Tax is key to doing all of the above, IMO.

Please pass this bill as soon as possible, so we can start reaping its benefits as soon as possible.

Mahalo for your time and consideration.

Thomas Brandt
Downtown Honolulu

Name:	Email:	Zip:
Jason Monson	jasonmonson@gmail.com	96825
Representing:	Position:	Submitted:
Self	Support	Sep 24, 2024 @ 01:13 PM

Testimony:

Dear Council Members,

I am writing to voice my enthusiastic support for the Empty Homes Tax Bill 46 (2024). This legislation is a vital initiative to help tackle the pressing housing affordability crisis in Honolulu.

As one of the most unaffordable housing markets globally, Honolulu faces a dire need for effective solutions. The 2020 US Census revealed that there are over 34,000 vacant homes in our city—homes that could be providing shelter to local families. This bill is a strategic approach to make better use of these properties.

The Empty Homes Tax will incentivize property owners to either rent out or sell their vacant homes, thereby increasing the availability of housing for Oahu residents. This is a crucial step in expanding our housing supply and making it more accessible to those who live and work here.

Furthermore, by discouraging the non-resident use of our housing stock, this tax will help to alleviate the competitive pressures that drive up prices and rents. This will make it easier for local residents to find affordable housing options, which is essential for maintaining the social and economic fabric of our community.

The revenue generated from this tax can be allocated to affordable housing projects and homelessness programs,

providing much-needed resources to address these critical issues. This dual benefit of increasing housing availability and generating funds for social programs makes the Empty Homes Tax a comprehensive solution to our housing challenges. I support this tax and feel strongly that it is important that 100% of revenues go to affordable housing and homelessness.

In summary, the Empty Homes Tax Bill 46 (2024) is a forward-thinking measure that prioritizes the needs of Oahu's residents. I strongly urge the Council to pass this bill and take a decisive step towards a more affordable and equitable housing market in Honolulu.

Thank you for your attention to this important matter.

Sincerely,

Jason Monson

Name: Ross Isokane	Email: isokane@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Sep 24, 2024 @ 01:18 PM

Testimony:

I still strongly support the concept of an empty homes tax to address one of our most critical issues in Honolulu (the affordable housing crisis).

I continue to believe it is the best path to address demand-side issues (to discourage investors parking their excess capital in Honolulu's residential inventory and leaving such inventory vacant).

1. Regarding any concerns on the impact the bill may have on locals (i.e., Hawaii individuals/families):

- + There are so many exemptions in the bill available to locals who have an additional residential property that suddenly needs to be vacant in any given year.
- + If these local individuals/families can afford to continue to hold their additional property vacant after multiple years, then perhaps this bill will provide them the incentive needed to make the property available for long-term housing.

2. Regarding concerns on implementation:

- + We are in a crisis. As the Governor's emergency proclamation on housing noted, our people are suffering real consequences to their health and well-being
- + When in a crisis, I believe we must operate with a bias toward action (and not let the perfect be the enemy of the good)
- + I have faith in our city and the smart, competent people in the administration. We can start with the self-declarations and iron out the kinks as we go. Other cities have done it with successful results, so can we!

Name:	Email:	Zip:
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Susan Le	susan.le@hiappleseed.org	96816
Representing: Hawaii Appleseed	Position: Support	Submitted: Sep 24, 2024 @ 01:25 PM
Name: Susan Le	Email: susan@hihac.org	Zip: 96816
Representing: Hawaii Housing Affordability Coalition	Position: Support	Submitted: Sep 24, 2024 @ 01:30 PM
Name: Malia Victor	Email: maliav7@hawaii.edu	Zip: 96734
Representing: Self	Position: I wish to comment	Submitted: Sep 24, 2024 @ 01:32 PM
Testimony: My name is Malia, and I am a lifelong resident of Hawaii. I am writing in strong support of Bill 046, the proposed empty home tax. As someone who has witnessed the housing crisis unfold in our island, I believe this bill is not only necessary but overdue. For years, Hawaii has been struggling with a housing shortage that has deeply affected local residents. Homes that once housed families like mine are increasingly being left vacant or purchased by investors from the mainland and outer countries who use them as short-term rentals or vacation houses. By doing this it has increased real estate costs to amounts that most local families cannot afford. When I drive through neighborhoods that once had lots of life, I now see empty homes and condos which are normally the nicest homes. These homes will sit unused for months or sometimes even years, all while so many local families struggle with finding affordable housing or are forced to find a home off of the islands. The result of this is we lose our community, we lose the people who deserve to be here the most as local families have no other choice but to pack up their things and find somewhere to live at an affordable price. The proposed empty home tax is a step toward addressing this problem. By creating a tax on vacant homes, we are encouraging property owners to either rent or sell these houses but also potentially generate revenue that can be used to fund affordable housing projects. Some people will argue that this tax will discourage investment in Hawaii or unfairly penalize owners. But I believe that we need to prioritize local families above anything else. The intent of this tax is not to punish, but to create a more balanced housing market where the people of Hawaii can continue to live on their land, As a resident of Hawaii, I have seen too many friends and family members move away because they can no longer afford to		

live here. This is a painful reality that needs to be addressed quickly. Bill 046 offers one solution to a deeply rooted problem, and while it may not be a complete fix, it is a crucial first step in reclaiming our housing market for local residents.

I urge the committee to pass this bill and take a stand for the people of Hawaii who are continuously struggling to keep a roof over their heads.

Mahalo for your time and consideration

Sincerely,

Malia Victor

Name:	Email:	Zip:
Emily Lau	elau@higoodwill.org	96819
Representing:	Position:	Submitted:
Goodwill Hawaii	Support	Sep 24, 2024 @ 01:33 PM

Name:	Email:	Zip:
Mike Nguyen	mnguyen129@gmail.com	96813
Representing:	Position:	Submitted:
Self	Support	Sep 24, 2024 @ 01:49 PM

Testimony:

I support this bill to increase the availability of housing for people who live here. I also support dedicating revenues from this proposal to fund affordable housing.

Name:	Email:	Zip:
Mahealani Ioanis	ioanism@hawaii.edu	96822
Representing:	Position:	Submitted:
Self	Support	Sep 24, 2024 @ 02:09 PM

Testimony:

Aloha. My name is Mahealani Ioanis and I am here in support of the empty homes tax. Growing up in Hawaii I was always somewhat aware of how costly housing could be. And as time passed it only seems to increase. Some people even end up homeless due to the cost of housing. Everyday you can see people are either living on the streets, living in their cars, couch surfing. And it isn't just the homelessness population suffering but the middle class as well. I myself have never been homeless. But I do know how expensive housing is. I have seen with my own eyes the disappointment on people's faces, on my own parents' faces, when a home, a decent home, is out of their budget. Life in Hawaii is hard. We have had to settle for homes that might as well be falling apart. It's a struggle to simply live and exist in a place famed to be a paradise. And while people struggle to live and to have a roof over their head, which should be a basic human right, we see empty houses, in the thousands, sitting empty for long periods of time throughout the year. This bill could alter so many lives for the better. So I ask that you consider it.

Name:	Email:	Zip:
HANNAH CRISHEL SAMBRANO	sambranohannah@gmail.com	96818
Representing:	Position:	Submitted:
Self	Support	Sep 24, 2024 @ 02:18 PM
Testimony: I support Bill 46(24) creating an empty homes tax.		
Name:	Email:	Zip:
Dre Kalili	dreanalee@aohcc.org	96805
Representing:	Position:	Submitted:
Association of Hawaiian Civic Clubs	Support	Sep 24, 2024 @ 02:29 PM
Name:	Email:	Zip:
Reanna Salvador	reannads@hawaii.edu	96813
Representing:	Position:	Submitted:
Self	Support	Sep 24, 2024 @ 02:29 PM
Testimony: I support an empty homes tax. Too many units are unoccupied, and too many locals live on the streets.		
Name:	Email:	Zip:
Jazmine Young	jazminey@hawaii.edu	96815
Representing:	Position:	Submitted:
Self	Support	Sep 24, 2024 @ 02:32 PM
Testimony: Aloha, My name is Jazmine Young. I have lived in Hawaii for many years. I favor this position because this will help our economy and social status here in Hawaii. This will help liberate us from financial burdens and life obligations.		
Name:	Email:	Zip:
William Tam	william.tam2@gmail.com	96744
Representing:	Position:	Submitted:
Self	Support	Sep 24, 2024 @ 02:44 PM
Name:	Email:	Zip:
Javier Rios Garcia	javiero@hawaii.edu	96744
Representing:	Position:	Submitted:

Self	Support	Sep 24, 2024 @ 03:00 PM
Testimony: Ladies and Gentlemen of the council, My name is Javier Rios Garcia and I would like to say that I support bill 046(24) because I was homeless 4 years ago and my homelessness ended on June of 2022. As of today, my lease is due and the availability of housing makes it very difficult to find the appropriate housing due to short supply and as of September 24, while doing a walkthrough at the apartment complex adjacent to Aoao Windward complex in Kaneohe there exists an apartment property that used to have a montessori preschool before it closed, which has been purchased containing about 3 single family units vacant for more than 2 years. Moreover, with such demand and short supply, I feel that these units need to be a focus in addressing our homeless pandemic. Nonetheless, I myself and with my recent homeless experience serves as a reminder that homelessness for me is very possible today. I support this bill and also support the leaders that address our local challenges with solutions. Mahalo Nui Loa.		
Name:	Email:	Zip:
Rebecca Soon	rebecca.ji.soon@gmail.com	96822
Representing:	Position:	Submitted:
Self	Support	Sep 24, 2024 @ 03:31 PM
Name:	Email:	Zip:
Evan Oue	eoue@imanaka-asato.com	96744-4105
Representing:	Position:	Submitted:
NAIOP Hawaii	I wish to comment	Sep 24, 2024 @ 04:40 PM
Name:	Email:	Zip:
Kathleen Moses Benson Kathleen Moses Benson	kathymoses@aol.com	96707
Representing:	Position:	Submitted:
Self	Support	Sep 24, 2024 @ 05:20 PM
Testimony: I support the measure, and I am a full time employed tax-paying resident of Hawaii and I am a registered Hawaii voter. Many of the people who oppose the bill aren't registered Hawaii voters and don't live here, don't work here, don't pay income taxes here, don't shop here, etc. I am surprised and dismayed that non-residents of Hawaii are allowed to submit testimony to influence your decisions on matters intended to benefit the full time residents of Hawaii.		
Name:	Email:	Zip:
dana pagalaboyd	Joshua1-9JD@pm.me	96734
Representing:	Position:	Submitted:
Self	Oppose	Sep 24, 2024 @ 05:25 PM
Testimony: Please rethink this bill. Not every perceived vacant house is vacant. I have family that purchased a house in Kailua because		

(1) they LOVE Kailua (2) Didn't want to continue to rent annually in Kailua and (3) Love to share their house with family and friends to have a place to stay (they don't charge anyone for staying--Isn't that the Aloha Spirit!). Yes, they don't charge anyone for staying at their house. So, now they wouldn't have a record of rent being paid. Another document that would not be able to be produced!

If I owned a second house for this same reason, you would be forcing me to sell this house because I couldn't possibly afford that amount of taxation, and I wouldn't be charging rent either! I think we can find another way to spread out the housing market. Put your thinking caps on! Taxing people more and more is certainly not the answer to homelessness. Let's at least see if being able to add other dwellings on our property works first!

Name: Aria Juliet Castillo	Email: ariajuliet@gmail.com	Zip: 96824
Representing: Self	Position: Support	Submitted: Sep 24, 2024 @ 06:21 PM

Testimony:
Please support this bill to help us increase the housing supply for local families.

Name: Lorna Holmes	Email: lholmes@hillsdale.edu	Zip: 96817
Representing: Self	Position: Support	Submitted: Sep 24, 2024 @ 08:57 PM

Testimony:
The Empty Homes Tax serves a dual purpose: it discourages property speculation while generating revenue that can be funneled directly into housing programs. This ensures that every dollar from vacant homes goes back into making our city more livable for all.
Clearly, vacant homes are a missed opportunity in a city with such a high demand for housing. The Empty Homes Tax ensures that every property is used to its full potential, benefiting both the community and those in need of a place to live. In the state with the lowest property taxes, we need the Empty Homes Tax, which has been successful in other communities such as San Francisco.

Name: Jennifer Andrews	Email: anakama@wik.com	Zip: 96813
Representing: Honolulu Board of Realtors	Position: Oppose	Submitted: Sep 24, 2024 @ 09:48 PM

Name: William Anonsen	Email: wmanonsen@consultant.com	Zip: 96814
Representing: Self	Position: I wish to comment	Submitted: Sep 24, 2024 @ 10:13 PM

Name: Evan Weber	Email: evan@our-hawaii.org	Zip: 96734
Representing: Our Hawai'i	Position: Support	Submitted: Sep 24, 2024 @ 10:20 PM
Name: Natalie Iwasa	Email: iwasajunk@mail.com	Zip: 96825
Representing: Self	Position: Oppose	Submitted: Sep 24, 2024 @ 10:46 PM
Name: Erica Brenner	Email: ebrenner808@gmail.com	Zip: 96706
Representing: Self	Position: Support	Submitted: Sep 24, 2024 @ 11:49 PM
Testimony: Aloha, I am a resident born and raised on O'ahu. It has been so heartbreaking watching my family and friends move away from the islands because of the lack of affordable housing. These are the people who truly live and play in and love this 'āina and dedicate their lives to taking care of our limited natural resources. People who do not actually live here do not give their extra time or dedicate themselves to protecting our water, soil, and air. Please help make Hawai'i affordable to our kama'aina...people who were actually born and raised here.		
Name: Randy Gonce	Email: Randy@randygonce.com	Zip: 96816
Representing: Self	Position: Support	Submitted: Sep 25, 2024 @ 12:28 AM
Testimony: Strong Support		
Name: Erynn Fernandez	Email: erynn.fernandez@gmail.com	Zip: 96797
Representing: Self	Position: Support	Submitted: Sep 25, 2024 @ 12:29 AM
Testimony: I am in support of Bill046(24) because of the exponentially growing need for local resident access to obtainable affordable housing. And this is one of many responsible steps we as a community must take to provide our citizens with stable shelter and a better quality of life.		
Name:	Email:	Zip:

John Kawamoto	jk1492@gmail.com	96816
Representing: Self	Position: Support	Submitted: Sep 25, 2024 @ 12:45 AM
Testimony: I support Bill 46 with an amendment. Oahu faces a deepening housing crisis because Oahu's housing market caters to wealthy investors. The housing market produces luxury housing for them, while largely ignoring housing that is affordable to local people. Many of these investors are so wealthy that they occupy their housing units for only a few weeks a year, leaving them empty for the rest of the time. They can make a profit on when they sell their investments because Oahu's housing prices steadily increase, while property taxes are low. Bill 46 would create a tax disincentive for people to own housing that is kept empty most of the time. The bill is patterned after the empty homes tax in Vancouver, Canada, which reduced the number of empty homes in that city by more than 50%. Oahu has more than 34,000 empty homes. This bill will make more housing available for local people. Oahu's housing crisis is so extensive that a variety efforts must be made to solve it. Bill 46 is a big step in the right direction. The bill can be improved by amending it to dedicate the tax revenue to the development of affordable housing. With that amendment, I support Bill 46.		
Name: Nobuyuki Nakajima	Email: nobuyuki.nakajima2@gmail.com	Zip: 96707-4425
Representing: Self	Position: Oppose	Submitted: Sep 25, 2024 @ 01:10 AM
Testimony: I oppose the bill46(24) due to the following reasons. 1) I am a Japanese and own a property in West Oahu since 2014. As I am a foreigner so that it is difficult to stay 180 days. It makes unfair for me like a foreigner which can stay limited time. 2) I just paid the real property tax which was 40% increase over the last year. I am categorized under resident A. I don't understand how the property tax jumped steeply suddenly. Any way I already paid very high property tax. 3) I enjoy one of the beautiful paradises in the world as my second house and investment purposes for my retired life. If it imposes 2% and 3% in the second and third year respectively, I don't see any reasons to own the property in Oahu as the capital gain will definitely diminish. My Japanese friends who own their property in Ala Moana/Ward and Kakaako areas		

are working in Japan and own the expensive properties as investment purposes. They will definitely think of selling and canceling the condos now under constructions.

I checked the rate of San Francisco empty home tax as follows.

2024 rate

Less than 1,000 SQF \$2,500

1,000 to 2,000 SQF \$3,500

Greater than 2,000 SQF \$5,000

I think this is the current US standard and common-sense level. I am willing to pay with this level on top of the real property tax.

Hope the committee considers foreign investors intention. We buy new and expensive condos and pay the property tax as well as support Hawaii's construction industry by large extent. In addition we pay capital gain taxes when we sell.

Name:	Email:	Zip:
Brian Bettini	briansbettini@gmail.com	94901
Representing:	Position:	Submitted:
Self	I wish to comment	Sep 25, 2024 @ 02:51 AM

Testimony:

We have owned unit O1405 at the Ko Olina Beach Villas for the past 14 years. This property has never been a rental and is used only by our family. One of the reasons we purchased the property was to be able to regularly visit our brother, who has lived on Oahu and worked at the Waianae Coast Comprehensive Health Center for the past 45 years. We are a close family and like to be together as often as possible.

We would urge you to not implement Bill 46. It is an unfairly burdensome and discriminatory tax. Bill 46, in one proposed form, would increase our property taxes by more than \$60,000 a year and our total annual tax bill would exceed \$80,000! We are all retired individuals and this annual tax expense would create a serious problem. Most likely we would have to sell.

If the bill does move forward we would urge you to adopt the plan proposed by Councilmember Kai Aina. It is at least more reasonable. Also, we would suggest some type of cap on the tax, for example \$6,000 or \$7,000. This would at least be manageable.

Mahalo for your time and considering our suggestions.

Brian Bettini
David Bettini
Roger Bettini

Name: Debbie Winters	Email: wingiin@consolidated.net	Zip: 77304
Representing: Self	Position: I wish to comment	Submitted: Sep 25, 2024 @ 06:17 AM
Testimony: I am writing in opposition to Bill46. We have owned in one of the designated resort areas on Oahu for 15 years. We come for 4 months a year and love beautiful Oahu which is our Happy Place. We are very respectful of the culture and the lands of Hawaii and understand how difficult it is for Hawaiians to have so many visitors come every year. We support businesses here and try to offer our support on many levels. We do not rent as we do not like the destruction that would occur to our unit that comes with short term renting and if we offered long term renting we would not have access to use our unit. Since we are not able to be here for 6 months we will be adversely affected by the Empty Homes Tax. If and when this Bill 46 is implemented we will be required to pay almost \$100,000 in tax per year - every year! That is not sustainable for us and we will be forced to sell our unit and will not be returning to Hawaii. Because our resort falls under the Bill 41 resort zoning I am requesting that you consider allowing exemption to these same resorts for Bill 46. This is the only way we are going to be able to keep our beautiful Hawaii home. Please give consideration to my suggestion. My heart is so heavy at the thought of having to sell and leave Hawaii forever.		
Name: Joshua Irvine	Email: joshua.l.irvine@gmail.com	Zip: 96792
Representing: Self	Position: Support	Submitted: Sep 25, 2024 @ 06:35 AM
Testimony: We need housing solutions now for all income earners of \$120,000 and less.		
Name: Laura Pokipala	Email: pachecolk@yahoo.com	Zip: 96744
Representing: Self	Position: Support	Submitted: Sep 25, 2024 @ 06:47 AM
Testimony: We need to assist the residents of Hawaii with basic needs, such as housing options. This bill would provide a regular fund dedicated to helping Hawaii's houseless. There are many extended families living in a single apartment unit just to have a roof over their heads. Too many children are living in the family car and then having to get to school to avoid entry into the juvenile justice system for truancy. Those investors who can afford to have prime homes sitting empty can afford the empty home tax. If they are truly eligible for the exemptions their accountants will file for the proper exemption. If they can afford to let an apartment, townhome, or single family home sit empty until they want to enjoy it, then pay the tax. This is a way for all homeowners in Hawaii to support the lack of housing for our babies!!		
Name:	Email:	Zip:

Heather Lusk	hlusk@hhrc.org	96813
Representing: Hawaii Health and Harm Reduction Center	Position: Support	Submitted: Sep 25, 2024 @ 08:22 AM
Testimony: Aloha Chair Weyer and Members of the Committee, HHHRC strongly supports this measure as it addressed two main issues in our affordable housing and homelessness crisis - getting more units into the rental pool and ensuring units either do not stay empty and can be used to minimize housing crisis and/or raising monies that will directly help address homelessness. We all know that much of the newer housing development on our island is not truly affordable - and we are seeing unprecedented amounts of people who do not live in our community buy units that then are not utilized. Given how scarce affordable housing is in Honolulu, this will incentivize owners to either rent their units or sell vacant properties so that they can be utilized by local families. If this is passed, I respectfully ask that revenue from this measure be used for affordable housing initiatives. We have seen the Neighbor Island thrive as they implement taxes and/or fees that have then directly been invested into housing and ending homelessness. Its time the City and County of Honolulu does the same. We understand that some local families have units that help support income and meeting their needs - that is not who will be impacted by this measure. This measure will only impact those who chose to keep their units empty instead of renting or owner occupied - which is most likely investors without deep ties to our community. Thank you for the opportunity to testify, Heather Lusk		
Name: LaVada Beard Holdener	Email: vada808@gmail.com	Zip: 96815
Representing: Self	Position: Support	Submitted: Sep 25, 2024 @ 09:49 AM
Testimony: I am in favor of this bill passing. I believe it would benefit our community to provide housing to those that cannot afford to pay \$500 to \$2.5 million dollars on a home. As a home owner I have an interest in providing housing to renter with Section 8. If I had an option to sell at this time and this bill passed I too would find it easier to sell at a reasonable rate. This helps all community members if you look at the big picture. We have many homes that are abandoned or condemned that could easily be restored for the use of temporary or permanent housing. There are folks that would like to sell and are having difficulty due to the cost of selling. We have folks that would be willing to rent out their home but are afraid of losing out on the tax break. The bill is necessary. This is a valuable solution to a large scale problem. The thing that makes the most sense about it is everyone involved wins. This then reflects on our communities at large better managing the issues around the unhoused.		

Mahalo for your time,
LaVada

Name: Piper Neri	Email: piper@piperneri.com	Zip: 96822
Representing: Self	Position: I wish to comment	Submitted: Sep 25, 2024 @ 12:02 PM

Testimony:

Aloha Councilmembers,

My name is Piper Neri, and I am a Honolulu resident concerned by the growing strain on our community caused by the escalating housing crisis. Today, I am writing in strong support of Bill 046, which proposes an empty homes tax. This measure represents a paramount and timely response to our city's most pressing issue: the shortage of available and affordable housing for local families. It has become increasingly apparent that intrepid, innovative solutions are needed to ensure that Honolulu remains a place beautiful to visit and where its residents can live and thrive. This bill is a step forward in preserving the integrity of our community and ensuring that homes remain places of shelter rather than mere commodities for investment.

As we all know, our housing market is in a state of severe imbalance. Honolulu invariably ranks as one of the most unaffordable housing markets in the nation. The median price of housing is growing faster than the median income. We have been aware of this issue for decades, and it's only exacerbating. Many local residents are often priced out of the very neighborhoods they grew up in, unable to afford renting or owning a home. Simultaneously, we see thousands of homes sitting empty, held by absentee owners or speculators, while hardworking families struggle to find a place to live. The increase of vacant homes in such a desperate housing environment is unjust and entirely preventable.

Bill 046 offers a pragmatic and immediate solution by incentivizing owners of empty homes to either rent or sell their properties. By putting vacant homes back into use, we can quickly increase the available housing stock for residents without the delays associated with new construction or the need for government subsidies. The bill can address the housing shortage directly while bypassing the standard roadblocks that often slow down other housing initiatives. One of Bill 046's most prevailing aspects is that it ensures economic accountability. It's common for many high-end homes to be bought and left vacant as long-term investments, causing increased property values without contributing to the local housing market. Implementing this tax creates a powerful incentive for owners to rent or sell their properties, making more homes available to local families. It also encourages the focus of the housing market to shift away from speculative investments and toward creating livable, sustainable communities.

Furthermore, Honolulu's revenue generated from the empty homes tax could be metamorphic. This bill is designed to produce considerable funding that can be reinvested into affordable housing projects and initiatives to address homelessness and the poverty crisis. Cities with similar taxes, such as Vancouver, have seen a reduction in vacant properties while using the additional funds to support housing programs. Honolulu benefits from this impact, for not only will more homes become available for residents, but the resources will also be in place to address our housing crisis on multiple fronts.

Our neighborhoods are more than just collections of buildings; they are communities built on relationships and shared experiences through generations. When homes remain empty, it damages the social fabric of our neighborhoods. Streets that once boomed with neighbors' activity now feel hollow, and we see the sense of connection that defines these islands start to wear. By encouraging these homes to be filled with residents who live, work, and participate in the community, Bill 046 will help restore the spirit and cohesion of our neighborhoods.

The empty homes tax is crucial to addressing the housing crisis that has deeply affected our city. It's about more than just homes; it's about ensuring that Honolulu remains a place where people can build their lives, raise their families, and contribute to the island's cultural and economic vitality. We live in a system where wealthy corporations and individuals have been using the power of access to skew the playing field for far too long. It's time to recognize how broken and corrupt that system is, as it clearly does not work for Hawai'i's people or economy. We must make investments in our people and communities necessary to reverse this housing crisis. It's time that we build accountability into the system. That is why I urge you to pass Bill 046 and take a proactive step in supporting local families, preserving our communities, and securing a more equitable housing future for all of Honolulu.

Mahalo nui loa, Piper Neri

Name: Madison Hagge	Email: mhagge@hawaii.edu	Zip: 96734
Representing: Self	Position: Support	Submitted: Sep 25, 2024 @ 12:10 PM

Testimony:
My name is Madison Hagge and I support this bill due to the state of the living situations here in Hawai'i. We are in dire need of a helpful solution to help the people here on Island, and I believe that this tax will be a part of that solution. Thank you for your time.



**Church
of the
Crossroads**
United Church of Christ



A Just Peace and Open and Affirming Congregation

Testimony In Support of Bill 46 (2024) Empty Homes Tax, Committee on Housing, Sustainability and Health on September 25, 2024

The Church of the Crossroads was founded in 1922, as Hawaii's first intentionally multi-racial church. With approximately 180 members, our mission includes pursuing peace, justice, and stewardship of our environment.

Our congregation SUPPORTS an Empty Homes Tax for Honolulu, Bill 46 (2024). We urge you to pass CD1 of this Bill, and dedicate all its revenues for affordable housing and homelessness services. Our community's needs are immense, and every dollar of this tax should help address those critical needs. These revenues are essential to build the thousands of affordable homes our residents need and should not be diverted to other purposes.

The Church of the Crossroads believes our lack of affordable housing and homelessness are major justice and equity issues that hurt our entire community. We need big bold changes, not incremental adjustments to a tax structure that does not address Honolulu's needs.

Honolulu Property is "Impossibly Unaffordable," per Demographia (see [here](#))

\$1,000,000: Median home price in Honolulu.

\$85,857 Median household income in Honolulu. (2020 Census)

Median price of housing is now over 10 times median income

Investors are hoarding our local housing:

34,253 Vacant Housing Units - NOT Occupied in Honolulu (2020 Census)

9.2% vacancy rate for Oahu housing units (almost 1 in 10 units) (2020 Census)

Our Tax System is Broken. Let's help fix it, with an Empty Homes Tax.

1. We have the lowest property tax in the nation. This encourages outside investors to buy up our housing and hoard it for their own profits. This drives up our cost of housing while depriving local residents of affordable homes.
2. A well-designed Empty Homes Tax, like Bill 46, will impose tax only on properties that are NOT occupied at least 6 months of the year by persons who use it as their home (principal residence).
 - a. No one who rents, owns or occupies their home as their principal



**Church
of the
Crossroads**
United Church of Christ



A Just Peace and Open and Affirming Congregation

residence would need to pay this tax for their own home.

- b. The tax would apply to properties NOT used for homes - those left vacant or blighted, or used for purposes other than homes for local residents.
 - c. The tax will encourage property owners and investors to convert existing vacant properties into homes for Hawaii residents, all **without** taking new land, **without** public subsidies, **without** NIMBY, and **without** permitting delays and costs, all of which stifle other major housing efforts.
 - d. Revenues from this tax should be dedicated to programs to address affordable housing and homelessness.
 - e. Short-term equitable exemptions are provided (such as death of owner-occupant, major construction, sale or transfer of a property, military deployment, litigation related to property title, extended medical care, etc).
3. Lack of affordable housing is a crisis that continues to grow in our entire state. Failure to amend our laws to provide sufficient affordable housing for our local residents is morally wrong and economically unsustainable.
- a. Pricing local families out of affordable housing forces our families to live in overcrowded conditions or to leave our islands, tearing families apart.
 - b. Our economy is based primarily on local service jobs, most of which are not high paying. Yet our housing prices are being influenced by international speculation in Hawai'i real estate. The people buying at these high prices are often not living or working in Hawai'i.
4. What others say:
- a. The Oahu Real Property Tax Advisory Commission (ORPTAC) unanimously recommended implementing an Empty Homes Tax similar to Bill 46, to positively impact our housing situation.
 - b. The UCLA Luskin School of Public Affairs report for Honolulu identified the Empty Homes Tax as the form of tax best suited to the needs of our community and the capacity of local government.

While there is no one magic solution to our affordable housing and homelessness crises, an Empty Homes Tax can help address these problems, by increasing our supply of housing and creating dedicated revenues to address these problems.

Thank you for your consideration of this testimony and for your efforts to create a more equitable and fair community for us all.

Submitted on behalf of the Church of the Crossroads

By Mano Nguyen, Moderator (President)

Email: office@churchofthecrossroadshawaii.org

TESTIMONY OF ELLEN GODBEY CARSON
IN SUPPORT OF BILL 46, EMPTY HOMES TAX,
Committee on Housing, Sustainability & Health
For Hearing on September 25, 2024

I have been engaged in seeking effective solutions for major community problems for many years, having served as a volunteer president of the Institute for Human Services, Hale Kipa Youth Services, and the Hawaii State Bar Association. My testimony here is on my own behalf.

I strongly support Bill 46. The most important things this Committee can do with this bill are: (1) approve Bill 46 so it can move forward and we can finally start receiving its benefits and revenues; and (2) dedicate Bill 46's revenues to affordable housing and homelessness initiatives.

While I support 100% dedication of Bill 46 revenues for affordable housing and homelessness, I believe Committee Chair Weyer's CD1 is a reasonable compromise proposal to move this bill forward, understanding that some councilmembers prefer unrestricted funds with \$0 dedication, at least for now.

Our housing crisis is too dire to pass this bill without allocating a major part of its revenues to address our housing crisis. Many of Bill 46's supporters have been urging 100% revenues be dedicated for our housing needs, as other jurisdictions have done with their Empty Homes taxes.

We have a humanitarian crisis when our property is so "impossibility unaffordable" that our median price is more than 10 times the median income of our local residents (per Demographia (see [here](#)), and over half of our Native Hawaiian residents have needed to leave the islands.

Without dedication, we fear these revenues will be diverted each year to various other needs and deficits. Sadly, hundreds of millions of dollars the Council has appropriated for affordable housing through CIP and operating budgets have not been spent by the Administration. Without a dedication, those unspent appropriations lapse into the general fund and are spent for other purposes. We simply cannot fix this housing crisis without devoting major funds to building affordable housing and addressing needs of our homeless neighbors, and Bill 46 provides us the new revenue stream to do that.

The City's Affordable Housing Fund has useful restrictions for building housing

for residents at 60% AMI and lower, with affordability for at least 60 years, and funds that do not lapse. In the last decade, this Fund has been the best way to ensure City revenues are used for affordable housing, and has resulted in the purchase of thousands of units of affordable housing for residents who have no chance of affording market rates (60% AMI and below). These are our seniors on fixed incomes, families fighting their way out of homelessness, and thousands of households that work hard but cannot afford market rate units. The Charter can be amended to dedicate Bill 46 revenues to the Affordable Housing Fund.

Other jurisdictions with Empty Homes Taxes, including Vancouver, San Francisco, Oakland, and British Columbia, dedicate 100% of tax revenues to affordable housing and homelessness solutions. If we do not use these revenues for these needs, our housing crisis will continue to disrupt residents' lives and our entire economy, forcing residents to leave the islands or become homeless.

The Empty Homes Tax is essential for Oahu, as it can, for the first time, prioritize Oahu's housing for Oahu's residents. The Empty Homes Tax would not be paid by anyone who uses their housing as a home for local residents for six months a year, whether they own, rent, or occupy as ohana.

Bill 46 is modeled on Vancouver's Empty Homes tax, which has resulted in a 54% reduction of vacant homes and \$140+ million in new tax revenues for affordable housing initiatives, since 2018. (This, despite having only 2,193 empty homes initially – less than 10% of Honolulu's empty homes). Non-compliance rate has fallen from 7.5% to 0.7% in 2023, based on over 10,000 audits per year. Their revenues are sufficient to cover one-time implementation costs of \$7.5 million and estimated annual operating costs of \$2.5 million.

<https://vancouver.ca/files/cov/empty-homes-tax-annual-report-2023.pdf>. A similar British Columbia vacancy/speculation tax (2%) has generated \$300+ million in revenues for affordable housing since 2018, and has helped convert over 20,000 condos into rental housing for local residents. <https://dailyhive.com/vancouver/bc-speculation-vacancy-tax-metro-vancouver-condo-rental-conversion-statistics>.

Every year we go without an empty homes tax, we force our residents to live with this housing crisis, while foregoing millions of dollars in revenues that we could be using to build more affordable housing and help people out of homelessness. Without an empty homes tax, new housing developments are offered to investors around the world, who create more empty homes. Local residents cannot compete in the worldwide housing market. We need to fix our tax policy.

This bill deserves our strong support. Let's give it a chance to work in Honolulu.

Respectfully submitted,

Ellen Godbey Carson
Honolulu, Hawaii



OSTRA
O'AHU SHORT-TERM
RENTAL ALLIANCE

The Committee on Housing, Sustainability and Health
Committee Meeting September 25, 2024

Re: Support of Bill 46 (24) MWCD1 and EKCD1

Aloha Chair Weyer, Vice Chair Kia'aina and Committee Members,

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. We also support those renters who need affordable rentals on our island, for any length of time.

We appreciate the effort and thought from each of you on how property taxes can impact housing availability. We believe an "Empty House" Bill will greatly help with this goal, as long as those homes are truly "empty". **We support Chair Weyer's CD1** but ask that the following amendment from Vice Chair Kia'aina's CD1 be included:

4. a. Change the exemption for a dwelling unit that is "the principal residence of one or more of the owners for at least six months in the tax year" to a "dwelling unit that is physically occupied by an owner, renter, or other permitted occupant of the property for an aggregate total of six months or more in the tax year".

Legal mid and short-term rentals provide thousands of jobs and much needed income for our residents. They also provide affordable, furnished accommodations for displaced residents, returning residents, credit-challenged residents and important visitors like the traveling nurses, emergency workers, temporary military and students. We cannot afford to eliminate this vital housing segment through excessive taxation. These rentals are important to Oahu and are not empty.

We appreciate your consideration and are available for any questions or data we can provide.

Mahalo,

Jill Paulin

Kelly Lee

Jill Paulin
Director

Kelly Lee
President & Executive Director

O'ahu Short Term Rental Alliance (OSTRA)

Several issues regarding Tax Bill 46 that concern me. It appears that many repercussions have not been considered.

—Was there a feasibility study done to determine the efficacy of this empty housing tax bill? Will this tax bill generate enough revenue to be effective?

—This bill will be difficult and costly to administer. How many personnel and how much money will be required? (recall HART).

—It will create paperwork headaches and possibly late fines for residents, regardless of residency status.

—Owners should be able to choose to live in their properties or not live there. They should be able to choose to rent or not rent. Forcing out owners who choose not to rent six months a year is a violation of their rights. At the very least, current owners should be grandfathered in.

—It is a gross invasion of privacy for the government to perform inspections of private homes.

—Will this tax initiative increase the availability of affordable housing...or will it merely increase the availability of unaffordable housing? Could we end up with the same number of (or more) empty houses that exist currently? Most Hawaiian residents are unable to afford high-end resort properties.

—When property values fall, owners will lose equity on their investments, and the loss will result in lost tax revenue. How will the government then “solve” that dilemma?

—A substantial part of the tax revenue (if any is realized) will go into the general fund. Why isn't 100% going toward solving the housing shortage and homelessness?

Page 2 of the Bill 46 committee draft states:

"As authorized by the Charter, at least 20 percent shall be deposited into the affordable housing fund to be used as provided by Charter § 9-204;

(b) Revenues from the empty homes tax collected from this article that are not deposited into the affordable housing fund shall be deposited into the general fund, provided that:

(1) At least 20 percent shall be used to increase the City's supply of affordable housing for persons earning 140 percent or less of the area median income as determined by the United States Department of Housing and Urban Development annually for the Honolulu Metropolitan Statistical area, as adjusted for household size; and

(2) At least 10 percent shall be used to address homelessness.

(c) Notwithstanding any provision to the contrary, up to 5 percent of the revenues from the empty homes tax may be used to support the administrative costs of implementing and enforcing this article, including the costs of additional staff."

—Questions need to be answered before an empty housing bill can be passed. Responsible government mandates providing answers to these many concerns.



September 23, 2024

The Honorable Councilmember Matt Weyer, Chair
The Honorable Councilmember Esther Kiaʻāina, Vice Chair
Committee on Housing, Sustainability and Health
530 S King Street
Honolulu Hale, Room 202
Honolulu, HI 96813

RE: Hearing on Wednesday, September 25, 2024 at 2:30 p.m.
Regarding **Support for Bill 046 (2024)** – Empty Homes Tax

Dear Chair Weyer and Vice Chair Kiaʻāina and Members of the Committee on Housing, Sustainability and Health,

Partners in Development Foundation (PIDF) is an IRS Section 501(c)(3) public charity incorporated in the State of Hawaiʻi in 1997 to inspire and equip families and communities for success and service using timeless Native Hawaiian values and traditions. For 27 years, PIDF has provided free programs for at-risk communities across our state in the areas of multi-generational education (early education through adult), strengthening families and communities (full-service community school programming, workforce development, and a safehouse for adjudicated teens), and island resiliency (natural farming project providing training and youth mentoring for opportunity youth). Our latest expansion is serving young families who have been displaced in Lahaina, Maui.

In our years of experience providing our ten programs to keiki, young people and families, we see the struggles our community faces in trying to find affordable housing, meet basic needs and simply survive in this increasingly cost-prohibitive environment. We are saddened to see many young families moving out of our state to find a more sustainable lifestyle. PIDF believes that passing Bill 46 (2024) will provide hope for these families in seeing our City take necessary measures to increase the supply of available housing and work toward slowing the escalating housing prices to help make Hawaiʻi a place our young families can live in again.

We ask that you support Bill 046 (2024) to help promote an affordable Hawaiʻi.

Me ke aloha,

Shawn M. Kanaʻiaupuni, PhD
President and Chief Executive Officer

Serving Hawaiʻi's Families, Living Hawaiian Values

September 23, 2024

Dear Housing Committee Members of the City Council:

I worked for a small engineering firm on the windward side of Oahu for 35 years. For about 20 of those years, I was involved in finding, interviewing and hiring new engineering staff for our firm. A major issue in both hiring and retaining skilled young staff, around which our company could build its future, was the lack of affordable housing. It would drive us crazy to hire young talented engineers and watch them walk away a year or two later due to an inability to see a future without an affordable home, even with both husband and wife working in good paying jobs.

I know there are many factors that go into the lack of housing on Oahu, but clearly if wealthy people from outside Hawaii can afford to buy homes here and leave them empty for many months a year, this is going to negatively affect the local housing market. We have limited land for development, we cannot afford to have homes standing empty to satisfy the vacation needs of non-islanders who just want to come to our beautiful home for a brief escape or two during the year.

The lack of housing caused by empty homes ripples through all parts of our economy and our society. Who wants to live in a neighborhood filled with a bunch of empty vacation homes? Where is the sense of community when you barely know your neighbors because they are only there a month or two per year? I strongly support the empty homes tax just like I also supported the ban on short term vacation rentals in our residential neighborhoods. Let's do everything within our power to take back our housing and put it in the hands of people who live here and are willing to invest their time and efforts into building our local economy, neighborhoods and communities.

Sincerely,

Dale Jensen

Kailua

Greetings

I am writing to express my concerns about the proposed Bill 46. I understand and fully appreciate the intention behind this bill, which aims to address homelessness and the shortage of affordable housing—both critical issues that deserve thoughtful solutions. However, I believe that while well-intentioned, this bill may not achieve its intended goals and could inadvertently create unintended consequences.

As the bill highlights, the cost of a single-family home in Honolulu is indeed over \$1,000,000. The bill seeks to tax vacant homes to encourage property owners to rent them out, with the hope of increasing the supply of long-term rental housing. Unfortunately, I fear that many homeowners, like myself, would be left with no choice but to move these homes into the vacation rental market, which would not address the affordable housing crisis.

In my case, I purchased a second home with the intent of using it as a vacation property for my family, not as an investment or income-generating asset. As it stands, I use the home for several months of the year, but under Bill 46 I would be required to occupy the property for six months annually. If I were to do this, technically I would be eligible to become a full-time resident and my property taxes would actually decrease. My intention with this home was to use it as a vacation property explicitly for my own use.

The financial burden of maintaining the home is already substantial. With maintenance fees, taxes under the Residential A category, insurance, and mortgage payments, the total carrying cost is nearly \$9,000 per month. To cover these costs, I would need to charge over \$12,000 per month to rent it out long-term—an amount that is well beyond the means of those the bill aims to help. Not to mention I wouldn't have the use of the property when I want it.

As such, Bill 46 may force homeowners like me to rent out their properties as vacation rentals, which offers little benefit to addressing the affordable housing issue. Alternatively, some may choose to sell their homes, which could lead to an even greater influx of properties into the vacation rental market. Either way, the bill does not seem to provide a viable solution for increasing long-term rental housing.

I strongly support efforts to resolve Honolulu's housing crisis, and I believe a more effective solution could involve increasing the tax rate on all properties, with the additional revenue explicitly directed toward building government-subsidized housing. This would help create affordable housing for those who need it most, without penalizing non-resident homeowners who do not have a say in local policies, as we cannot vote in Hawaii.

Thank you for considering my concerns. I hope we can find a way forward that truly addresses the housing crisis and benefits the broader community.

Sincerely,

Gregory Stephens

Beach Villas of KoOlina OT-906

Karen Shimabukuro
PO Box 1049
Honolulu, HI 96816

09/23/2024

RE: HOUSING, SUSTAINABILITY AND HEALTH COMMITTEE (HSH), 9/25/24
BILL 46 (24)

To Whom it May Concern:

I support the proposed Chair Weyer's CD1 but ask that Vice Chair Kia'aina's language regarding exemption be included: "dwelling unit that is physically occupied by the owner, renter or other permitted occupant of the property for an aggregate total of **six** months or more in the tax year".

Furthermore, **I do NOT** support the original bill as it would consider mid and short-term rentals "empty". Our rentals are not empty and provide important accommodation options to our residents and visitors.

Without monthly rentals, returning residents will have no affordable options. The newly housed or job/ credit insecure will have no housing options. Our healthcare systems will collapse without accommodations for traveling nurses. The military, universities, film and sporting industries all rely on monthly rentals. We cannot afford to eliminate this vital housing segment through excessive taxation.

Please support Chair Weyer's CD1 with Vice Chair Kia'aina's wording regarding exemption included.

Sincerely,

Karen Shimabukuro



Shaun Campbell

808.388.3014 islolandia@gmail.com 860 Halekauwila Street, Apt. #501, Honolulu, Hawai'i 96813

September 23, 2024

Housing Committee
Honolulu City Council
Honolulu Hale
530 South King Street, Room 202
Honolulu, Hawai'i 96813

RE: Testimony in STRONG SUPPORT of Bill 46 CD1 MW3 and allocating funds towards affordable housing and homelessness programs

Aloha e Committee Members:

I write in STRONG SUPPORT of the Empty Homes Tax, Bill 46 CD1 MW3 and to advocate for the dedication of a significant portion of its revenues to address two of the most pressing issues facing our city: affordable housing and homelessness.

As you are well aware, the issue of homes sitting vacant while so many of our residents struggle to find affordable housing is a major challenge. These unoccupied properties not only contribute to the housing crisis but also exacerbate homelessness, leading to a host of social and economic problems for our community. The negative externalities of leaving homes unoccupied—such as reduced housing supply, increased rents, and the displacement of vulnerable populations—are clear and demand immediate action.

Implementing an empty homes tax is a crucial step towards encouraging property owners to either rent or sell these properties, thereby increasing the available housing stock. However, the impact of this tax could be further amplified by ensuring that a significant portion of the revenues generated are directly invested in affordable housing initiatives and homelessness services. By doing so, we can tackle the root causes of these issues and provide much-needed support to those most affected.

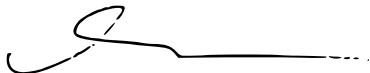
Dedicating these funds to affordable housing development would help create more opportunities for low- and moderate-income families to secure stable housing. Additionally, allocating resources to homelessness prevention and support services would provide immediate relief to those currently without a home, while also addressing the systemic factors that contribute to homelessness in our city.

This approach is not only a moral imperative but also an economically sound strategy. By investing in affordable housing and homelessness solutions, we reduce the long-term costs associated with emergency services, healthcare, and other public resources that are often strained by the impacts of housing instability and homelessness.

In short, I urge you to support the empty homes tax and to ensure that the bulk of revenues generated are dedicated specifically to affordable housing and homelessness initiatives. This targeted allocation will help mitigate the negative externalities of vacant homes and provide a pathway towards a more equitable and sustainable future for all residents of our city.

Thank you for your consideration and your ongoing commitment to improving our community.

Mahalo piha,



Shaun Campbell

Citizen Advocate



Andres Autrique

808.927.9713 Autrique12@gmail.com 1684 Ala Moana Blvd., Apt. #1552, Honolulu, Hawai'i 96815

September 23, 2024

Housing Committee
Honolulu City Council
Honolulu Hale
530 South King Street, Room 202
Honolulu, Hawai'i 96813

RE: Testimony in STRONG SUPPORT of Bill 46 CD1 MW3 and allocating funds towards affordable housing and homelessness programs

Aloha e Committee Members:

I write to express my STRONG SUPPORT for implementation of the Empty Homes Tax, Bill 46 CD1 MW3 before this Committee. I further advocate for the allocation of a substantial portion of its proceeds toward affordable housing and homelessness initiatives.

As our city faces an increasingly severe housing crisis, the negative externalities of empty homes have become glaringly apparent: These properties, often sitting vacant for long periods, contribute to the scarcity of available housing. The Empty Homes Tax is a powerful tool to address this issue by incentivizing property owners to either rent or sell these homes, thus increasing the housing supply.

However, the potential of this tax extends far beyond these benefits. By directing a portion of the tax proceeds to fund affordable housing and homelessness programs, we can make a significant and lasting impact on our community. The revenue generated from this tax presents a unique opportunity to address the root causes of housing insecurity and homelessness.

Investing these funds in affordable housing will not only support those currently without homes but will also—*and this is important*—mitigate the social and economic costs associated with homelessness, such as increased healthcare expenses, cost of crime, and the strain on social services. These costs of negative externalities can easily exceed \$70,000-\$100,000 per year for each person left homeless.

I urge you and the City Council to ensure that the Empty Homes Tax is not only implemented effectively, but that its proceeds are used to directly address the housing crisis. By dedicating these funds to affordable housing and homelessness programs, we can create a city where everyone has the opportunity to live in dignity and security.

Thank you for your attention to this critical issue. I look forward to seeing the City Council take decisive action to support the well-being of our community.

Mahalo piha,

A handwritten signature in black ink, appearing to read 'Andres Autrique', with a stylized flourish at the end.

Andres Autrique

Citizen Advocate

Aloha,

Thank you for continuing to work on this bill to make it more reasonable for owners and more beneficial for those needing housing. I'd like to encourage you to incorporate the revision submitted by Councilmember Kia'aina for the first exemption from principal residence to "dwelling unit [that] is physically occupied by an owner, renter, or other permitted occupant of the property for an aggregate total of six months or more in the tax year". This is a much more reasonable requirement that allows for the various scenarios in which a home might not be the principal residence, but it is also not empty.

I respectfully request improvement on the 3% tax amount. This is not a reasonable amount and no other place in the country taxes empty homes at that rate. I think we all know that homes that will end up being taxed will not add to the affordable housing pool and there's no guarantee that the tax will actually help add to the supply of affordable housing. One version wants it all to go to the general fund, another wants only a small percentage (20%) going to affordable housing. A lot of the tax will go to just administering the paperwork created. The bill still needs a lot of work in order for it to have the intended positive effect on housing.

People who own 2nd homes are not necessarily wealthy. Many have scrimped and saved their entire lives so they can afford a home in a wonderful place like Hawaii to spend part of their time. Some would live in their 2nd home now if it weren't for other family or work obligations. They are looking ahead to when they can live in their 2nd home full time, but until then, they enjoy it when they can. Let's not penalize them for their life situations and for loving Hawaii.

Let's work to come up with a better plan, in the spirit of Aloha, that will not drive people away but will instead continue to welcome them and help others in need while doing so.

Mahalo.



CATHOLIC CHARITIES HAWAII

TO: Honolulu City Council, Committee on Housing, Stability and Health
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
RE: Bill 46 CD1 MW3 - **IN SUPPORT**

Chair Matt Weyer and Vice Chair Esther Kia'aina:

Catholic Charities Hawai'i is in strong support of Bill 46 CD1 MW3, with all revenues to be dedicated to affordable housing and homelessness. This bill represents a critical step forward in addressing two of the most pressing issues facing our community: the shortage of affordable housing and the growing homelessness crisis. This bill offers a much-needed framework to address short and long-term housing solutions.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for 77 years. CCH has programs serving elders, children, individuals and families, with a wide array of services including comprehensive housing and homeless services. Our staff experience firsthand the challenges of securing affordable housing for our clients. Additionally, CCH recognizes that housing alone is not enough. Direct services, such as case management and mental health support, are essential not only for placing individuals in housing but also for ensuring their long-term stability in safe and supportive environments. Funding these essential services is critical to being part of the solution.

Honolulu, like many cities across the nation, has faced significant challenges in meeting the housing needs of its population. Bill 46 addresses this by encouraging owners to convert their vacant units into long-term rentals, which could rapidly increase housing availability without the extended delays that come with new construction. The bill also establishes a framework to generate tax revenue, which could be used to fund the development of new affordable housing. Additionally, the revenue could support efforts to address homelessness by enhancing access to essential services and housing solutions. This approach is not only cost-effective in the long term, but it also promotes community stability and enhances social well-being.

Catholic Charities Hawai'i strongly supports Bill 46 CD1 MW3, as it is a vital step toward solving the critical issues of affordable housing and homelessness in our community. By facilitating the transition of vacant units into long-term rentals and generating dedicated tax revenue for housing initiatives, this bill provides a comprehensive framework for both immediate and sustainable solutions. We believe that investing in affordable housing is not merely a policy issue; it is a fundamental human right that profoundly affects the lives of countless individuals and families. We urge the Council to pass this bill and demonstrate a commitment to the well-being and stability of our community. Thank you for your consideration.

Please contact Shellie Niles, Director of Advocacy and Community Relations
shellie.niles@catholiccharitieshawaii.org if you have any questions.



CLARENCE T. C. CHING CAMPUS • 1822 Ke'eaumoku Street, Honolulu, HI 96822





KŌKUA KALIHI VALLEY
COMPREHENSIVE FAMILY SERVICES

2239 North School Street • Honolulu, Hawai'i 96819 • phone: 808-791-9400 fax: 808-848-0979 • www.kkv.net

**TESTIMONY IN SUPPORT OF HONOLULU CITY COUNCIL BILL 46 (2024)
RELATING TO REAL PROPERTY TAXATION (EMPTY HOMES TAX)**

September 23, 2024

Kokua Kalihi Valley Comprehensive Family Services strongly supports Bill 46 (2024) Relating to Real Property Taxation (Empty Homes Tax). Lack of affordable housing is among the most urgent economic, social, and health issues facing our staff, patients and Kalihi neighbors. It effects are capacity to recruit new staff and maintain service levels; it creates profound and damaging stressors for our patients and other Kalihi families, many of whom are the backbone of Oahu's service and trade sectors; it breaks up families and reduces family resilience, forcing out migration to the continental United States; it weakens familial and community ties that are the bedrock of Hawaii's culture. Kalihi is in the midst of profound developmental changes, with Rail, the redevelopment of OCCC, a justifiable fear of gentrification, and a statewide real estate free-for-all that offers few disincentives for continental US and international investors. We have carefully read the justification and language of Bill 46 (2024) and wholly agree with its rationale, regulatory approach, priorities, and empty houses taxation. KKV respectfully and strongly urges our City Council to pass this measure without delay. Mahalo!

Established by community leaders in 1972, KKV has five decades of experience providing low-income and immigrant families in Kalihi access to essential health and social services. From a modest beginning with just an Executive Director and four part-time community health workers, KKV has grown to over 260 staff members operating from nine locations across Kalihi, with service sites at the state's largest public housing development and a 100-acre nature preserve and malama 'aina program, Ho'oulu 'Āina. Our clinical programs serve more than 10,000 patients per year. Our mission is to advance health, to inspire healing, to foster reconciliation, and to celebrate abundance in the ahupua'a of Kalihi through strong relationships that honor culture and place. We offer a comprehensive array of services spanning all stages of life and facets of family health, including dental, medical, perinatal, family planning, women's health, nutrition, education, WIC services, immunization, STD/HIV services, transportation, language interpretation, outreach, youth services, and microenterprise, legal, and community advocacy.

We thank the City Council in advance for their strong support of this urgent and essential measure!

David Derauf, MD, MPH
Executive Director

On behalf of Kōkua Kalihi Valley Comprehensive Family Services



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We thank the City Council in advance for their strong support of this urgent and essential measure!

David Derauf, MD, MPH
Executive Director

On behalf of Kōkua Kalihi Valley Comprehensive Family Services

Sept. 25, 2024, 2:30 p.m.

Honolulu Hale

To: Honolulu City Council, Committee on Housing, Sustainability and Health

Matt Weyer, Chair

Esther Kia'āina, Vice Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

RE: Bill 46 (2024) — RELATING TO REAL PROPERTY TAXATION

Aloha Chair Weyer, Vice-Chair Kia'āina and other members of the Committee,

The Grassroot Institute of Hawaii **opposes** [Bill 46 \(2024\)](#), which would create a so-called empty homes tax as a supplement to any other property taxes currently paid by owners of certain properties in Honolulu's residential zoning districts.

The surcharge would be equal to 1% of the property's assessed value for the first year the tax is in effect, 2% for the second year and 3% for all tax years thereafter.

The stated goals of Bill 46 (2024) are to encourage owners to rent or sell vacant homes, increase the supply of homes and raise funds for affordable housing and homelessness.

Grassroot believes that an empty homes tax would be difficult to administer, create substantial paperwork problems for Honolulu residents — to the extent even of comprising an invasion of privacy — and likely not achieve its housing goals.

The first problem here is definitional: What is an empty home? The bill states that "a dwelling unit on residential property is an empty home unless it qualifies for any of the following exemptions."

It then proceeds to list 14 exemptions, including for homes used as principal residences for more than six months a year; rented for more than six months a year; for sale or recently sold; subject to court proceedings;

determined to be a “substandard building”; licensed by the state as a halfway house; and other discretionary reasons.

Basically, there could be more than 14 exemptions, there could be fewer — as shown by the variations in other jurisdictions that have been experimenting with such a tax¹ — and also by the fact that when this proposal was introduced in 2022 at Bill 9, it listed only 11 exemptions.²

Beyond that, this proposed empty homes tax would leave it to the Honolulu Department of Budget and Fiscal Services to determine whether a property was truly vacant.

Under the bill, the department would be required to mail a form to all owners of residentially zoned properties on Oahu that the owners would have to fill out and declare whether their homes are empty as defined by the proposal.

Basically, the presumption would be that a dwelling on Oahu is empty unless its owner qualifies for an exemption, which would put the burden squarely on property owners to prove their status.

Further, according to the bill, the department would be empowered to conduct “audits and investigations to determine the validity of property status declarations made for any residential property,” and could require “owners or occupants of the property to provide information at any time up to three years after the tax year in which the empty homes tax is due.”

Such information would include but not be limited to government-issued personal identification, driver’s license, vehicle registration, utilities records, mailing addresses used for personal bank and credit accounts, tenancy agreements, occupancy agreements, proof of income and general excise taxes paid for rental income; proof of receiving or providing medical care by the owner or tenant that precluded occupancy of the dwelling unit, death certificates, court orders and proceedings, proof of military orders of deployment, and possibly many other personal records.

Frankly, we at the Grassroot Institute think most people would consider having to provide such information as a condition of owning a home an egregious if not unconstitutional invasion of privacy.

Privacy concerns aside, the magnitude of all this required paperwork, investigating and enforcement would be enormous. For fiscal 2025, there are 251,787 parcels in Honolulu’s Residential class and 28,058 in its

¹ Jensen Ahokovi and Mark Coleman, [“The empty homes theory of Hawaii’s housing crisis: A tax on empty homes might increase rental occupancies and generate tax revenues, but there is no evidence showing it would increase the state’s housing supply or reduce housing or rental prices.”](#) Grassroot Institute of Hawaii, May 2023, p. 8.

² [“Bill 9 \(2022\) — Relating to real property taxation.”](#) Honolulu City Council, Feb. 1, 2022, pp. 3-5.

Residential A class.³ This doesn't count short-term rentals or bed and breakfasts that might exist in residential zones.

It seems reasonable to ask whether the Department of Budget and Fiscal Services has or could ever have the staff to sort through this magnitude of annual declarations.

There is no mention in the bill of how many new full-time employees the city might have to hire or how much the city might have to spend to implement and enforce this proposed new tax.

And consider how this might affect homeowners who for some reason forget to fill out the annual declaration or make a so-called "false claim." The bill proposes a civil penalty of "not less than \$250 and not more than \$10,000 for each day that the violation continues, upon reasonable notice," with the "penalties under this section [to] become a part of the empty homes tax and must be collected as a part thereof."

Bill 46 (2024) would provide a grace period for owners who forget to file, but this would exist for only the first year of the empty homes tax; all forgetful homeowners in future years would have to file appeals that could be costly and time-consuming.

In addition, the bill says, any person who fails to timely pay the real property empty homes tax would be subject to nonpayment penalties equal to 1% of the empty homes tax due and payable within the first year of nonpayment, 2% within the second year of nonpayment, and 3% of all accrued empty homes taxes for the third year.

After three years of nonpayment, the city would be allowed to seize the property in question and sell it to raise the money needed to pay the delinquent tax amount.

As for the goal of providing more housing, Grassroot pointed out in its May 2023 policy brief, "[The 'empty homes' theory of Hawaii's housing crisis](#)," that there have been only two robust econometric studies of the effectiveness of empty homes taxes in serving this goal, and they reached contradictory conclusions.⁴

Grassroot's study did acknowledge such a tax could be useful for generating tax revenue, but it would be almost impossible to quantify how much.

Do we really want to create a headache for the city administration and city property owners in hopes of raising an unquantified sum of money — especially when there are easier ways to go about raising revenue?

Moreover, there are effective ways to produce affordable housing — at no cost to Oahu taxpayers. Grassroot discussed some of those ways in its December 2023 report "[How to facilitate more homebuilding in Hawaii](#),"

³ "[Number of Records by Land Use Class for Tax Year 2024-2025](#)," City and County of Honolulu, July 2024.

⁴ Jensen Ahokovi and Mark Coleman, "[The 'empty homes' theory of Hawaii's housing crisis](#)," p. 11.

which essentially recommended removing or updating the many state and county regulations that hinder homebuilding.

We encourage the Council to adopt those recommendations before turning to an untested, administratively complicated new tax.

Please consider, too, that Honolulu already has an implicit empty homes tax.

The fact is that anyone choosing to leave their home empty for more than six months out of the year is already forgoing more than \$12,000 in rental income, based on average rents.⁵

This suggests that anyone who leaves their home empty has good reason to do so, and that an empty homes tax surcharge might not move these properties onto the rental or for-sale market.

All things considered, the Grassroot Institute of Hawaii urges you to reject this Bill 46 (2024) and focus on alternatives that have good track records at meeting the goal of producing more housing.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

⁵ [“What is the average rent in Honolulu, HI?”](#) Apartments.com, accessed Aug. 2, 2024.

Hello, my name is Maile Skinner. I was born and raised on Oahu on the North Shore. I study social work, and I am in full support of Bill 46. I've been here for 22 years. I come from a multi-generational lineage, my dad's side of the family is Puerto Rican, and our family has been on Oahu since the importation of Puerto Ricans during the sugarcane era (in the 18-1900s). We've called this place home for many, many, many generations.

As a young local person living in Hawaii who is part of the middle/lower class, I've seen how hard it is for people my age to imagine a future of being able to buy a home in Oahu. At this point, it feels more like an impossible dream; we don't even stand a chance. Many of my friends talk about how difficult it is to afford monthly rent, and many feel forced to move away. I've had many young friends who had to move to Vegas or Arizona (all locals and Natives). According to Appleseed, the median rent for a one-bedroom apartment in 2024 is \$2100 in Honolulu. That feels impossible for our generation to afford. The minimum wage is \$14 an hour in Hawaii. The rent prices don't match our wage prices. It's extremely inflated. Even though this is our home, we want to stay where we were born & stay connected to our family lineage. It seems that more and more locals move away due to the price of housing. And personally, based on what I've seen, it seems like everything is getting more and more expensive each year.

This is why I fully support Bill 46, the empty homes tax. The cost of housing and living continues to rise, while 34,000 units sit vacant on Oahu by absentee owners who don't live here, and the majority are foreign investors. They don't contribute to the community in any way, instead, it harms us. These investors come in with cash and are able to outbid many of the locals. Making the competition extremely tight, pushing out locals, & causing prices to rise. We young locals can't compete against rich foreigners like that. Taxing these empty homes would encourage property owners to rent and sell them, which would create more affordable housing options for young people like me. It would create an available supply (which would bring down the prices), as well as helping first-time buyers. I personally would love to be able to own my own home in the future in Hawaii, as well as many other kids my age. But if this bill isn't enacted, I don't believe it will be possible for me to buy my own home. I don't even think I could afford to rent here without living month-to-month on a check in the future. It makes me extremely sad to even have to consider the possibility that one day I'll have to move from my home because of the extremely high costs of housing. I've had the experience of being homeless and living in my car for one month, a few years ago.

This tax money could really help housing for the middle class. (1% first year, 2% second year, 3% years, etc.). Hawai'i Appleseed recommends a flat tax of 3–5 percent on empty homes. This tax could create revenues of \$183.40 million–\$305.67 million annually that could go towards affordable housing funds and homelessness. Reducing the rate of homelessness would also reduce crime, drug use, and other social problems here in Hawaii.

Without Bill 46, young locals and kids of my generation will continue to be pushed out, unable to afford the basic right of having a home in our own state. It would also be cost-efficient to use empty property, as well as environmentally friendly to not have to build new construction. I want to "keep the country country," and opening up these vacant houses would be a great solution

without affecting rural areas of oahu. My generation deserves a fair chance to live and thrive in the place we grew up, the place we call home. We are the future of the State of Hawaii. What will Hawaii become if all the locals get pushed out? It will no longer be "Hawaii". The locals and Native Hawaiians are what make this state "Hawaii". The thought of owning a home is a far-away dream for me. And for many others of my generation. If Bill 46 gets enacted, I will be sure to reelect any legislators who are doing the right thing by supporting younger generations and keeping them on the island. For young people in Hawaii, Bill 46 is not just a policy. It's a type of lifeline; it gives us hope that we can stay and thrive in our own community, instead of being priced out of the place we call home. Thank you.

Hello, my name is Maile Skinner, and I was born and raised on Oahu's North Shore. I come from a multi-generational Puerto Rican family that has lived here since the sugarcane era, and Hawaii has always been our home for many generations. As a young local person, I've seen how impossible it feels for my generation to buy a home one day. With median rent at \$2,100 in Honolulu and a minimum wage of only \$14 an hour, many young people can't even dream of buying a home or sometimes even affording rent. I've watched friends, all young locals and Native Hawaiians, move away to places like Vegas and Arizona because the cost of living here is too high.

This is why I support Bill 46, the Empty Homes Tax. There are 34,000 vacant units on Oahu, mostly owned by foreign investors. Taxing these properties would encourage owners to rent or sell them, creating more affordable housing for younger generations like me. This tax could create revenues of \$183.40 million–\$305.67 million annually that could go towards affordable housing funds and homelessness.

Without Bill 46, young locals and kids of my generation will continue to be pushed out, unable to afford the basic right of having a home in our own state. Owning a home feels like a far-away dream, a unrealistic fantasy. Our younger generation is the future of Hawaii. Hawaii will lose its identity, without locals and Natives here. We deserve a chance to live and thrive in the place our families have called home for generations. Bill 46 gives the younger generation a hope for a future to live in Hawaii.

If this is enacted, I will re-elect the officials who made it possible. Thank you

Hello, my name is Maile Skinner, and I was born and raised on Oahu's North Shore. I come from a multi-generational Puerto Rican family that has lived here since the sugarcane era, and Hawaii has always been our home for many generations. As a young local person, I've seen how impossible it feels for my generation to buy a home one day. With median rent at \$2,100 in Honolulu and a minimum wage of only \$14 an hour, many young people can't even dream of buying a home or sometimes even affording rent. I've watched friends, all young locals and Native Hawaiians, move away to places like Vegas and Arizona because the cost of living here is too high.

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Without Bill 46, young locals and kids of my generation will continue to be pushed out, unable to afford the basic right of having a home in our own state. Owning a home feels like a far-away dream, a unrealistic fantasy. Our younger generation is the future of Hawaii. Hawaii will lose its identity, without locals and Natives here. We deserve a chance to live and thrive in the place our families have called home for generations. Bill 46 gives the younger generation a hope for a future to live in Hawaii.

If this is enacted, I will re-elect the officials who made it possible. Thank you

Delos Santos, Mary

From: Delos Santos, Mary
Sent: Thursday, September 19, 2024 1:18 PM
To: Tulba, Augie; Weyer, Matthew; Kiaaina, Esther; Dos Santos-Tam, Tyler; Cordero, Radiant; Tupola, Andria
Cc: 'Mary Delos Santos'
Subject: FW: BILL046(24) - RELATING TO REAL PROPERTY TAXATION / EMPTY HOMES

Categories: Must Attend

Hi ~ please see my comments re BILL046(24) ~

thank you ~

From: Delos Santos, Mary
Sent: Thursday, September 19, 2024 12:58 PM
To: Okimoto, Val <valokimoto@honolulu.gov>
Cc: 'Mary Delos Santos' <marybetsybithkaulana@gmail.com>; 'jlo777email@gmail.com' <jlo777email@gmail.com>
Subject: RE: BILL046(24) - RELATING TO REAL PROPERTY TAXATION / EMPTY HOMES

Councilmember Okimoto,

I am very concerned about BILL046(24); please see my previous email to Councilmember Say.

I should add that we would not qualify under any of the “exemptions” listed; I anticipate eventually needing to open a court proceeding, but the likely cost and possibility of it being drawn out is daunting. Also, earlier this year I learned of a serious plumbing leak that necessitated cutting off water to most of the house; the estimate for repair being quite high, and given that no one is living in the home, I have opted to forego repairs.

The only way we would qualify for exemption #3 would be to open a court proceeding, or for exemption #7, to obtain a building permit for the repairs. This does not seem at all fair, and I imagine there are not a few others in my situation who would be similarly negatively affected by the passage of this bill

**as currently written;
I would like to see the exemptions revised
to include anyone in a similar to position
to ours. Thank you.**

Thank you,
Mary Delos Santos

<https://hnlidoc.ehawaii.gov/hnlidoc/document-download?id=22039>

<https://hnlidoc.ehawaii.gov/hnlidoc/measure/3047>

From: Delos Santos, Mary
Sent: Tuesday, August 6, 2024 12:42 PM
To: Say, Calvin <ckysay@honolulu.gov>
Cc: 'Mary Delos Santos' <marybetsybithkaulana@gmail.com>
Subject: BILL009(22) - RELATING TO REAL PROPERTY TAXATION / EMPTY HOMES

<https://www.honolulucitycouncil.org/district-5-say>

BILL009(22) - RELATING TO REAL PROPERTY TAXATION / EMPTY HOMES

Councilmember Say,

I just saw HPR's article on this bill, and glanced at the bill status online. I do remember hearing about it a couple of years ago, and see that testimony has already been given, but I wanted to reach out to say why I find it concerning, and would like to see additional language that clarifies who would be liable under this tax.

Our situation is – my mother passed away several years ago, and her property is in trust. Both my sister and I, who were named successor co-trustees in her trust, executed notarized documents a year after her death, accepting trusteeship. Since then, however, I have been the only person involved in active administration of the trust, and despite my numerous attempts over the last several years to contact my sister and move towards termination of the trust and distribution of assets, she has maintained silence. Every attorney I have consulted has said that unless my sister executes a resignation of trusteeship, my only other recourse to have her removed is to open a **court proceeding**. I have so far refrained from doing so, anticipating the expense and knowing that should she contest, the trust will need to bear the burden of both our legal costs; and, a protracted case would incur even more expense. Without either her resignation or explicit consent and cooperation, we remain at a stalemate, unable to settle the estate.

Meanwhile, my mother's property has been vacant. Attorneys have also advised me that I need her explicit consent to even dispose of items in the house; also, no rental property management company will agree to a contract absent the co-trustee's consent and signature.

I'd like to see the bill explicitly state that anyone in our situation, who are not wealthy investors who purchase property in order to turn a quick profit, but are lifelong residents who are having serious issues settling the estate of a deceased homeowner/relative, would be exempt from the tax proposed under BILL 9.

Thank you,
Mary Delos Santos

<https://hnlidoc.ehawaii.gov/hnlidoc/measure/2073>

<https://www.hawaiipublicradio.org/local-news/2024-08-05/honolulu-city-council-introduces-bill-establish-tax-empty-homes>



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice

Support for Bill 046(24) – Empty Homes Tax
Committee on Housing, Sustainability, and Health
Wednesday, August 21, 2024, at 1:00PM

Aloha Chair Weyer, Vice Chair Kia'āina, and members of the committee:

Thank you for the opportunity to express our **STRONG SUPPORT for Bill 46(24)**, which would impose an Empty Homes Tax (EHT) of 3% on properties that are vacant (non owner-occupied and non-renter-occupied) for over six months each year.

Our city is grappling with a severe housing crisis characterized by a shortage of affordable units while monthly rent and median home prices continue to significantly increase. This has left over 80% of renters in Honolulu severely housing cost-burdened, struggling to meet basic needs.¹

Honolulu's housing crisis is exacerbated by homes being used as investments rather than residences. Hawaii has a unique appeal as a tourist destination and luxury real estate market. Data shows that home prices in Hawaii have increased 400% since 2000.² Due to Oahu's low property tax rates, investors can easily capitalize on the long-term appreciation of property values *without the need for rental income*. There are an estimated 34,253 vacant properties on Oahu alone.³

In addition, the average rate in June of 2024 for a vacation rental in Honolulu was **\$242** per night.⁴ This rate would equal \$7,260 in monthly rent, compared to the current market rental rate of \$1,800/month. It is more profitable for investors to use their home as a vacation rental instead of a long-term rental to house our residents.

Currently, investment-owners who choose to turn their properties into seasonal vacation rentals—or keep them vacant for most of the year—do not have to pay an extra tax, even though they are taking units off the housing market and are driving up the value of real estate.

In 2023, 10.1% of single-family homes and 17.3% of condominiums in Honolulu were sold to out-of-state buyers.⁵ On O'ahu, units purchased by out-of-state buyers in 2018 were 46.6 percent higher than the average units sold to locals.⁶ This price differential highlights how out of state purchases establish a new home sale benchmark for "market rate" which influences surrounding asking prices. The influx of external capital drives property values up faster than local wages can keep pace. This continues to exacerbate our significant affordability gap, where the average local resident is increasingly priced out of the housing market.

¹ ["Table S2503: Financial Characteristics," US Census Bureau, 2024.](#)

² [UHERO Hawaii Housing Factbook.](#)

³ [US Census Bureau](#)

⁴ ["Hawaii Vacation Rental Performance," Department of Business and Economic Development, 2024.](#)

⁵ [UHERO Hawaii Housing Factbook.](#)

⁶ [Hawaii Housing Planning Study, 2019. Table 13.](#)



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice

Support for Bill 046(24) – Empty Homes Tax
Committee on Housing, Sustainability, and Health
Wednesday, August 21, 2024, at 1:00PM

Empty home taxes are increasingly being implemented in various cities around the world. Hawai'i Appleseed supports an empty homes tax initiative that seeks to achieve 1) funding for affordable housing initiatives and 2) reducing speculative investment.

Bill 46 (24) is modeled closely after the Vancouver Empty Homes Tax. The implementation of the EHT in Vancouver has proven to be a significant revenue generator, with a total of \$154 million collected since the program began in 2017. Vancouver has also seen success in reducing speculative investments, realizing a 54% decrease in vacant properties.⁷

Given the higher number of vacant properties and their greater assessed value in Honolulu compared to Vancouver, the county can anticipate even greater revenue from implementing the tax. According to Hawai'i Appleseed's estimates, the EHT could provide \$183.40 million annually.

After allocation of EHT revenue into administration costs, Vancouver has also poured the rest of revenue into affordable housing initiatives. Since implementation, Vancouver has approved 1221 social and supportive housing units, on track with their annual targets.⁸

Given the severe housing crisis in Honolulu, **it is strongly recommended that all revenue from the EHT be dedicated exclusively to funding a wide range of affordable housing initiatives.**

Specifically, Honolulu needs a flexible approach to maximize the fund's potential and to respond to the city's evolving housing challenges. A rigid allocation could limit the city's ability to address diverse housing demands, such as rental assistance, infrastructure, or renovation of existing units. Currently, the only county-level fund dedicated to affordable housing in Honolulu is the Affordable Housing Fund, however the fund's use is tightly restricted.

Recommendation:

Create a special fund with earmarked revenue that allows for broad affordable housing initiatives or direct the revenue into the Affordable Housing Fund while working to loosen its current restrictions.

Given the global demand for real estate in Honolulu, an empty homes tax could be an opportunity for the City and County to start the rebalancing of the city's housing market. **We strongly encourage you to support Bill 46(24).**

Mahalo for the opportunity to testify.

⁷ [Empty Homes Tax Annual Report 2023](#)

⁸ ["Memorandum," City of Vancouver, 2024.](#)



Hawai'i Housing Affordability Coalition

Testimony of the Hawai'i Housing Affordability Coalition
Support for Bill 046(24) – Empty Homes Tax
Committee on Housing, Sustainability, and Health:
Wednesday, September 25, 2024, at 2:30PM

Aloha Chair Weyer, Vice Chair Kia'aina, and members of the committee:

HiHAC is submitting testimony in STRONG SUPPORT for Bill 46 (2024), which creates a supplemental “empty homes tax”.

Honolulu is facing a dire housing crisis, with the 2020 U.S. Census reporting 34,425 vacant housing units – nearly 1 in every 10 housing units on our island. Our current property tax policies fail to prioritize housing for Hawaii's residents. An Empty Homes Tax is a critical step towards remedying this issue, encouraging property owners to utilize their properties as homes for local residents, and increasing the supply of available housing to better meet local demand.

Bill 46 (2024) establishes a tax levied on vacant properties that are not used as a principal residence for an O'ahu resident at least 6 months of the year. This creates an immediate incentive for property owners to convert vacant units into homes for long-term residents. This approach offers increased supply in available housing units without the need for new development that would require lengthy permitting, costs of construction, and circumvents the need for government subsidies.

By discouraging the use of properties as underutilized investments, the tax will shift the housing market towards making more homes available and affordable for local residents. This could potentially stabilize and even lower our rapidly escalating housing prices by deterring outside investors and speculative activities. Landlords, aiming to avoid the Empty Homes Tax, will also be encouraged to offer reasonable rental prices to secure long-term local renters.

Implementing this tax will also generate substantial new tax revenues. Honolulu's Bill 46 (2024) is closely modeled after Vancouver's empty homes tax, which has seen remarkable success. Since its inception in 2017, Vancouver's tax has generated over \$154 million in revenue for affordable housing projects and resulted in a 54% decrease in vacant homes. Given Oahu's larger number of empty homes, we can anticipate even greater revenue and a significant reduction in vacancies here. I highly encourage the council to consider earmarking the funds specifically for affordable housing and homelessness programs. A dedicated steady funding source is crucial for addressing these issues effectively.

The tax will not increase the cost of housing for Oahu residents who are homeowners or renters. Properties that serve as the principal residence for local residents for at least six months a year will be exempt from this tax. Instead, it targets second homes, vacation homes, blighted properties, corporate retreats, and investment properties that do not serve as homes for Hawaii residents.

No single solution can solve our housing and homelessness crises entirely, but the Empty Homes Tax is a crucial step in prioritizing Oahu's housing for Oahu's residents. I urge you to support Bill 46 (2024).

Mahalo for the opportunity to testify,
HiHAC
Hawai'i Housing Affordability Coalition

**To: Honolulu City Council
Committee on Housing, Sustainability, and Health**

From: Emily Lau, Vice President of Mission Services

Date: September 25, 2024, at 2:30pm

Re: Testimony in Support of Bill 046 (24) – Empty Home Tax

Aloha Chair Weyer, Vice Chair Kia'āina, and members of the committee,

Goodwill Hawaii stands in strong support of Bill 46 (24) CD1 MW3, which proposes the establishment of an Empty Homes Tax to address Oahu's crippling housing crisis. This crisis directly undermines our mission of empowering individuals with employment barriers to achieve self-sufficiency and reach their full potential. To address the current housing crisis, we are requesting that 100% revenue be dedicated to affordable housing and homelessness.

The exorbitant cost of housing in Hawaii casts a long shadow over our community, disproportionately impacting low-income families and individuals. For those we serve – including individuals with disabilities, justice-involved adults, Native Hawaiians, COFA migrants, at-risk youth, and those facing economic hardship – the pursuit of stability is hindered by relentless housing costs. Honolulu's cost of living is 84% higher than the national average¹, and many families are forced to spend over half of their income just to keep a roof over their heads.

Goodwill Hawaii witnesses firsthand the devastating consequences of this crisis. Many of our program participants are trapped in a cycle of poverty, unable to escape the grip of exorbitant rents that divert precious resources away from essentials like food, healthcare, transportation, and childcare. For extremely low-income households—those earning less than 30% of the area median income—the shortage of affordable rental homes is particularly acute, with a deficit of over 26,000 units across the state².

The scarcity of affordable housing exacerbates the challenges faced by individuals with employment barriers. Securing stable housing is often a prerequisite for employment, yet many are stuck on waitlists for public and affordable housing, with little progress. For families living paycheck to paycheck, the threat of eviction looms large, undermining their ability to maintain employment and provide for their children.

¹ <https://www.payscale.com/cost-of-living-calculator/Hawaii-Honolulu> - Based on <https://www.coli.org/press-release-for-immediate-release-cost-of-living-index/>

² <https://www.nlihc.org/housing-needs-by-state/hawaii>

By incentivizing the conversion of vacant properties into housing units, the Empty Homes Tax represents a critical step toward addressing this crisis. Not only will this increase the supply of available housing units, the generated revenue can be reinvested into vital services like housing assistance—resources Goodwill Hawaii has long been committed to helping individuals access and navigate.

The housing crisis is more than just a statistic—it's personal and devastating. I want to share a story of our own staff member – “M”, who has faced this reality firsthand. “M” is the sole wage-earner in her household. She also served as the caregiver of her husband who has a disability. “M” have relied on Goodwill to access various community services to navigate their increasingly difficult circumstances. In 2021, they were forced out of their rental when the owner's family moved in, worsening their challenges.

Ultimately, her husband's family took him in, where, for three years, he paid \$900 a month to sleep in the living room of his family's Central Oahu three bedroom home while “M” lived separately in a \$700-a-month room at a friend's mom's place, near town. They could not live together due to restrictions in their respective rental.

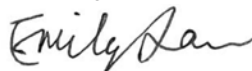
In June, her husband's temporary living arrangement fell apart when his landlord demanded he be added to the lease and pay an additional \$900 monthly rent. With no other options, he has been living on the streets for over a month, sleeping outside a hospital. His health has deteriorated, leading to multiple hospital admissions, including his current hospitalization due to internal bleeding and an infection.

Despite our best efforts—applying to affordable housing sites for people over 55 or disabled, and contacting over 20 housing and homeless services—he remains without stable housing. This heartbreaking situation reflects the struggles faced by too many in our community.

Bill 46 (2024) is not just a policy; it is a necessary action to stabilize our housing market and create a community where everyone has the opportunity to thrive. We urge this committee to support Bill 46 (2024) and take decisive action to address the housing crisis in Oahu.

Mahalo for your leadership and commitment to creating a better future for our community.

Sincerely,



Emily Lau
Vice President of Mission Services
Goodwill Hawaii



September 25, 2024

TESTIMONY OF THE ASSOCIATION OF HAWAIIAN CIVIC CLUBS

**To the Committee on Housing, Sustainability and Health (HSH)
Honolulu City Council
In support of Bill 46 (2024) - Relating to Real Property Taxation**

Aloha Chair Weyer, Vice Chair Kiaʻāina, and members of the Committee:

The Association of Hawaiian Civic Club **supports** Bill 46 which establishes a supplemental real property tax on empty homes. Our members adopted Resolution 2023-54 (attached) at its last annual convention; this resolution calls for counties to consider an empty homes tax.

Hawaiʻi is experiencing a housing and homelessness crisis that disproportionately impacts Native Hawaiians. At the same time, U.S. Census data indicate that the City and County of Honolulu has a 9.6% year round gross vacancy rate which amounts to thousands of empty homes across the island. This measure may address existing problems with housing supply and homelessness as it incentivizes owners of empty homes to rent or to sell them. Further, an empty home tax discourages foreign investments and speculation that drive up Hawaiʻi housing prices. This kind of tax also generates revenue that can be allocated to City programs that support affordable and workforce housing, and other housing solutions.

Founded by Prince Kūhiō in 1918, the Hawaiian Civic Club movement is the oldest Native Hawaiian community-based advocacy movement. The Association of Hawaiian Civic Clubs is a not-for-profit organization that is a confederation of 59 individual and autonomous Hawaiian Civic Clubs located across Hawaiʻi and across the continental United States. With more than 3,500 members, we advocate for improved welfare of Native Hawaiians in culture, health, economic development, and education.

We appreciate your favorable consideration and approval of this measure.

ASSOCIATION OF HAWAIIAN CIVIC CLUBS

A RESOLUTION

NO. 2023 - 54

URGING HAWAI'I COUNTIES TO CONSIDER INCREASING THE PROPERTY TAX RATE ON EMPTY HOMES

WHEREAS, Hawai'i is experiencing a housing and homelessness crisis that disproportionately impacts Native Hawaiians; and

WHEREAS, according to the 2020 United States Census Bureau *Housing Vacancies and Homeownership Survey*, Hawai'i has a 15% gross vacancy rate, or the percentage of the total housing inventory that is vacant, and for the City and County of Honolulu, a 9.6% year around vacancy rate, which amount to thousands of empty homes across the islands; and

WHEREAS, the Association affirms the definition of "empty homes" as "any dwelling unit on a residential property that has been unoccupied for more than six months during the previous tax year;" and

WHEREAS, according to the July 17, 2023 Emergency Proclamation of Hawaii Governor Josh Green, the affordable housing shortfall has been recognized as early as 1935, and that over the last 45 years the average housing prices have increased 1,200 percent while the average household income only grew by 600 percent; and

WHEREAS, Hawai'i has some of the lowest effective real property tax rates across the United States of America and has seen astronomical increases in real estate speculation over the last four and a half decades, which have dramatically driven up the actual real property bill that Hawai'i residents have to pay, making those tax bills some of the highest across the USA; and

WHEREAS, increasing the tax rate on empty homes will incentivize owners of those empty homes to rent them out or to sell them to those that can occupy them or rent them out; and

WHEREAS, increasing the tax rate on empty homes will discourage further outside investment and speculation that drive up Hawai'i housing prices; and

WHEREAS, increasing the tax rate on empty homes will provide for dedicated county resources to address the needs of Hawai'i's counties including maintenance backlogs, climate change adaptation, affordable housing, and homelessness solutions; and

WHEREAS, jurisdictions across France; Vancouver, Canada; Oakland, Berkeley, and San Francisco, California; and Washington, D.C., all have a form of an empty homes tax; and

WHEREAS, the Honolulu City Council has taken up this issue with bill 9 (2022); and

NOW, THEREFORE, BE IT RESOLVED, by the Association of Hawaiian Civic Clubs at its 64th Annual Convention in Kālia, Waikīkī, O‘ahu, in the malama of ‘Ikuā and the rising of ‘Olekūkolu, this 21st day of October 2023, urging Hawai‘i counties to consider increasing the property tax rate on empty homes; and

BE IT FURTHER RESOLVED, that the Association supports the intent of bill 9 (2022); and

BE IT FURTHER RESOLVED, that a certified copy of this resolution be transmitted to the Governor of the State of Hawai‘i, President of the State Senate, Speaker of the State House of Representatives, Chair of the State Senate subject matter committee on Hawaiian Affairs, Chair of the State House subject matter committee on Hawaiian Affairs, Chair of the Board of Trustees of the Office of Hawaiian Affairs, and all County Mayors and County Councils.



The undersigned hereby certifies that the foregoing Resolution was duly adopted in the malama of ‘Ikuā and the rising of ‘Olekūkolu, on the 21st day of October 2023, at the 64th Annual Convention of the Association of Hawaiian Civic Clubs in Kālia, Waikīkī.

DreanaLee Kalili

DreanaLee Kalili, President

September 24, 2024

Bill 46 (24) Relating to Real Property Taxation

Hearing: Wednesday, September 25, 2024
Committee on Housing, Sustainability, and Health
Honolulu City Council

Testimony in STRONG SUPPORT
William M. Tam

The need for the Empty Home Tax (Bill 46) is well known and well established.
See Hawaii Appleseed's **Homes Without Residents** Report (September 2024).
DBEDT's March 2024 **Housing Demand Report**

This Council, the Executive Branch, the Governor's Office, the State Legislature,
and the public all recognize the urgent need to address both homelessness
and the affordability of long term housing for Hawai'i's peoples.

The details of this tax are largely resolved in proposed CD1- MW3.
The primary issue today is how it will be funded.

Without full 100% funding, the program will be little more than a one-legged
orphan. If funds are diverted away to the general fund for some other pet
projects, then this project will fail. It will be underfunded and little more
than a marketing exercise. . . a pretense. It will become a classic bait and switch.

O'ahu's extraordinary and growing rental housing shortage cannot wait for
half solutions. Local families cannot afford, and cannot find, a place to live.
It is not hard to picture what happens next. The housing hurricane is here.

Therefore, we strongly support Council Bill 46 with 100% of the revenue
committed to affordable housing and homelessness. Do not make funding
discretionary. Concentrate all our effort on the task at hand.

Mahalo,

William M. Tam
46-270 Nahewai St. Kaneohe, Hawaii 96744
e: william.tam2@gmail.com

September 24, 2024

Honolulu City Council
Committee on Housing, Sustainability, and Health
Wednesday, September 25, 2024 | 230pm

RE: **Strong Support** for Bill 46, CD1 (MW3)

Aloha nui e Chair Weyer, Vice Chair Kia'āina, and Members of the Committee on Housing, Sustainability, and Health:

I am submitting testimony in **strong support of Bill 46**. I also offer **support for the CD1 (MW3)**, which makes necessary commitments of revenue towards addressing homelessness and affordable housing, both problems exacerbated every year by the continued and rising homes sitting empty.

This measure provides the opportunity for bold action by this Council to bring desperately needed units currently sitting vacant into their intended use as housing. This measure specifically addresses Residentially zoned properties, which by definition should be within residential use - *housing residents* - to be in alignment with the zoning and intended use determined by the people of O'ahu.

The posted CD1 makes important amendments to ensure that a portion of the revenue generated will support the future development of affordable housing. The City Council experiences first hand that generally, the funds that are released for affordable housing are those that cannot lapse into the general fund as carryover. The Affordable Housing Fund has been critical in building hundreds of units of housing across O'ahu affordable for families earning 60% or less of the AMI, including supporting projects with affordability mixes by subsidizing the lower-income demand. Projects such as Kahauiki Village, Maunakea Marketplace, Pūnāwai, Hale Makana o Mā'ili, and the Family Justice Center are a few of many examples of critical projects that have helped to address the need for affordable housing at the income levels not met by the private market alone.

I can appreciate wanting to address the housing needs of those leaving Hawai'i - UHERO describes as being 120-140% AMI. That does not mean that we can only build housing affordable at that level. We need 22K units, and building at lower AMI helps those higher up the ladder as well. Additionally, 1,710 units are needed in the 120-140% AMI range - 8% of demand. Compare that to 9,102 units or 41% of demand at 60% AMI and below. Put another way, we need 5 times more units below 60% AMI than at 120-140%. And the private market isn't building at 60% AMI.

I can also appreciate the City Council not wanting to tie its own hands. Unfortunately, that also means the Administration and future Councils have flexibility to not invest in housing. Of the over \$300 million this Council has appropriated towards housing and homelessness since 2021, most of what has been spent has been from the Affordable Housing Fund or Federal funding through HUD. Very little has been General Fund monies, which simply do not get spent on housing and homelessness. As a result of these realities, other jurisdictions have dedicated 100% of this new tax revenue source on addressing the issue.

I do have concerns related to the amendments offered in the CD (EK1). As explained above, I do think some dedication to affordable housing is critical to ensure the revenue goes towards addressing the impacts these properties raise. Additionally, eliminating the primary residency requirement creates concerns in ensuring the needs of Honolulu are met. The home owner occupancy requirements in the City tax structure is defined through a residency requirement, so it is unclear why this should not be continued through other tax measures. This proposal might also have the impact of being overly broad and impacting those not intended to have the impact of concern. A narrow tailoring of this measure seems to support the original Bill or CD1 (MW3).

This is the third attempt by the Council to address vacant units in the past 5 years. We know that O‘ahu residents want to see action taken to bring these units into housing for local families. It is very appropriate that this measure is being heard in Housing, Sustainability, and Health, as the need for bold housing strategies is foundational to each of these pillar of our community’s future.

- ❖ **Housing.** The 2019 housing gap study identified over 22,000 units needed on O‘ahu for housing local families. The study also described that those projections included a decrease in demand due to out-migration - said another way: local people are leaving Hawai‘i because the cost of living is simply too high and housing is unachievable. It is not an exaggeration to say that every home sitting vacant means more families becoming homeless or leaving Hawai‘i. The 2020 U.S. Census devastatingly reported that over half of our Native Hawaiian population now lives away from Hawai‘i, our homeland.
- ❖ **Sustainability.** The City Council has adopted 44 strategies in *Ola: O‘ahu Resilience Strategy (2019)* to support the resilience and sustainability of O‘ahu communities around 4 key pillars. Pill #1, Strategy #1 is to “Reduce Empty Homes and Increase Affordable Housing Funding.” This key strategy is aligned with both Aloha+ Challenge and UN Sustainable Development goals. Bill 46, CD1 makes strides towards both elements of this strategy.
- ❖ **Health.** Hawai‘i families are increasingly impacted by the layered impacts of housing insecurity, food insecurity, and financial insecurity. For our renters, 56% of Hawai‘i households are rent burdened, with 28% being severely rent burdened, which means they spend *over half* their income on rent. That leaves very little for health, transportation, food, education, childcare, or the myriad of things that comprise healthy lives. The *2021 Community Health Needs Assessment* published by the Healthcare Association of Hawai‘i, ranked Housing as a Top 5 priority to address the health needs of Hawai‘i communities.

Mahalo to the City Council and this Committee for taking on this critical issues and for the opportunity to share support for this measure.

Mahalo,



Rebecca J. ‘I. Soon



September 25, 2024

Councilmember Matt Weyer
Councilmember Esther Kia'aina
Committee on Housing, Sustainability and Health

RE: **Bill 46 - Relating to Real Property Taxation**
Hearing date: Wednesday, September 25, 2024 at 2:30PM

Aloha Chair Weyer, and members of the committee,

Mahalo for the opportunity to submit testimony on behalf of NAIOP Hawaii to provide COMMENTS BILL 46. NAIOP Hawaii is the local chapter of the nation's leading organization for office, industrial, retail, residential and mixed-use real estate. NAIOP Hawaii has over 200 members in the State including local developers, owners, investors, asset managers, lenders and other professionals.

Bill 46 creates an "empty homes tax" to address the taxation of vacant residential properties in Honolulu. The intention of the measure is to provide funding to address homelessness and a lack of affordable housing. To be clear NAIOP Hawaii supports the production of affordable housing in Honolulu, however, there may be several unintended consequences emphasizing the need for a more comprehensive and balanced approach.

Primarily, Bill 46 raises constitutional concerns through implementing a tax that infringes on private property rights and could potentially be interpreted as government mandating how a property is utilized. The bill's approach to taxing vacant homes could face legal challenges, particularly around issues of property rights and the fairness of imposing such a tax in a high-cost market. This could result in costly litigation for the city and delay the intended benefits of the measure.

Furthermore, the imposition of an "empty homes tax" on properties that are not occupied for a minimum number of days each year could unfairly penalize property owners who may have valid reasons for their properties being vacant, such as those dealing with long-term medical care, legal disputes, or those undergoing significant renovations. While the bill includes several exemptions (e.g., for properties under legal dispute or undergoing major renovations), these exemptions may not cover all valid scenarios where a property could be vacant, leading to unintended consequences for certain property owners.

NAIOP Hawaii is concerned as Bill 46 may not address the affordable housing crisis as intended. The assumption that taxing vacant properties will directly lead to an increase in affordable housing stock is speculative. Many property owners might prefer to sell or leave

properties vacant rather than comply with onerous tax requirements, which could lead to further stagnation in the housing market. Although the bill proposes to use tax revenues to support affordable housing and homelessness initiatives, the effectiveness of this allocation is uncertain. The fixed percentages may not align with the actual needs or costs of these programs, leading to potential inefficiencies in addressing the housing crisis.

Moreover, Bill 46 may deter further property investment and negatively impact the rental market. The high tax rate (up to 3% of the assessed value) may deter investment in residential properties, particularly in a city like Honolulu where property values are already among the highest in the nation. This could lead to decreased investment in the housing market, potentially exacerbating the housing crisis rather than alleviating it. Also, the proposed tax might pressure property owners to increase rental prices to cover the additional tax burden, which could worsen the affordability of rental housing in an already expensive market.

Lastly, Bill 46 requires property owners to submit annual property status declarations and could subject them to audits and investigations, adding a significant administrative burden. The requirement for evidence and inspections adds layers of complexity and could lead to disputes between property owners and the city. The additional burden on administrative staff could result in an inability to implement and properly enforce the proposed tax.

Accordingly, NAIOP remains concerned with the potential negative impacts Bill 46 and recommends the measure be held to reach a more comprehensive and balanced approach.

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read 'Reyn Tanaka', with a stylized flourish at the end.

Reyn Tanaka, President
NAIOP Hawaii



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of REALTORS®**

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Testimony by Suzanne Young, CEO
Honolulu Board of REALTORS®

Bill 46 (2024)

Relating to Real Property Taxation

Committee on Housing, Sustainability and Health (HSH)
Matt Weyer, Chair

City Council Chamber
Wednesday, September 25, 2024
2:30 PM

Aloha Chair Weyer and members of the committee:

Thank you for the opportunity to provide testimony in opposition to Bill 46 (2024). On behalf of our more than 6,700 members, the Honolulu Board of REALTORS® (HBR) and its City Affairs Committee oppose Bill 46, (2024), which introduces a new empty homes tax of up to 3% on the tax-assessed value of vacant residential properties.

While HBR recognizes the need to explore new avenues to increase our critical housing supply, we believe a deeper understanding of the factors behind vacant properties—such as abandoned or problematic homes—is necessary before implementing such a measure.

We also continue to support the work of the Permitted Interaction Group, which can actively discuss these challenges and explore potential solutions. Additionally, we are encouraged by the Request for Proposals (RFP) aimed at selecting a company to conduct a survey and apply more accurate data to better assess the true number of vacant homes.

We prefer and advocate for a comprehensive housing strategy that emphasizes affordability across all housing types to ensure a prosperous future for Honolulu's residents and communities.

HBR remains committed to ongoing dialogue with all stakeholders and finding innovative solutions to meet our housing supply needs.

Thank you again for allowing us to provide testimony on this important issue that impacts all our communities.

September 25, 2024

COMMITTEE ON HOUSING, SUSTAINABILITY AND HEALTH

Chair, Councilmember Matt Weyer; Vice Chair Esther Kiaʻāina and Committee Members
Public Hearing, September 25, 2024, 2:30 p.m. Council Chambers, Honolulu Hale

TESTIMONY OF WILLIAM ANONSEN OFFERING COMMENTS
BILL 46 (24) REAL PROPERTY TAXATION

My name is William Anonsen. I'm the Managing Partner/Principal of The Maritime Group and serve on various business, civic, and non-profit organizations. I'm submitting this testimony as a concerned long-time resident and private citizen. While Bill 46 (24) is well-intentioned to address Honolulu's housing shortage, it may have several unintended negative consequences that require further consideration.

- a.) Implementation Challenges: Administering this tax could be difficult and costly. The burden of proof placed on homeowners to demonstrate occupancy may lead to a bureaucratic system that is complex, inefficient, and prone to errors. Homeowners could face unfair penalties due to difficulties proving their units' usage or confusion regarding exemptions.
- b.) Punitive Nature: The bill follows a "stick" approach, penalizing homeowners instead of incentivizing positive behavior. This may result in homeowners trying to circumvent the tax by artificially inflating occupancy data or keeping properties off the market in other ways. A "carrot" approach, such as providing tax incentives for those who offer long-term rentals, might more effectively encourage voluntary participation in addressing housing needs.
- c.) Potential for Unintended Consequences: This tax could lead to unintended harm. For example, some homeowners may choose to sell their properties rather than face a hefty tax burden, resulting in a housing market that favors wealthy buyers or developers rather than benefiting local residents needing affordable housing.
- d.) Impact on Second Home Owners: Bill 46 may disproportionately affect owners of second homes, many of whom contribute significantly to the local economy. Penalizing these property owners might drive them away, potentially reducing their economic contributions to the community.
- e.) Alternatives to Address Housing Shortage: Instead of punitive measures, the city could explore other avenues, such as encouraging public-private partnerships to develop affordable housing, providing tax breaks for long-term rentals, or introducing policies that make it easier for local residents to acquire homes. Bill 48, which offers tax relief for long-term rentals, appears to be a more balanced approach.

In summary, while the need to address the housing crisis is urgent, Bill 46 may cause more harm than good in its current form. A more thoughtful approach involving incentives rather than penalties, combined with efforts to streamline development and support local renters, may provide a more sustainable solution.

Mahalo for the opportunity to share some comments and concerns on Bill 46 (24)

Sincerely,

William F. Anonsen

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(808) 224-0644
our-hawaii.org

In Support of Honolulu BILL460

Submitted to the Committee on Housing, Sustainability, and Health
by Evan Weber, Managing Director, Our Hawai'i, 9/24/2024

Committee members,

Mahalo for the opportunity to testify. On behalf of Our Hawai'i's over 36,000 members and supporters across the pae 'āina, I testify in strong support for Bill 46, relating to real property taxation. Our members and supporters are local people — kama'āina and kānaka maoli, keiki and kūpuna, from Kaua'i to Kohala, Kailua to Kapolei and every place in between. They have joined our movement to fight for a Hawai'i that puts local people — not big money interests — first, because they are deeply worried about the direction of our islands and believe now is the time for change.

We've entered our seventh straight year of population decline. Thousands of local working families leave Hawai'i every year. More than half of all Native Hawaiians now live outside Hawai'i.

There is a limited supply of land, and an unlimited demand from continental and foreign interests to buy up their "slice of paradise," economically displacing families who have lived here for generations, many of for whom these are ancestral lands, through driving up the cost of property values, taxes, and rents.

It's a crisis, and this bill would begin to right the wrong. Let's stop beating around the bushes. This will not solve our housing crisis over night, but if we all agree it's a crisis, we should be doing all we can, and this is a clear, logical, and popular thing we can do.

In Kailua, where I live, what used to be neighborhoods filled with keiki playing in the streets are now blocks of empty homes with tourists filling the void. Let's restore the fabric of our communities — the neighbors that make neighborhoods whole.

TO: Members of the Committee on Housing, Sustainability and Health

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

DATE: Wednesday, September 25, 2024

SUBJECT: Bill 46 and CD1s, Real Property Taxation, Empty Homes Tax - **OPPOSED**

Aloha Chair Weyer and Councilmembers,

Thank you for allowing testimony on Bill 46 and the proposed CD1s, which would create a new tax on so-called empty homes. I absolutely oppose this. Following are some of the main reasons for my opposition.

- The bill requires an annual notice to all residential property owners as well as an annual declaration about the status. This requires a lot of paperwork on behalf of the city administration and taxpayers, and therefore increases costs to other taxpayers. (It's questionable whether 5% of the revenue collected from this tax would be adequate to cover all of the costs associated with it.)
- Based on the history of the Residential A classification, which still includes property owners who are eligible for the homeowner's exemption but have not filed for it, it is very likely that many owners will not turn in the proper paperwork or will turn it in late. While there is a grace period for the first year, residents' circumstances change regularly, and it is likely that owners, especially elderly, will be assessed this outrageous tax.
- The list of evidence needed for an exemption is intrusive at best and an invasion of privacy at worst.
- The tax will likely be pro-rated on home sales resulting in the new owner paying a minimum of about 75% of the tax -- assuming the home were purchased September 30 and the declaration for exemption sent in for the next fiscal year -- up to potentially 75% of the current year's tax **plus** a full year for the following year -- assuming the home is purchased just after the deadline for filing the declaration. (Note the deadline for filing is currently blank. September 30 is the deadline for filing a homeowner's exemption.)
- The bill unfairly penalizes a homeowner who happens to be the second to sell a property in a five-year period.
- The original bill included short-term rentals (STRs) as vacant. The CD1 rightfully provides an exemption for STRs. However, this could result in more homes being used for STRs rather than long-term rentals.
- The bill allows for an extension of time to file a declaration, but then the owner is penalized 5% of the empty homes tax, even if the owner qualifies for an exemption.

- The CD1 (OCS2024-0872/9/20/2024 11:42 AM) exempts homes that are classified or dedicated as “long-term rental,” but there currently is no such classification or dedication.

As far as the list of evidence of exemption goes, please note the following:

- Proof of income and general excise taxes paid for rental income provide only that – they do not prove length of occupancy.
- The terms of tenancy are between a landlord and lessor – it’s none of the city’s business what those terms are unless there is some evidence that a law has been broken.
- The city has no business requesting property owners’ bank records or utility bills.

Please let this bill die in committee.