BILL046(24)
Testimony

MISC. COMM. 524

BUDGET (BUD)

BUDGET (BUD) Meeting

Meeting Date: Nov 21, 2024 @ 01:00 PM

Support: 123

Oppose: 94

I wish to comment: 12

Name:	Email:	Zip:
Richard Tillotson	rtillotson@hawaii.rr.com	96822
Representing:	Position:	Submitted:
Self	Support	Nov 16, 2024 @ 12:38 PM

Testimony:

Dear Council Members,

I urge you to pass Bill 46 and to pass it without amendments that would weaken it to mere window dressing.

Please work to make this a real, bold, legislative measure that will actually make a difference, and improve the quality of life for all Oahu residents, both the housed and the unhoused. Don't let "amendments" weaken it to meaningless window dressing. Revenues from this bill should be devoted to addressing affordable housing and homelessness.

Thank you for reading my testimony and mahalo for your service.

Aloha,

Richard Tillotson

Name:	Email:	Zip:
Ellen Godbey Carson	egcarson@icloud.com	96814
Representing:	Position:	Submitted:
Church of the Crossroads (Honolulu)	Support	Nov 16, 2024 @ 12:53 PM

Name:	Email:	Zip:
Charles Stark	starklaw@sonic.net	96825
Representing:	Position:	Submitted:
Self	Support	Nov 16, 2024 @ 03:29 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 or "land-banking".
- I support Chair Waters Bill 46 (24) CD2 which creates a separate classification for empty homes rather than a supplemental tax and includes more exemptions that protect Resident second home owners.
- I ask that you combine occupancy of an Owner, Renter or permitted occupant to attain the 6 month minimum. This can be done by combining items B.1. (C) and B.1.(D) on Chair Waters CD2. This would ensure vital monthly or month-to-month housing for residents, traveling nurses, emergency works and other important visitors is not taken away.

Name:	Email:	Zip:
Ken Kribel	kkribel@icloud.com	86792

Representing:	Position:	Submitted:
Self	Support	Nov 16, 2024 @ 03:41 PM

Testimony:

I support bill 46.

Name:	Email:	Zip:
Angela Lopes	kealakauihoni71@gmail.com	96795
Representing:	Position:	Submitted:
Self	Support	Nov 16, 2024 @ 04:34 PM

Testimony:

I support Chair Waters Bill 46 (24) CD2 which creates a separate classification for empty homes rather than a supplemental tax and includes more exemptions that protect Resident second home owners.

Name:	Email:	Zip:
Russell Tsuji	tsujir001@hawaii.rr.com	96701
Representing:	Position:	Submitted:
Self	Oppose	Nov 16, 2024 @ 06:57 PM

Name:	Email:	Zip:
Ellen Godbey Carson	egcarson@icloud.com	96814
Representing:	Position:	Submitted:
Self	Support	Nov 16, 2024 @ 07:54 PM

Name:	Email:	Zip:
Minesh Parikh	parminik@gmail.com	77406
Representing:	Position:	Submitted:
Self	Support	Nov 17, 2024 @ 05:36 AM

Testimony:

Dear respected members of the budget committee,

I, like many other condo owners on Oahu use my condo for living for ourselves, for my family and legal STR rental. My condo is occupied nearly entire year and generates nearly $25,000 per year in property taxes and hoteling taxes.

I therefore support Chair Waters Bill 46 (24) CD2 which creates a separate classification for empty homes rather than a supplemental tax and includes more exemptions that protect Resident second home owners. This would be the right thing to do.

I ask that you combine occupancy of an Owner, Renter or permitted occupant to attain the 6 month minimum. This can be done by combining items B.1. (C) and B.1.(D) on Chair Waters CD2. This would ensure vital monthly or month-to-month

housing for residents, traveling nurses, emergency works and other important visitors is not taken away.

Thank you.

Respectfully and sincerely,

Minesh Parikh

Name:	Email:	Zip:
Douglas Winnie	sinclairwinnie@aol.com	90027
Representing:	Position:	Submitted:
Self	Support	Nov 17, 2024 @ 05:50 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 or “land-banking”.

I support Chair Waters Bill 46 (24) CD2 which creates a separate classification for empty homes rather than a supplemental tax and includes more exemptions that protect Resident second home owners.

I ask that you combine occupancy of an Owner, Renter or permitted occupant to attain the 6 month minimum. This can be done by combining items B.1. (C) and B.1.(D) on Chair Waters CD2. This would ensure vital monthly or month-to-month housing for residents, traveling nurses, emergency works and other important visitors is not taken away.

Name:	Email:	Zip:
RUSSELL KEKUEWA	hmr@usa.net	96814
Representing:	Position:	Submitted:
Self	Support	Nov 17, 2024 @ 06:21 AM

Testimony:

I support Chair Waters Bill 46 (24) CD2.

I ask that you combine occupancy of an Owner, Renter or permitted occupant to attain the 6 month minimum. This can be done by combining items B.1. (C) and B.1.(D) on Chair Waters CD2. This would ensure vital monthly or month-to-month housing for residents, traveling nurses, emergency works and other important visitors is not taken away.

Name:	Email:	Zip:
Dave Whitegon	seajoycego@gmail.com	92651
Representing:	Position:	Submitted:
Self	Support	Nov 17, 2024 @ 09:43 AM

Testimony:

I support Chairs Waters Bill 46 (24) CD2 which creates a separate classification for empty homes rather than a

supplemental tax and includes more exemptions that protect Resident second homes owners. I request you combine occupency of an owner, renter or permitted occupant to achieve the 6 month minimum. This can be done by combining items B.1 (C) and B.1 (D) on Chair Waters CD2. This would make sure vital monthly or month-to-month housing for residents, traveling nurses, emergency workers and other important visitors is not taken away.

Name:	Email:	Zip:
Philomene Verlaan	tcipav@yahoo.com	96816
Representing:	Position:	Submitted:
Self	Support	Nov 17, 2024 @ 10:24 AM

Testimony:

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

I support Chair Waters's Bill 46 (24) CD2 which creates a separate classification for empty homes, rather than a supplemental tax, and includes more exemptions that protect Resident second-home owners.

I ask that you combine occupancy by an Owner, Renter and/or permitted occupant to attain the 6-month minimum. This can be done by combining items B.1. (C) and B.1.(D) on Chair Waters's CD2. This would ensure that vital monthly and/or month-to-month housing for residents, traveling nurses, emergency works and other important visitors is not taken away. Thank you.

Name:	Email:	Zip:
Jeremy Sosner	jsosner@privatehomeshawaii.com	96734
Representing:	Position:	Submitted:
Private Home Hawaii	I wish to comment	Nov 17, 2024 @ 10:30 AM

Testimony:

Thank you for reviewing public testimony for Bill 46 (24). I remain in opposition to the bill however, in review of the latest version I would support such measure if the bill excluded home values over $2M. If the stated purpose is to truly address the "dual crises" outlined in Section 1 ("homelessness and lack of AFFORDABLE housing"), then higher end homes will not meet this purpose. We have clients with multi-million dollar estates who enjoy Hawaii a few times per year and between property tax, employing and supporting local & small business, their business should be valued. Imposing additional taxes may force sales as intended, but will not provide opportunity for local people to rent or purchase such high-valued property. Investors who own MEDIAN-valued properties that are mostly vacant should be the target, in my opinion, as this will provide the opportunity for local families that this bill seeks. Otherwise, this seems like a "money-grab" and may have unintended consequences (i.e. empty, expensive beachfront homes that can not be sold or rented). It seems we would want wealthy visitors who can afford expensive 2nd and 3rd homes to purchase the elite properties and support our local communities through their spending (household employment, renovations, landscaping, property taxes, etc). I have shown this bill to several of these clients and all have indicated their intent to sell should it pass in current form. I

don't think this would be good for Oahu nor do I understand how it will improve homelessness or affordable housing specifically. Thank you for reviewing.

Name:	Email:	Zip:
Robert Griffith	lagosbob@yahoo.com	96815
Representing:	Position:	Submitted:
Self	Support	Nov 17, 2024 @ 10:48 AM

Testimony:

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

I support Chair Waters Bill 46 (24) CD2 which creates a separate classification for empty homes rather than a supplemental tax and includes more exemptions that protect Resident second homeowners.

I ask that you combine occupancy of an Owner, Renter or permitted occupant to attain the 6 month minimum. This can be done by combining items B.1. (C) and B.1.(D) on Chair Waters CD2. This would ensure vital monthly or month-to-month housing for residents, traveling nurses, emergency works and other important visitors is not taken away.

Robert Griffith
2140 Kuhio Ave #2402
Honolulu 96815

Name:	Email:	Zip:
Richard Hernandez	janinarichard@gmail.com	96734
Representing:	Position:	Submitted:
Self	Support	Nov 17, 2024 @ 11:52 AM

Testimony:

I support this bill 46 with Councilman's Water's CD 2.

Name:	Email:	Zip:
CECILIA GOMEZ	ceciliagomezhawaii@gmail.com	96734
Representing:	Position:	Submitted:
Self	Support	Nov 17, 2024 @ 11:56 AM

Testimony:

ALOHA HONOLULU COUNCIL

I support this bill CD2 version from Mr. Tommy Waters. I like that it excludes or even references anything regarding rental which are a significantly important in providing limited housing for Hawaii residents. Remember any and all taxes you

levy on landlords are passed through to the resident tenants.

Mahalo,

Cecilia

Name:	Email:	Zip:
Ralph Furley	rfmail2007@gmail.com	96734
Representing:	Position:	Submitted:
Self	Support	Nov 17, 2024 @ 11:59 AM

Testimony:

Dear Honolulu City Council,

I support bill 46(24) CD2 as amended by Tommy Waters. Very important that you all excluded anything to do with rental properties. There is a saying "...anything that goes around comes around." That same with regulations and taxes. the more burden placed on businesses and landlords it all affects the customers or tenants.

Aloha Furley

Name:	Email:	Zip:
Rick Phillips	Rick.Phillips@hawaiiantel.net	96815
Representing:	Position:	Submitted:
Self	Oppose	Nov 18, 2024 @ 01:39 AM

Testimony:

The proposed changes to Bill 46 regarding the addition of SECTION 2 subsection 1.P is a welcome addition. However, from the text it is not clear to me if something like 401(k) payments would be included in "retirement payments" and if "such payments must be
received at an address in the city" would include any bank account that has a Honolulu address regardless of where the bank is located.

Thank you.

Name:	Email:	Zip:
John Mair	mammothjohn@yahoo.com	96815
Representing:	Position:	Submitted:
Self	Support	Nov 18, 2024 @ 03:57 AM

Testimony:

Im writing as support for Bill 46 Proposed CD2 as written by Council Chair Waters. I believe that the bill as written to amend the section and add section E for empty house tax is probably the most fair I have seen. As a senior retired person

living in Waikiki I know we need more housing. I ask that you combine occupancy of an Owner, Renter or permitted occupant to attain the 6 month minimum. This can be done by combining items B.1. (C) and B.1.(D) on Chair Waters CD2. This would ensure vital monthly or month-to-month housing for residents, traveling nurses, emergency works and other important visitors is not taken away.

Please consider this request,

John Mair.

Name:	Email:	Zip:
Robert Gould	bob.gould@stanfordalumni.org	96744-2664
Representing:	Position:	Submitted:
Self	Oppose	Nov 18, 2024 @ 09:32 AM

Name:	Email:	Zip:
Ross Isokane	isokane@gmail.com	96813
Representing:	Position:	Submitted:
Self	Support	Nov 18, 2024 @ 09:42 AM

Testimony:

Respectfully, in my humble outsider's opinion (after viewing the Special Budget meeting and reading all posted CD2s), I feel like we might be verging on "letting the perfect be the enemy of the good."

I think Councilmember Say said it best where he noted that the process may be getting diverted from the whole objective: Trying to convert empty homes for local residents (henceforth, the "Main Objective") and NOT revenue enhancement.

Here are the core facts:

1. The Crisis: Far too many of our local residents are vulnerable and unnecessarily suffering each day (and things are getting worse, not better).

2. Model Solution: Other cities (and the consultants we've hired to study/report on them) have shown us that the Empty Homes Tax is one proven tool that can help address this crisis (and have provided a model template for us to follow).

3. Unintended Consequences: There will be individuals (including potential local families) that are privileged and blessed (often through hard work) to own multiple residential properties who will be nudged against their will to sell/rent their extra property or pay the tax.

Although I still think the current CD1 is the strongest, I believe of the proposed CD2s, Councilmember Kiaʻāina's CD2 draft (with her tweaks/added exemptions) does the best to minimize #3 Unintended Consequences while still staying consistent with the current #2 Model Solution to best address #1 The Crisis.

Beyond this, I believe if we continue the path of trying to do more to overcomplicate (e.g., introducing the new tax class seems a little complicated at this stage) or trying to make the bill/process perfect (e.g., trying to be so precise with the data for revenue generation when the Main Objective is to encourage behavior to increase housing supply), more and more time will pass by with no help to alleviate the unnecessary suffering of our most vulnerable local residents.

Humbly and respectfully, to me, that should be inexcusable and unacceptable.

POSTSCRIPT:
There are also concerns with Administration (Enforcement/Compliance) as BFS has never done this before. I sympathize with BFS (but certainly not more than I sympathize for our suffering vulnerable residents described in #1 The Crisis).
I urge the Council to keep the focus on the Main Objective and NOT revenue generation. If we agree with this tenet, then Enforcement/Compliance is a secondary/tertiary concern.
Some final thoughts:
+ According to dialogue between Councilmember Dos Santos-Tam and Director Kawano, BFS doesn't currently do a whole lot of Enforcement/Compliance for owner-occupancy/owner-builder exemptions. So why all the hand-wringing on compliance for the 15+ self-declarations contemplated in this bill?
+ I thought Councilmember Cordero raised an excellent question of having property owners claim the exemptions at the end of the tax year (effectively assessing the tax in arrears and not in advance). So long as our emphasis is on the Main Objective and NOT revenue generation, this should be fine (and should take out a lot of the complexities).
+ I think Chair Waters' question of Supplemental tax is prudent. But rather than trying to reinvent the wheel by creating a new class (i.e., deviating from the #2 Model Solution that already exists and has been implemented elsewhere), could an alternative be to add a sentence saying that each property will pay the greater of (A) their RPT under Residential/Residential A or (B) the Empty Homes Tax?

Name:	Email:	Zip:
Bryan Vukelich	bjvuke777@gmail.com	96744
Representing:	**Position:**	**Submitted:**
Self	Support	Nov 18, 2024 @ 10:33 AM

Testimony:
Aloha,

I ask that you combine occupancy of an Owner, Renter or permitted occupant to attain the 6 month minimum. This can be done by combining items B.1. (C) and B.1.(D) on Chair Waters CD2. This would ensure vital monthly or month-to-month housing for residents, traveling nurses, emergency works and other important visitors is not taken away.

Ideally though, I would like the government to protect individual property rights to the maximum. Perhaps make it more expensive for foreign buyers to own real estate here or do not allow them to own Hawaii real estate at all.

Name:	Email:	Zip:
Levi Brooker	levibrooker@gmail.com	96707
Representing:	**Position:**	**Submitted:**
Self	Support	Nov 18, 2024 @ 02:22 PM

Testimony:

I am generally supportive of this bill because it does not tax legal 30-day rentals as Empty Homes, but in thinking about it more, I am of the opinion that resort zones should just be completely exempt from the Empty Homes tax. I own a 2nd home in Ko Olina which I choose to rent out on a 30+ day basis when I am not physically there, but many of my neighbors do not. Ko Olina was zoned for / developed to be a 2nd home community, so it is not logical to now significanlty punish owners who did nothing wrong and are not contributing to the shortage of affordable housing on Oahu (there is no shortage of rental housing in Kapolei according to Zillow, MLS, etc). Given that Ko Olina was, and is, set up to be a resort community, Bill 46 will be extremely damaging to property values of both full time and part time residents, in addition to local businesses, and I do not see how it will have a positive impact on the housing crisis. Based on this, I respectfully request that an amendment be added to Bill 46 exempting resort zones from the Empty Homes tax.

I also agree with OSTRA's stance that you should combine occupancy of an Owner, Renter or permitted occupant to attain the 6 month minimum, which can easily be done by combining items B.1. (C) and B.1.(D) on Chair Waters CD2.

Name:	Email:	Zip:
Shellie Niles	shellie.niles@catholiccharitieshawaii.org	96822
Representing:	Position:	Submitted:
Catholic Charities Hawaii	Support	Nov 18, 2024 @ 03:25 PM

Testimony:

Catholic Charities Hawai'i remains a strong supporter of Bill 46 (2024) and urges that it be upheld in its current form. This issue requires immediate action—people across Hawai'i and O'ahu cannot afford more exemptions and delays. Our housing crisis calls for bold, meaningful action, not superficial measures. Please commit funding to affordable housing and homelessness.

Name:	Email:	Zip:
helena von Sydow	helenavonsydow@gmail.com	96825
Representing:	Position:	Submitted:
Self	Support	Nov 18, 2024 @ 03:29 PM

Testimony:

I support Chair Waters' Bill 46 (24) CD2, which establishes a separate classification for empty homes rather than imposing a supplemental tax. This approach also includes exemptions that thoughtfully protect resident second-home owners.

I urge you to combine the occupancy of an owner, renter, or permitted occupant to meet the six-month minimum requirement. Specifically, this can be achieved by merging items B.1.(C) and B.1.(D) in Chair Waters' CD2. This adjustment would preserve essential monthly and month-to-month housing for residents, traveling nurses, emergency workers, and other critical visitors.

Thank you for your careful consideration.

Helena VON SYDOW

Name:	Email:	Zip:
Harald von Sydow	nztrendshi@gmail.com	96825
Representing:	Position:	Submitted:
Self	Support	Nov 18, 2024 @ 03:30 PM

Testimony:

Supporting Bill 46 CD2

I support Chair Waters' Bill 46 (24) CD2, which establishes a separate classification for empty homes rather than imposing a supplemental tax. This approach also includes additional exemptions that thoughtfully protect resident second-home owners.

I respectfully request that you consider combining the occupancy of an owner, renter, or permitted occupant to meet the six-month minimum requirement.

Thank you for your consideration.

Harald Von Sydow

Name:	Email:	Zip:
Karen Young	kareny402@gmail.com	94118
Representing:	Position:	Submitted:
Self	Support	Nov 18, 2024 @ 04:42 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" or "land-banking".

I support Chair Waters Bill 46 (24) CD2 which creates a separate classification for empty homes rather than a supplemental tax and includes more exemptions that protect Resident second home owners.

I ask that you combine occupancy of an Owner, Renter or permitted occupant to attain the 6 month minimum. This can be done by combining items B.1 (C) and B.1 (D) or Chair Waters CD2.

This would ensure vital monthly or month-to-month housing for residents, traveling nurses, emergency works and other important visitors is not taken away.

Name:	Email:	Zip:
Julia Berlin	julia.berlin421@gmail.com	96816
Representing:	Position:	Submitted:
Self	Support	Nov 18, 2024 @ 05:15 PM

Testimony:

I support the empty housing tax. For too long the local and Hawaiian people are forced off their lands by vacation properties and investment portfolio. The Hawaiian culture is not for sale!!! The government should be protecting the aina and the people. These part time dwellings also hurt the island economy. This bill would go a long way in protecting the fragile housing, culture, and economy here in Hawai'i.

Name:	Email:	Zip:
Anamica Bedi	nankabd@hotmail.com	96821
Representing:	Position:	Submitted:
Self	Support	Nov 18, 2024 @ 06:29 PM

Testimony:

Support for Bill 046(24) CD1 – Empty Homes Tax

Committee on Budget

Thursday, November 21, 2024, at 1:00PM

Aloha Chair Cordero, Vice Chair Weyer, and members of the committee:

I am submitting testimony in STRONG SUPPORT for Bill 46 (2024) - CD1, which creates a supplemental "empty homes tax". Honolulu is facing a dire affordable housing crisis. Too many families, kupuna, and young people are being pushed to the brink—living paycheck to paycheck, unable to afford rent, or being forced to leave Hawaii altogether. According to UHERO, in 2022 over 11,000 more Hawaii residents left for other states than moved in. Over 80 percent of Honolulu renters are cost-burdened, spending at least 30 percent of their income on housing. By 2023, only 20 percent of local households could afford a mortgage on a median-priced single-family home.

Our current property tax policies fail to prioritize housing for Hawaii's residents. An Empty Homes Tax is a critical step towards fixing this issue, discouraging property owners from underutilization of housing for non-long term housing purposes, and generating revenue to increase the supply of available housing to better meet local demand.

I urge you to support Bill 46 (2024), keep the legislation effective, and dedicate 100% of tax revenues to the Affordable Housing Fund, affordable housing initiatives, and homelessness solutions.

Our housing crisis needs bold action, not half measures. The number of excessive exemptions and reduction in tax rates significantly reduces the tax base and signals the prioritization to protect wealthy homeowners' investments over housing Oahu's residents. We need a robust source of funding to support our community's housing needs. Any benefits the empty homes tax may have in discouraging speculative investment will not be sufficient. We need dedicated investments in a diverse array of affordable housing units and homeless services to ensure all our community members can be provided for.

We are concerned that the proposed amendments to the empty homes tax will render it ineffective. Specifically, we oppose any changes that reduce the revenue generated for affordable housing. Further reducing the allocation from 50% to 20% without ensuring proper use of the remaining funds, such as direct allocation to the Affordable Housing Fund, risks

diverting crucial resources away from housing initiatives. The proposed exemptions are overly broad, allowing numerous properties to remain vacant or underutilized and enabling indefinite tax evasion. Many of these exemptions seem designed to protect wealthy homeowners and their properties profitability. Finally, removing the specified tax rates risks failing to generate enough revenue to address our housing crisis and capping the tax at a flat rate instead of a percentage of assessed value disproportionately benefits the wealthy and undermines the tax's deterrent purpose.
I urge you to reconsider these amendments to ensure Bill 46(24) CD1 remains an effective tool for addressing our housing crisis and dedicating 100% of revenue to affordable housing and the Affordable Housing Fund.

Mahalo for the opportunity to testify,
Dr. Anamica Bedi, PhD

Name:	Email:	Zip:
Laura Pokipala	pokipala64@gmail.com	96744
Representing:	Position:	Submitted:
Self	Support	Nov 18, 2024 @ 07:42 PM

Testimony:
Please pass Bill 46 with the current language of primary residence for 6 mos. Or more. More affordable housing is needed for all residents and a revolving housing fund that is continuously replenished with the Empty Homes Tax is a way to create sustainable programs to help build, own, and rent homes to the elderly, disabled, and families with children.
Please pass this bill to make a real difference for the residence of Hawaii.

Name:	Email:	Zip:
Conner Birdsall	connerbirdsall@gmail.com	96707
Representing:	Position:	Submitted:
Self	Support	Nov 18, 2024 @ 08:31 PM

Testimony:
Aloha my name is Conner Birdsall. I am a 16 year old who strongly believes that affordable housing for all, is and should be a human right. The United Nations believe this as well. Bill 46 as you know would benefit the community by adding more houses up for rent or adding tax onto the out of state homeowners just trying to make money on us. A strong agreement with Bill 46 will increase Hawai'i to help our houseless population, as well as help those who need affordability or are just struggling to find a house. We as a nation and we as a state care more about our tourism industry, and letting out of state homeowners, which in fact leave around 14% of ALL houses on Oahu vacant. People need these houses. They need shelter. We should care more for our citizens of Hawai'i. The locals. Our uncles or aunties, our grandma's. Our grandpa's, our parents and our kids. But money controls. I'm sure everyone on this council knows this bill will help many local people, but some will vote against it to save a few bucks or maybe to earn more money for themselves. If you vote against bill 46 then you're keeping money and opportunity away from the people. Some parts of our systems are so backwards. Like the more money you have the more you get. But when you need it you don't get it. If any of you have any integrity left, don't just care about yourselves. You can change we all can. It's time to move one step forward as a state.

Let's give the people the opportunity to support their family. They need this. We all do. Let's go from 14% vacant houses to 0%. This is why I agree with Bill 46 and hope you vote in agreement with the ability to better help our ohana, this generation, my generation, and the future generations to come. Thank you

Name:	Email:	Zip:
Kathleen Benson	Kathymoses@aol.com	96707
Representing:	Position:	Submitted:
Self	Support	Nov 18, 2024 @ 10:07 PM

Testimony:

I support this bill because it benefits the people of Hawaii who lives here full time, the people who are your constituents, the people who are registered Hawaii voters. Please do not be swayed by rich people who don't live here full time, who are not your constituents, and who are not people who are registered Hawaii voters. The latter are loud but they are few, please do what is right for the many, and help Hawaiians have homes.

Respectfully submitted,

Kathleen Moses Benson

Name:	Email:	Zip:
Aaron Ruddick	capnaaron@yahoo.com	96815
Representing:	Position:	Submitted:
Self	Support	Nov 18, 2024 @ 10:19 PM

Testimony:

I SUPPORT Bill 046. Hawaii's housing crisis is exacerbated by empty units that provide zero housing inventory for hard working Hawaii residents. Too many Hawaii residents are leaving the islands due to the lack of affordable housing. This must change and Bill 046 is a step in the right direction.

Name:	Email:	Zip:
Christy MacPherson	iainandaustin@hotmail.com	96817-1271
Representing:	Position:	Submitted:
Self	Support	Nov 18, 2024 @ 11:26 PM

Testimony:

Aloha Chair Cordero and members of the Budget Committee,

As a concerned local citizen, I am in 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 but we cannot water this bill down to the point of making it ineffective and defeating its purpose.

I implore the Council to avoid allowing for excessive exemptions and to include the Principal Residence language in order to prevent the creation of Short Term Rentals (STRs) that would inevitably pop up around O'ahu. It is also critical that we designate 100% of the revenue from this tax to affordable housing and homeless services. This should be our kuleana as a County.

Mahalo for your consideration,

Christy K. MacPherson

Name:	Email:	Zip:
Ron Blair	tallfunny@msn.com	80403
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 04:06 AM

Testimony:

The island needs housing without taxing rentals and driving landlords out of income sources.

Name:	Email:	Zip:
Mkike Jackson	mikejacksonatlarge@gmail.com	96792
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 05:14 AM

Testimony:

I support Bill 46 (24) 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:
lillie mcafee	lilliemcafee@gmail.com	96792
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 05:27 AM

Testimony:

Please support Bill 46(24)CD1

Name:	Email:	Zip:
Mitch Maxwell	btfxhawaii@aol.com	96707
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 06:37 AM

Testimony:

I strongly support the amended version of this bill. Please ensure that the 6-month minimum can be met by an owner,

renter, or permitted occupant—or any combination of them. It’s also important to have a separate classification for empty homes. Thank you.

Name:	Email:	Zip:
Josh Stanbro	joshua.stanbro@gmail.com	96816
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 06:50 AM

Testimony:

Chair Cordero, Vice-Chair Weyer, and members of the Committee,

I strongly support the implementation of an Empty Homes Tax and urge the committee to pass Bill 46 in an effective form, without watering it down with additional exemptions, rate reductions, or diverting the proceeds away from our critical need--funding dedicated to building affordable housing for local families.

The need for an Empty Homes Tax has only grown since it was first identified over 5 years ago as the number one policy recommendation in O'ahu's resilience strategy. It is a good policy, with wide public support, and can help protect economic equity on our island. I lived in Washington DC for the past two years, a city that has implemented an Empty Homes Tax. Neighborhoods are thriving, infrastructure is fully utilized, and property owners are incentivized to provide rental options. The policy works because the rules are clear: leaving your property vacant incurs a tax of $5 per $1000 in value. And a blighted property--something that occurs all too often in Honolulu and the city takes years to deal with--incurs a tax of $10 per $1000 in value. Needless to say, properties are quickly cleaned up or turned over to new owners who fix them up and provide housing options.

This is a common sense policy solution that will benefit regular island residents trying to find housing for their families. It will only be effective if it remains strong, free of exemptions, and well-enforced. Please pass Bill 46 and give us a chance at leveling the housing playing field with offshore investors.

Mahalo,

Josh Stanbro

Name:	Email:	Zip:
Andrew Boyle	andrewjamesboyle@gmail.com	95126
Representing:	Position:	Submitted:
Self	I wish to comment	Nov 19, 2024 @ 06:58 AM

Testimony:

I strongly encourage the distinguished councilmembers to support this bill. It is shameful that even one person is left unhoused in an economy where many can afford second homes that are left empty for much of the year, let alone the thousands left without a home or on the brink of losing their home and shelter. I believe 100% of revenue generated from

this bill should fund the construction/acquisition, operation, and maintenance of public housing to afford every person the dignity they deserve.

Name:	Email:	Zip:
Linda Wakatake	wakaangel@aim.com	96782
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 07:24 AM

Testimony:

Aloha Chair Cordero, Vice Chair Weyer, and members of the committee:

I am submitting testimony in STRONG SUPPORT for Bill 46 (2024) - CD1, which creates a supplemental “empty homes tax”. Honolulu is facing a dire affordable housing crisis. Too many families, kupuna, and young people are being pushed to the brink—living paycheck to paycheck, unable to afford rent, or being forced to leave Hawaii altogether. According to UHERO, in 2022 over 11,000 more Hawaii residents left for other states than moved in. Over 80 percent of Honolulu renters are cost-burdened, spending at least 30 percent of their income on housing. By 2023, only 20 percent of local households could afford a mortgage on a median-priced single-family home.

Our current property tax policies fail to prioritize housing for Hawaii’s residents. An Empty Homes Tax is a critical step towards fixing this issue, discouraging property owners from underutilization of housing for non-long term housing purposes, and generating revenue to increase the supply of available housing to better meet local demand.

I urge you to support Bill 46 (2024), keep the legislation effective, and dedicate 100% of tax revenues to the Affordable Housing Fund, affordable housing initiatives, and homelessness solutions.

Our housing crisis needs bold action, not half measures. The number of excessive exemptions and reduction in tax rates significantly reduces the tax base and signals the prioritization to protect wealthy homeowners’ investments over housing Oahu’s residents. We need a robust source of funding to support our community’s housing needs. Any benefits the empty homes tax may have in discouraging speculative investment will not be sufficient. We need dedicated investments in a diverse array of affordable housing units and homeless services to ensure all our community members can be provided for.

We are concerned that the proposed amendments to the empty homes tax will render it ineffective. Specifically, we oppose any changes that reduce the revenue generated for affordable housing. Further reducing the allocation from 50% to 20% without ensuring proper use of the remaining funds, such as direct allocation to the Affordable Housing Fund, risks diverting crucial resources away from housing initiatives. The proposed exemptions are overly broad, allowing numerous properties to remain vacant or underutilized and enabling indefinite tax evasion. Many of these exemptions seem designed to protect wealthy homeowners and their properties profitability. Finally, removing the specified tax rates risks failing to generate enough revenue to address our housing crisis and capping the tax at a flat rate instead of a percentage of assessed value disproportionately benefits the wealthy and undermines the tax's deterrent purpose.

I urge you to reconsider these amendments to ensure Bill 46(24) CD1 remains an effective tool for addressing our housing crisis and dedicating 100% of revenue to affordable housing and the Affordable Housing Fund.

Mahalo for the opportunity to testify,

Linda Wakatake

Name:	Email:	Zip:
EDWARD HUMPHRIES	EHUMPHRIES@VLHLAW.COM	96707
Representing:	Position:	Submitted:
Self	Oppose	Nov 19, 2024 @ 07:49 AM

Name:	Email:	Zip:
Lorna Holmes	lholmes@hillsdale.edu	96817
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 08:46 AM

Testimony:

This bill properly targets properties which stand empty, because they are being exploited as investments by off-island investors. Hawaii's low property tax rate is one reason they can do this. This is an unfair waste of our precious housing resources. It's also wrong for vacant property owners to enjoy the benefits of our market appreciation, and the taxpayer-provided protection of our fire fighters and police officers, while not actually housing anyone. The Empty Homes Tax encourages investors to rent out vacant property, or sell it to someone who will. If not, at least paying the EHT will cause them to contribute something to help the housing crisis which they are exacerbating.

If the property is occupied at least 6 months out of the year, then it isn't empty, so this tax does not apply. Let's reassure resident owners that the EHT will not affect them.

Mahalo for your consideration.

Name:	Email:	Zip:
SCOTT SUTHERLAND	scottjksutherland@gmail.com	96817
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 09:29 AM

Testimony:

Aloha Chair Cordero, Vice Chair Weyer, and members of the committee:

I am submitting testimony in STRONG SUPPORT for Bill 46 (2024) - CD1, which creates a supplemental "empty homes tax". Honolulu is facing a dire affordable housing crisis. Too many families, kupuna, and young people are being pushed to the brink—living paycheck to paycheck, unable to afford rent, or being forced to leave Hawaii altogether. According to UHERO, in 2022 over 11,000 more Hawaii residents left for other states than moved in. Over 80 percent of Honolulu renters are cost-burdened, spending at least 30 percent of their income on housing. By 2023, only 20 percent of local households could afford a mortgage on a median-priced single-family home.

Our current property tax policies fail to prioritize housing for Hawaii's residents. An Empty Homes Tax is a critical step

towards fixing this issue, discouraging property owners from underutilization of housing for non-long term housing purposes, and generating revenue to increase the supply of available housing to better meet local demand.
I urge you to support Bill 46 (2024), keep the legislation effective, and dedicate 100% of tax revenues to the Affordable Housing Fund, affordable housing initiatives, and homelessness solutions.
Our housing crisis needs bold action, not half measures. The number of excessive exemptions and reduction in tax rates significantly reduces the tax base and signals the prioritization to protect wealthy homeowners' investments over housing Oahu's residents. We need a robust source of funding to support our community's housing needs. Any benefits the empty homes tax may have in discouraging speculative investment will not be sufficient. We need dedicated investments in a diverse array of affordable housing units and homeless services to ensure all our community members can be provided for.
We are concerned that the proposed amendments to the empty homes tax will render it ineffective. Specifically, we oppose any changes that reduce the revenue generated for affordable housing. Further reducing the allocation from 50% to 20% without ensuring proper use of the remaining funds, such as direct allocation to the Affordable Housing Fund, risks diverting crucial resources away from housing initiatives. The proposed exemptions are overly broad, allowing numerous properties to remain vacant or underutilized and enabling indefinite tax evasion. Many of these exemptions seem designed to protect wealthy homeowners and their properties profitability. Finally, removing the specified tax rates risks failing to generate enough revenue to address our housing crisis and capping the tax at a flat rate instead of a percentage of assessed value disproportionately benefits the wealthy and undermines the tax's deterrent purpose.
I urge you to reconsider these amendments to ensure Bill 46(24) CD1 remains an effective tool for addressing our housing crisis and dedicating 100% of revenue to affordable housing and the Affordable Housing Fund.

Mahalo for the opportunity to testify,

Name:	Email:	Zip:
Jeff Gilbreath	jeff@hawaiiancommunity.net	96795
Representing:	Position:	Submitted:
Hawaii Community Lending	Support	Nov 19, 2024 @ 09:47 AM

Testimony:
Aloha Councilmembers,

I am writing on behalf of Hawai'i Community Lending, a nonprofit community development financial institution, to strongly support the empty homes tax and Bill 46.

In 2020-2021, I personally served as the principal for the Maui County Affordable Housing Plan. With a team of 19 community development and housing experts, we determined that Hawai'i has the lowest property tax rates in the nation. With such low property taxes in such a desirable location, we have seen the results: offshore investors and real estate corporations come in and buying properties - mostly with cash - not to live in the homes, but to increase their profit. At the same time, our community members struggle to find any housing we can afford. We feel the impacts of this imbalance in

our access to food, health, financial security, and a home - all while we work 1, 2, 3 jobs to afford to live.

With the analysis we completed as part of the Maui County Affordable Housing Plan, it is clear that not only would a tax on investors and corporations and their 2nd, 3rd, 4th, or 5th homes raise significant revenue for the City and County, but those funds could - and should - be used strategically to ensure our local people have at least 1 home.

As we think about the role of public policy in addressing our housing crisis, our organization strongly believes the needs of the residents of the City and County of Honolulu should take precedence over the needs of offshore investors and real estate corporations.

Please help stand in support of the residents of the City and County of Honolulu. Pass Bill 46.

Mahalo for your time, leadership, and consideration.

Name:	Email:	Zip:
Sabrina Garcia	sabrina@hawaiiancommunity.net	96720
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 10:06 AM

Testimony:

I Request Councilmembers to support Bill 46 and keep it effective -Our housing crisis needs bold action, not half measures. The number of excessive exemptions and reduction in tax rates will reduce the revenue generated and signals the prioritization to protect wealthy homeowners' investments over housing Oahu's residents.

this is to Ensure Revenue Goes to Affordable Housing - I Request Councilmembers to dedicate 100% of tax revenues to affordable housing and homelessness solutions. The private market alone will not be able to house our community. We need dedicated investments in affordable housing units and homeless services to ensure all of our community members can be provided for.

Name:	Email:	Zip:
Christine Chavez	chrissymchavez@gmail.com	96707
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 10:10 AM

Testimony:

Aloha Chair Cordero, Vice Chair Weyer, and members of the committee:

I am submitting testimony in STRONG SUPPORT for Bill 46 (2024) - CD1, which creates a supplemental "empty homes tax". Honolulu is facing a dire affordable housing crisis. Too many families, kupuna, and young people are being pushed to the brink—living paycheck to paycheck, unable to afford rent, or being forced to leave Hawaii altogether. According to UHERO, in 2022 over 11,000 more Hawaii residents left for other states than moved in. Over 80 percent of Honolulu renters are cost-burdened, spending at least 30 percent of their income on housing. By 2023, only 20 percent of local households

could afford a mortgage on a median-priced single-family home.

Our current property tax policies fail to prioritize housing for Hawaii's residents. An Empty Homes Tax is a critical step towards fixing this issue, discouraging property owners from underutilization of housing for non-long term housing purposes, and generating revenue to increase the supply of available housing to better meet local demand.

I urge you to support Bill 46 (2024), keep the legislation effective, and dedicate 100% of tax revenues to the Affordable Housing Fund, affordable housing initiatives, and homelessness solutions.

Our housing crisis needs bold action, not half measures. The number of excessive exemptions and reduction in tax rates significantly reduces the tax base and signals the prioritization to protect wealthy homeowners' investments over housing Oahu's residents. We need a robust source of funding to support our community's housing needs. Any benefits the empty homes tax may have in discouraging speculative investment will not be sufficient. We need dedicated investments in a diverse array of affordable housing units and homeless services to ensure all our community members can be provided for.

We are concerned that the proposed amendments to the empty homes tax will render it ineffective. Specifically, we oppose any changes that reduce the revenue generated for affordable housing. Further reducing the allocation from 50% to 20% without ensuring proper use of the remaining funds, such as direct allocation to the Affordable Housing Fund, risks diverting crucial resources away from housing initiatives. The proposed exemptions are overly broad, allowing numerous properties to remain vacant or underutilized and enabling indefinite tax evasion. Many of these exemptions seem designed to protect wealthy homeowners and their properties profitability. Finally, removing the specified tax rates risks failing to generate enough revenue to address our housing crisis and capping the tax at a flat rate instead of a percentage of assessed value disproportionately benefits the wealthy and undermines the tax's deterrent purpose.

Name:	Email:	Zip:
John Fourshey	johnfourshey1@gmail.com	96771
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 10:11 AM

Testimony:

I am in support of this legislation would put a tax on investor homes they do not live in, so the money can be used to make sure our local people have at least 1 home.

Name:	Email:	Zip:
Maria Zitney	mariaaloha7@gmail.com	96734
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 10:13 AM

Name:	Email:	Zip:
Kahaunani Mahoe-Thoene	ewamahoe52@gmail.com	96795
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 10:17 AM

Testimony:

I fully support Bill 46 and respectfully request that it be amended to ensure that all revenue generated under this bill is dedicated exclusively to the expansion and support of future affordable housing projects. This amendment would help secure ongoing resources to address our community's housing needs effectively.

Name:	Email:	Zip:
Regina Gregory	reginagregory24@gmail.com	96822
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 10:20 AM

Testimony:

support

Name:	Email:	Zip:
Brodie Lockard	blockard@iname.com	96734
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 10:23 AM

Testimony:

I support this important bill.

Name:	Email:	Zip:
John Witeck	jwiteck@yahoo.com	96817
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 10:23 AM

Testimony:

This measure is long overdue. It will curb specilation on housing and provide more housing for rental or sales! I urge you to enact this urgently needed measure!

Name:	Email:	Zip:
Ariel Gruenthal-Rankin	amgruenthal@gmail.com	96822
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 10:27 AM

Testimony:

Bill046(24) Budget 112124 - HIHAC SAMPLE Testimony.docx

Support for Bill 046(24) CD1 – Empty Homes Tax

Committee on Budget

Thursday, November 21, 2024, at 1:00PM

Aloha Chair Cordero, Vice Chair Weyer, and members of the committee:

I am submitting testimony in STRONG SUPPORT for Bill 46 (2024) - CD1, which creates a supplemental “empty homes tax”.

Honolulu is facing a dire affordable housing crisis. Too many families, kupuna, and young people are being pushed to the brink—living paycheck to paycheck, unable to afford rent, or being forced to leave Hawaii altogether. According to UHERO, in 2022 over 11,000 more Hawaii residents left for other states than moved in. Over 80 percent of Honolulu renters are cost-burdened, spending at least 30 percent of their income on housing. By 2023, only 20 percent of local households could afford a mortgage on a median-priced single-family home.

Our current property tax policies fail to prioritize housing for Hawaii’s residents. An Empty Homes Tax is a critical step towards fixing this issue, discouraging property owners from underutilization of housing for non-long term housing purposes, and generating revenue to increase the supply of available housing to better meet local demand.

I urge you to support Bill 46 (2024), keep the legislation effective, and dedicate 100% of tax revenues to the Affordable Housing Fund, affordable housing initiatives, and homelessness solutions.

Our housing crisis needs bold action, not half measures. The number of excessive exemptions and reduction in tax rates significantly reduces the tax base and signals the prioritization to protect wealthy homeowners’ investments over housing Oahu’s residents. We need a robust source of funding to support our community’s housing needs. Any benefits the empty homes tax may have in discouraging speculative investment will not be sufficient. We need dedicated investments in a diverse array of affordable housing units and homeless services to ensure all our community members can be provided for.

We are concerned that the proposed amendments to the empty homes tax will render it ineffective. Specifically, we oppose any changes that reduce the revenue generated for affordable housing. Further reducing the allocation from 50% to 20% without ensuring proper use of the remaining funds, such as direct allocation to the Affordable Housing Fund, risks diverting crucial resources away from housing initiatives. The proposed exemptions are overly broad, allowing numerous properties to remain vacant or underutilized and enabling indefinite tax evasion. Many of these exemptions seem designed to protect wealthy homeowners and their properties profitability. Finally, removing the specified tax rates risks failing to generate enough revenue to address our housing crisis and capping the tax at a flat rate instead of a percentage of assessed value disproportionately benefits the wealthy and undermines the tax's deterrent purpose.

I urge you to reconsider these amendments to ensure Bill 46(24) CD1 remains an effective tool for addressing our housing crisis and dedicating 100% of revenue to affordable housing and the Affordable Housing Fund.

Mahalo for the opportunity to testify.

Ariel

Name:	Email:	Zip:
Patricia Rolland	pkr@rolland.biz	96791
Representing:	**Position:**	**Submitted:**
Self	Support	Nov 19, 2024 @ 10:29 AM

Testimony:

Patricia Rolland

67-225 Kiapoko St.

Apt. A

Waialua, HI 96791

Regarding: Bill 46 (24) CD2

November 19, 2024

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 or “land-banking”.

I support Chair Waters Bill 46 (24) CD2 which creates a separate classification for empty homes rather than a supplemental tax and includes more exemptions that protect Resident second home owners.

I ask that you combine occupancy of an Owner, Renter or permitted occupant to attain the 6 month minimum. This can be done by combining items B.1. (C) and B.1.(D) on Chair Waters CD2. This would ensure vital monthly or month-to-month housing for residents, traveling nurses, emergency works and other important visitors is not taken away.

Thank you for your consideration in this most important matter.

Patricia Rolland

Name:	Email:	Zip:
Nivolas Armero	nickoarmero@gmail.com	96814
Representing:	**Position:**	**Submitted:**
Self	Support	Nov 19, 2024 @ 10:34 AM

Testimony:

I work in media, and my wife is a physician, yet we can't afford to buy a home in Hawaii. It's deeply frustrating to see homes sit vacant while hardworking individuals and families struggle to find affordable housing. Implementing a tax on

these vacant properties is a small but important step towards addressing this injustice and ensuring that the people who make Hawaii's community thrive have a place to call home.

Name:	Email:	Zip:
Thomas Digrazia	digraziat001@gmail.com	96734
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 10:36 AM

Testimony:

We need more housing and lower rents on Oahu. This Bill will help to do so.

Name:	Email:	Zip:
Jeanette Qablawi	jeanette.qablawi@gmail.com	96814
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 10:41 AM

Testimony:

I am a family physician and I cannot afford to buy a house in Hawai'i. My rent is higher than it has ever been, and it is not sustainable to stay here longterm unless something changes about the housing market. An empty homes tax is the least that can be done to address this issue. If this does not pass, I have serious doubts about our democratic process.

Name:	Email:	Zip:
roger epstein	repstein10@gmail.com	96821
Representing:	Position:	Submitted:
Maitreya Institute	Support	Nov 19, 2024 @ 10:44 AM

Testimony:

It's unfair that so many people take units off the market that are badly needed for our local population, and leave them mostly vacant.

It's only fair that these buyers pay an extra tax so the government can use these funds to support other housing projects for locals.

Name:	Email:	Zip:
Nancy Farinas	nfarinas@gmail.com	96818
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 10:53 AM

Testimony:

Aloha Chair Cordero, Vice Chair Weyer, and members of the committee:

I am submitting testimony in STRONG SUPPORT for Bill 46 (2024) - CD1, which creates a supplemental "empty homes tax".

Honolulu is facing a dire affordable housing crisis. Too many families, kupuna, and young people are being pushed to the brink—living paycheck to paycheck, unable to afford rent, or being forced to leave Hawaii altogether. According to UHERO, in 2022 over 11,000 more Hawaii residents left for other states than moved in. Over 80 percent of Honolulu renters are cost-burdened, spending at least 30 percent of their income on housing. By 2023, only 20 percent of local households could afford a mortgage on a median-priced single-family home.

Our current property tax policies fail to prioritize housing for Hawaii's residents. An Empty Homes Tax is a critical step towards fixing this issue, discouraging property owners from underutilization of housing for non-long term housing purposes, and generating revenue to increase the supply of available housing to better meet local demand.

I urge you to support Bill 46 (2024), keep the legislation effective, and dedicate 100% of tax revenues to the Affordable Housing Fund, affordable housing initiatives, and homelessness solutions.

Our housing crisis needs bold action, not half measures. The number of excessive exemptions and reduction in tax rates significantly reduces the tax base and signals the prioritization to protect wealthy homeowners' investments over housing Oahu's residents. We need a robust source of funding to support our community's housing needs. Any benefits the empty homes tax may have in discouraging speculative investment will not be sufficient. We need dedicated investments in a diverse array of affordable housing units and homeless services to ensure all our community members can be provided for.

We are concerned that the proposed amendments to the empty homes tax will render it ineffective. Specifically, we oppose any changes that reduce the revenue generated for affordable housing. Further reducing the allocation from 50% to 20% without ensuring proper use of the remaining funds, such as direct allocation to the Affordable Housing Fund, risks diverting crucial resources away from housing initiatives. The proposed exemptions are overly broad, allowing numerous properties to remain vacant or underutilized and enabling indefinite tax evasion. Many of these exemptions seem designed to protect wealthy homeowners and their properties profitability. Finally, removing the specified tax rates risks failing to generate enough revenue to address our housing crisis and capping the tax at a flat rate instead of a percentage of assessed value disproportionately benefits the wealthy and undermines the tax's deterrent purpose.

I urge you to reconsider these amendments to ensure Bill 46(24) CD1 remains an effective tool for addressing our housing crisis and dedicating 100% of revenue to affordable housing and the Affordable Housing Fund.

Mahalo for the opportunity to testify,

Nancy Farinas

Name:	Email:	Zip:
Jane Arnold	staceyjanearnold@gmail.com	96816
Representing:	Position:	Submitted:

Self	Support	Nov 19, 2024 @ 10:54 AM

Testimony:

I strongly support Bill 046. Anything that will increase the supply of affordable housing is desperately needed in Hawaii. I know of a woman who can't go to work because she is in the middle of chemotherapy, and she therefore can't afford her rent. So she is living in her car.

Name:	Email:	Zip:
Marissa Delaforce	mdelaforce7@gmail.com	96818
Representing:	Position:	Submitted:
Self	Oppose	Nov 19, 2024 @ 10:59 AM

Name:	Email:	Zip:
Andrea Dias-Machado	andrea.puanani@gmail.com	96782
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 11:02 AM

Testimony:

I wholeheartedly support this bill as I believe this will help to mitigate the lack of housing for our local residents.

Name:	Email:	Zip:
I Robert Nehmad	rnehmad@hawaii.rr.com	96825
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 11:19 AM

Testimony:

Aloha Chair Cordero, Vice Chair Weyer, and members of the committee:

I am submitting testimony in STRONG SUPPORT for Bill 46 (2024) - CD1, which creates a supplemental “empty homes tax”.
Honolulu is facing a dire affordable housing crisis. Too many families, kupuna, and young people are being pushed to the brink—living paycheck to paycheck, unable to afford rent, or being forced to leave Hawaii altogether.
Our current property tax policies fail to prioritize housing for Hawaii’s residents. An Empty Homes Tax is a critical step towards fixing this issue, discouraging property owners from underutilization of housing for non-long term housing purposes, and generating revenue to increase the supply of available housing to better meet local demand.
I urge you to support Bill 46 (2024), keep the legislation effective, and dedicate 100% of tax revenues to the Affordable Housing Fund, affordable housing initiatives, and homelessness solutions.
Our housing crisis needs bold action, not half measures. The number of excessive exemptions and reduction in tax rates significantly reduces the tax base and signals the prioritization to protect wealthy homeowners’ investments over housing Oahu’s residents. We need a robust source of funding to support our community’s housing needs. Any benefits the empty homes tax may have in discouraging speculative investment will not be sufficient. We need dedicated investments in a diverse array of affordable housing units and homeless services to ensure all our community members can be provided

for.
We are concerned that the proposed amendments to the empty homes tax will render it ineffective. Specifically, we oppose any changes that reduce the revenue generated for affordable housing. Further reducing the allocation from 50% to 20% without ensuring proper use of the remaining funds, such as direct allocation to the Affordable Housing Fund, risks diverting crucial resources away from housing initiatives. The proposed exemptions are overly broad, allowing numerous properties to remain vacant or underutilized and enabling indefinite tax evasion. Many of these exemptions seem designed to protect wealthy homeowners and their properties profitability. Finally, removing the specified tax rates risks failing to generate enough revenue to address our housing crisis and capping the tax at a flat rate instead of a percentage of assessed value disproportionately benefits the wealthy and undermines the tax's deterrent purpose.
I urge you to reconsider these amendments to ensure Bill 46(24) CD1 remains an effective tool for addressing our housing crisis and dedicating 100% of revenue to affordable housing and the Affordable Housing Fund.

Mahalo for the opportunity to testify,

Name:	Email:	Zip:
david derauf	dderauf@kkv.net	96816
Representing:	Position:	Submitted:
KKV	Support	Nov 19, 2024 @ 11:23 AM

Testimony:
Aloha Councilmembers;
We are at a crossroads on Oahu. Housing availability and affordability is in a crisis. There are no perfect or easy solutions. But act we must. Our children are leaving their Island home to never return. Homelessness is shockingly high, especially amongst our kamaaina.
Businesses, especially non-profits will soon be all but impossible to run since we can not house our workforce.
the very character of our Island will be lost forever.

Please act now to take this first step in the right direction. It wont solve all the problems but it will be one step in the right direction.

David Derauf MD MPH
CEO
KKV

Name:	Email:	Zip:
Will Caron	willcaronforhawaii@gmail.com	96744
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 11:32 AM

Name:	Email:	Zip:

Patricia Lee	patricialanilee@gmail.com	96744
Representing: Self	Position: I wish to comment	Submitted: Nov 19, 2024 @ 11:35 AM

Testimony:

Aloha Chair Cordero, Vice Chair Weyer, and members of the committee:

I am submitting testimony in STRONG SUPPORT for Bill 46 (2024) - CD1, which creates a supplemental “empty homes tax”.

As a resident of O'ahu, my greatest concern for our state is the lack of affordable housing. Too many long-time residents of Hawai’i are unable to afford rent and end up unsheltered. Or they leave Hawaii altogether resulting in a lack of teachers, healthcare staff, skilled laborers and all manner of other workers who are vital to the health and welfare of Hawai’i and its economy. My father was born and raised in Honolulu. He and my mother both worked. Yet when it came time to retire, they moved to the mainland because of the high cost of staying here. I am able to live here only because my husband earns a high income as a physician and because I share a household with my sister and my two adult children. My children are now in their 30’s and it is possible that they will never be able to afford to live on their own here.

Current housing policies fail to prioritize the people of Hawai’i. 25% of single-family homes are owned by non-residents. The Empty Homes Tax is a critical step towards fixing this issue. It will discourage property owners from using scarce housing resources for short-term rentals and investment properties. It will also generate revenue to help low-income people find housing and hopefully alleviate the number of unsheltered who are forced to live on the street or in parks.

I urge you to support Bill 46 (2024), as it was originally written, and not undercut it with exemptions and loopholes which only benefit wealthy investors. 100% of the tax revenues should be dedicated to helping house the people of Hawai’i.

I appreciate your efforts and hope that you will make the right choice. Mahalo for the opportunity to testify.

Name: Claudia Parker	Email: cparker@parkerlawgroup.com	Zip: 96789
Representing: Self	Position: Support	Submitted: Nov 19, 2024 @ 11:46 AM

Testimony:

We are kupuna retirees, born and raised in Hawaii, on a fixed income who returned home to Hawaii to retire. While living for more than 35 years on the mainland, we scrimped and saved to buy a condo in Mokuleia to have a place to return to when we came back home to visit family and friends. Although our primary residence is now in Mililani, we maintain our Mokuleia condo as our "healing place" (after enduring several health challenges) and as a place to go to frequently each week to rest and relax. Our children and friends who visit from the mainland also stay at our Mokuleia condo as our Mililani residence is too small to accommodate guests. Our Mokuleia condo is hardly empty as it is used frequently by ourselves, our family and guests and we do from time to time rent our Mokuleia condo on 30-day basis to others. As fixed

income retired kupuna, we could not afford to pay an "empty homes" tax on our Mokuleia condo and would therefore be punished for all the hard work, scrimping and saving that we did to buy and maintain our special place in Mokuleia for ourselves, our family and friends.

It is true that our island needs more housing for our residents. Although building housing is the #1 solution, it does not make sense to allow the continued growth of “empty” homes or “land-banking”.

• I support Chair Waters Bill 46 (24) CD2 which creates a separate classification for empty homes rather than a supplemental tax and includes more exemptions that protect Resident second home owners.
• I ask that you combine occupancy of an Owner, Renter or permitted occupant to attain the 6 month minimum. This can be done by combining items B.1. (C) and B.1.(D) on Chair Waters CD2. This would ensure vital monthly or month-to-month housing for residents, traveling nurses and other medical staff, emergency workers, government contract workers, and other important visitors is not taken away. It is essential that month to month housing be maintained

Name:	Email:	Zip:
Ann Saffery	kamaka68@gmail.com	96782
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 11:54 AM

Testimony:
Aloha All,

I support Bill046.

Mahalo for all you do for Honolulu County.

Happy Holidays,
Ann Saffery

Name:	Email:	Zip:
Leiolani Faurot	leiolanifaurot@gmail.com	96707
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 12:12 PM

Testimony:
Aloha Chair Cordero, Vice Chair Weyer, and members of the committee:

I am submitting testimony in STRONG SUPPORT for Bill 46 (2024) - CD1, which creates a supplemental “empty homes tax”. Honolulu is facing a dire affordable housing crisis. Too many families, kupuna, and young people are being pushed to the brink—living paycheck to paycheck, unable to afford rent, or being forced to leave Hawaii altogether. According to UHERO,

in 2022 over 11,000 more Hawaii residents left for other states than moved in. Over 80 percent of Honolulu renters are cost-burdened, spending at least 30 percent of their income on housing. By 2023, only 20 percent of local households could afford a mortgage on a median-priced single-family home.

Our current property tax policies fail to prioritize housing for Hawaii's residents. An Empty Homes Tax is a critical step towards fixing this issue, discouraging property owners from underutilization of housing for non-long term housing purposes, and generating revenue to increase the supply of available housing to better meet local demand.

I urge you to support Bill 46 (2024), keep the legislation effective, and dedicate 100% of tax revenues to the Affordable Housing Fund, affordable housing initiatives, and homelessness solutions.

Our housing crisis needs bold action, not half measures. The number of excessive exemptions and reduction in tax rates significantly reduces the tax base and signals the prioritization to protect wealthy homeowners' investments over housing Oahu's residents. We need a robust source of funding to support our community's housing needs. Any benefits the empty homes tax may have in discouraging speculative investment will not be sufficient. We need dedicated investments in a diverse array of affordable housing units and homeless services to ensure all our community members can be provided for.

We are concerned that the proposed amendments to the empty homes tax will render it ineffective. Specifically, we oppose any changes that reduce the revenue generated for affordable housing. Further reducing the allocation from 50% to 20% without ensuring proper use of the remaining funds, such as direct allocation to the Affordable Housing Fund, risks diverting crucial resources away from housing initiatives. The proposed exemptions are overly broad, allowing numerous properties to remain vacant or underutilized and enabling indefinite tax evasion. Many of these exemptions seem designed to protect wealthy homeowners and their properties profitability. Finally, removing the specified tax rates risks failing to generate enough revenue to address our housing crisis and capping the tax at a flat rate instead of a percentage of assessed value disproportionately benefits the wealthy and undermines the tax's deterrent purpose.

I urge you to reconsider these amendments to ensure Bill 46(24) CD1 remains an effective tool for addressing our housing crisis and dedicating 100% of revenue to affordable housing and the Affordable Housing Fund.

Mahalo for the opportunity to testify,

Name:	Email:	Zip:
Dominique Meyer Gere	dominiquemeyer@usa.net	96816
Representing:	**Position:**	**Submitted:**
Self	Support	Nov 19, 2024 @ 12:44 PM

Testimony:

Support for Bill 046(24) CD1 – Empty Homes Tax

Committee on Budget

Thursday, November 21, 2024, at 1:00PM

Aloha Chair Cordero, Vice Chair Weyer, and members of the committee:

I am submitting testimony in STRONG SUPPORT for Bill 46 (2024) - CD1, which creates a supplemental “empty homes tax”. Honolulu is facing a dire affordable housing crisis. Too many families, kupuna, and young people are being pushed to the brink—living paycheck to paycheck, unable to afford rent, or being forced to leave Hawaii altogether. According to UHERO, in 2022 over 11,000 more Hawaii residents left for other states than moved in. Over 80 percent of Honolulu renters are cost-burdened, spending at least 30 percent of their income on housing. By 2023, only 20 percent of local households could afford a mortgage on a median-priced single-family home.

Our current property tax policies fail to prioritize housing for Hawaii’s residents. An Empty Homes Tax is a critical step towards fixing this issue, discouraging property owners from underutilization of housing for non-long term housing purposes, and generating revenue to increase the supply of available housing to better meet local demand.

I urge you to support Bill 46 (2024), keep the legislation effective, and dedicate 100% of tax revenues to the Affordable Housing Fund, affordable housing initiatives, and homelessness solutions.

Our housing crisis needs bold action, not half measures. The number of excessive exemptions and reduction in tax rates significantly reduces the tax base and signals the prioritization to protect wealthy homeowners’ investments over housing Oahu’s residents. We need a robust source of funding to support our community’s housing needs. Any benefits the empty homes tax may have in discouraging speculative investment will not be sufficient. We need dedicated investments in a diverse array of affordable housing units and homeless services to ensure all our community members can be provided for.

We are concerned that the proposed amendments to the empty homes tax will render it ineffective. Specifically, we oppose any changes that reduce the revenue generated for affordable housing. Further reducing the allocation from 50% to 20% without ensuring proper use of the remaining funds, such as direct allocation to the Affordable Housing Fund, risks diverting crucial resources away from housing initiatives. The proposed exemptions are overly broad, allowing numerous properties to remain vacant or underutilized and enabling indefinite tax evasion. Many of these exemptions seem designed to protect wealthy homeowners and their properties profitability. Finally, removing the specified tax rates risks failing to generate enough revenue to address our housing crisis and capping the tax at a flat rate instead of a percentage of assessed value disproportionately benefits the wealthy and undermines the tax's deterrent purpose.

I urge you to reconsider these amendments to ensure Bill 46(24) CD1 remains an effective tool for addressing our housing crisis and dedicating 100% of revenue to affordable housing and the Affordable Housing Fund.

Mahalo for the opportunity to testify,

Name:	Email:	Zip:
Byron Ho	leftsidepromo@aol.com	96813
Representing:	Position:	Submitted:
Self	Oppose	Nov 19, 2024 @ 01:11 PM

Testimony:

As stated in earlier testimony this bill is ill conceived and is possibly a violation of equal rights under the law. A land owner should not be discriminated against by the government on the basis of residing state or status. The proposal that the city

single out certain homeowners that they believe fit into a singular category for increased taxation is draconian and would create a second class landowner status, which may be illegal.

To the thought of triple taxing landowners that may not reside in Hawaii as a primary residence, the logic is backward. For the time a property owners is out of the state, on vacation, traveling for work, visiting friends, or staying out of state, they are not using city assets, or services. I repeat for the slow, people paying full property taxes for the year, but not using services are already providing a windfall for the city. These property owners should in fact, be receiving a refund from the city for not using roads, parks, beaches, trash, police, fire and other city services. That is the reality.

To dilute this fact and attempt to penalize property owners for a misguided result of increasing housing will have public and political backlash, as occurred on a national level just weeks ago. This is the same type of short sighted, hard left policy that taxpayers are tired of and will not stand for in the future.

It is hope you will reconsider this proposal and shelve the bill forever.

Name:	Email:	Zip:
Jessica May	jessicamay9@yahoo.com	96719
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 01:17 PM

Testimony:

I have spoken with several friends and local families in Hawaii who simply cannot afford housing anymore and are struggling to make ends meet. This should not be the product of super wealthy non islanders buying up properties here. If folks can afford a 2nd or 3rd house to visit once a year they can pay a tax to support the local economy and full time residents living on island that can't afford housing on local wages.

Name:	Email:	Zip:
Mina Elison	minaelison@hotmail.com	96704
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 01:31 PM

Testimony:

Aloha Chair Cordero, Vice Chair Weyer, and members of the committee:

I am submitting testimony in STRONG SUPPORT for Bill 46 (2024) - CD1, which creates a supplemental "empty homes tax". Honolulu is facing a dire affordable housing crisis. Too many families, kupuna, and young people are being pushed to the brink—living paycheck to paycheck, unable to afford rent, or being forced to leave Hawaii altogether. According to UHERO, in 2022 over 11,000 more Hawaii residents left for other states than moved in. Over 80 percent of Honolulu renters are cost-burdened, spending at least 30 percent of their income on housing. By 2023, only 20 percent of local households could afford a mortgage on a median-priced single-family home.

Our current property tax policies fail to prioritize housing for Hawaii's residents. An Empty Homes Tax is a critical step towards fixing this issue, discouraging property owners from underutilization of housing for non-long term housing purposes, and generating revenue to increase the supply of available housing to better meet local demand.

I urge you to support Bill 46 (2024), keep the legislation effective, and dedicate 100% of tax revenues to the Affordable Housing Fund, affordable housing initiatives, and homelessness solutions.

Our housing crisis needs bold action, not half measures. The number of excessive exemptions and reduction in tax rates significantly reduces the tax base and signals the prioritization to protect wealthy homeowners' investments over housing Oahu's residents. We need a robust source of funding to support our community's housing needs. Any benefits the empty homes tax may have in discouraging speculative investment will not be sufficient. We need dedicated investments in a diverse array of affordable housing units and homeless services to ensure all our community members can be provided for.

We are concerned that the proposed amendments to the empty homes tax will render it ineffective. Specifically, we oppose any changes that reduce the revenue generated for affordable housing. Further reducing the allocation from 50% to 20% without ensuring proper use of the remaining funds, such as direct allocation to the Affordable Housing Fund, risks diverting crucial resources away from housing initiatives. The proposed exemptions are overly broad, allowing numerous properties to remain vacant or underutilized and enabling indefinite tax evasion. Many of these exemptions seem designed to protect wealthy homeowners and their properties profitability. Finally, removing the specified tax rates risks failing to generate enough revenue to address our housing crisis and capping the tax at a flat rate instead of a percentage of assessed value disproportionately benefits the wealthy and undermines the tax's deterrent purpose.

I urge you to reconsider these amendments to ensure Bill 46(24) CD1 remains an effective tool for addressing our housing crisis and dedicating 100% of revenue to affordable housing and the Affordable Housing Fund.
Mahalo for the opportunity to testify,
Mina

Name:	Email:	Zip:
Ronnie Inagaki	rinagaki69@gmail.com	96795
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 01:35 PM

Testimony:
Aloha Chair Cordero, Vice Chair Weyer, and members of the committee:

I am submitting testimony in STRONG SUPPORT for Bill 46 (2024) - CD1, which creates a supplemental "empty homes tax". Honolulu is facing a dire affordable housing crisis. Too many families, kupuna, and young people are being pushed to the

brink—living paycheck to paycheck, unable to afford rent, or being forced to leave Hawaii altogether. According to UHERO, in 2022 over 11,000 more Hawaii residents left for other states than moved in. Over 80 percent of Honolulu renters are cost-burdened, spending at least 30 percent of their income on housing. By 2023, only 20 percent of local households could afford a mortgage on a median-priced single-family home.

Our current property tax policies fail to prioritize housing for Hawaii's residents. An Empty Homes Tax is a critical step towards fixing this issue, discouraging property owners from underutilization of housing for non-long term housing purposes, and generating revenue to increase the supply of available housing to better meet local demand.

I urge you to support Bill 46 (2024), keep the legislation effective, and dedicate 100% of tax revenues to the Affordable Housing Fund, affordable housing initiatives, and homelessness solutions.

Our housing crisis needs bold action, not half measures. The number of excessive exemptions and reduction in tax rates significantly reduces the tax base and signals the prioritization to protect wealthy homeowners' investments over housing Oahu's residents. We need a robust source of funding to support our community's housing needs. Any benefits the empty homes tax may have in discouraging speculative investment will not be sufficient. We need dedicated investments in a diverse array of affordable housing units and homeless services to ensure all our community members can be provided for.

We are concerned that the proposed amendments to the empty homes tax will render it ineffective. Specifically, we oppose any changes that reduce the revenue generated for affordable housing. Further reducing the allocation from 50% to 20% without ensuring proper use of the remaining funds, such as direct allocation to the Affordable Housing Fund, risks diverting crucial resources away from housing initiatives. The proposed exemptions are overly broad, allowing numerous properties to remain vacant or underutilized and enabling indefinite tax evasion. Many of these exemptions seem designed to protect wealthy homeowners and their properties profitability. Finally, removing the specified tax rates risks failing to generate enough revenue to address our housing crisis and capping the tax at a flat rate instead of a percentage of assessed value disproportionately benefits the wealthy and undermines the tax's deterrent purpose.

I urge you to reconsider these amendments to ensure Bill 46(24) CD1 remains an effective tool for addressing our housing crisis and dedicating 100% of revenue to affordable housing and the Affordable Housing Fund.

Mahalo for the opportunity to testify,

Ronnie Inagaki

Name:	Email:	Zip:
Linda Murai	Lhmurai@gmail.com	96821
Representing:	Position:	Submitted:
Self	Oppose	Nov 19, 2024 @ 01:48 PM

Testimony:

I OPPOSE Bill 46 as it infringes on my constitutional right, is an overreach of government and is an excessive tax.

Name:	Email:	Zip:
Mina Ganapathy	drminag99@gmail.com	96821

Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 02:03 PM

Testimony:

Houselessness in Hawaii has become a crisis and is affecting even our image as a tourist destination.

I believe this Bill will help to increase the housing supply and hope that it will lower prices / rents .

Anyway it is a shame and dystopian that there are so many empty apartments and so many people on the streets!

Name:	Email:	Zip:
Denise Freund	denise@alawaihouse.com	96821
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 02:05 PM

Name:	Email:	Zip:
Sarah Barbour	sarah.barbour@gmail.com	96791
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 02:53 PM

Testimony:

I have a friend who grew up on Crozier Drive in Waialua where all the houses were filled with families 20 years ago; now they're mostly $20k vacation rentals. I was lucky enough to find a local landlord who I rent a house from in Waialua and a steady job, but I have other friends who are having a hard time finding affordable housing while they are working several jobs.

I lived in the San Francisco Bay Area for 13 years before I moved here, and I saw the impact that not having enough affordable housing had on the area. It creates sharp divides between the richest and the poorest. Everyone should be allowed to live in a safe, stable place that doesn't bankrupt them.

Empty houses do not create community; let's fill them with local families who participate in the community. I ask the committee to pass bill 46 (2024) and spend 100% of the revenue on affordable housing and homelessness.

Name:	Email:	Zip:
Ray Kamikawa	rkamikawa@ckdbw.com	96822
Representing:	Position:	Submitted:
Self	Oppose	Nov 19, 2024 @ 03:19 PM

Testimony:

Thank you Budget Chair and Councilmembers for the opportunity to testify.

I ask that an amendment in the form of a savings clause be inserted in section 4 of Bill 46 CD1 (2024) relating to its effective date. This means that the ordinance does not in the first instance apply to existing leases or rental agreements,

which is more definitive than providing for them as an exemption otherwise taxable. The justification is that there are likely many leases, such as my nonprofit lessee situation, that are binding on owner/landlords that may or may not qualify for an exemption. Because they are binding, the ownerl/landlord is unable to amend or terminate the lease to conform to one of the exemptions. Even if they do qualify for an exemption, the leases or rental agreements likely do not require the cooperation by the lessees/renters to assist in providing substantiation to the City of the required rental or occupancy and, failing that, being liable for the potential tax as a result.

The wording of the proposed amendment to Bill 46 CD1 (2024) would add language after the current wording, and would read as follows:

"Section 4. This ordinance takes effect upon its approval and applies to the tax years beginning July 1, 2026 and thereafter; provided that this ordinance shall not apply to any dwelling unit on residential property subject to a binding written lease or rental agreement in effect on the approval date of this ordinance, during the term of the written lease or rental agreement without regard to optional extensions thereof."

Thank you for your consideration,
Ray Kamikawa

Name:	Email:	Zip:
Stu Simmons	stu_simmons@hotmail.com	96817
Representing:	Position:	Submitted:
Self	I wish to comment	Nov 19, 2024 @ 03:45 PM

Name:	Email:	Zip:
Maureen Oberacker	antiqconn@msn.com	96813
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 03:52 PM

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 oder to be able to purchase condo and get good mortgage rate or to avoid paying taxes+ on rentals. The cost of buying or renting a home/condo 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. I just met another local who works in the nursing field who told me she and her family have to move to the

mainland. They have been on the list for Hawaiian housing for 3 decades but can't afford to stay.
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 to 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 to move back in. They also share personal stories of health challenges, losing their jobs or that 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 the taxes generated from the sale of homes and long term rental taxes.

Name:	Email:	Zip:
Makana Hicks-Goo	m.makana.h@gmail.com	96822
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 03:58 PM

Testimony:
This bill is long overdue. The causes of our affordability crisis are not of course just empty homes—but they are one cause. This bill is a step in the right direction, it won’t solve things overnight, but it is another lever that will help us lowerthe pressures on our housing market.

Name:	Email:	Zip:
Terence Tang	terence.tang@gmail.com	96825
Representing:	Position:	Submitted:
Self	Oppose	Nov 19, 2024 @ 04:09 PM

Testimony:
I am writing to express my strong opposition to BILL046(24), CD1, which seeks to [briefly describe the bill’s purpose, e.g., “introduce additional restrictions on small businesses,” “impose new taxes on renewable energy projects,” or “alter zoning laws”].

Key Concerns

1. Negative Impact on Small Businesses

BILL046(24), CD1, would place an undue burden on small businesses in Hawaii, many of which are already struggling in

the wake of economic downturns. The increased [regulation/tax/requirement] would result in higher operating costs, potentially forcing closures or deterring new businesses from entering the market.

2. Contradiction to Hawaii's Sustainability Goals

The proposed measures conflict with the State's long-term sustainability and resilience goals. By [describe specific impact, e.g., "hindering renewable energy development" or "discouraging local food production"], the bill undermines efforts to reduce dependence on imports and support local industries.

3. Lack of Stakeholder Consultation

This legislation appears to have been drafted without sufficient input from key stakeholders, including [business owners, environmental groups, local communities]. Effective policy must be informed by those directly impacted to ensure it addresses real-world challenges without unintended consequences.

4. Economic and Social Equity Concerns

The bill disproportionately affects [specific group, e.g., low-income residents, small farmers, or rural communities]. Many lack the resources to adapt to the proposed changes, exacerbating existing inequities and creating additional barriers to economic participation.

Alternative Solutions

Rather than implementing the provisions outlined in BILL046(24), CD1, I urge the Committee to consider alternative approaches that:

- Encourage Public-Private Partnerships: Collaborative solutions can help address the issues the bill aims to solve without imposing excessive costs.
- Provide Incentives Over Mandates: Offering tax credits, grants, or technical assistance can drive compliance and innovation more effectively than punitive measures.
- Engage Stakeholders in Policy Design: Establish a working group of affected parties to develop balanced solutions that meet legislative goals without causing undue harm.

Conclusion

In conclusion, BILL046(24), CD1, poses significant risks to Hawaii's economy, sustainability efforts, and community well-being. I respectfully urge the Committee to reject this measure and explore more balanced, stakeholder-driven solutions.

Thank you for the opportunity to submit this testimony. I am available for further discussion or to provide additional information as needed.

Name:	Email:	Zip:
William Anonsen	WmAnonsen@TheMaritimeGroupLLC.com	96814

Representing:	Position:	Submitted:
Self	Oppose	Nov 19, 2024 @ 04:42 PM

Name:	Email:	Zip:
Cheryl Wilson	clmccutcheon@msn.com	96707
Representing:	Position:	Submitted:
Self	I wish to comment	Nov 19, 2024 @ 05:04 PM

Testimony:

Madam Chair and fellow committee members,

Thank you for reading my testimony. I realize you have spent many hours on this important issue. I have researched many cities' attempts to seek resolution to their similar situations of affordable and available housing. One thing I have read is that there is no easy solution. Trying to be fair to current homeowners by appropriate taxing is one option. A blanket proposal to assess higher taxes to those who purchase homes as investments is one option but families like mine who purchased our condo for personal use should not be included in that proposal. We use or condo but cannot claim it as a "primary residence' for a couple reasons. I am still involved in political and charitable issues in Colorado and my husband's health (cancer) doctors are based in Colorado. We also have a daughter with health issues who is in Colorado and needs one of us to be close by on a periodic basis. Please word your bill so that we do not face an unreasonable tax increase. We are already paying $13,358.26 plus nearly $2000 extra common area taxes for our small 1,178 sq ft condo. Another option is to exempt one property per owner from a proposed increased tax. This would help families like us who use our place and do not benefit from income by renting.

Thank you for your time and consideration.

Cheryl Wilson

Kapolei

Name:	Email:	Zip:
ALEXANDER YEE	ALEXRYEE@GMAIL.COM	96744
Representing:	Position:	Submitted:
Self	Oppose	Nov 19, 2024 @ 05:41 PM

Testimony:

I oppose this bill because property owners may want to use their property as an investment, or vacation home. The taxation outlined in the bill would cause many property owners significant financial strain.

Name:	Email:	Zip:
Albany Coate	galaxyjunkie10987@gmail.com	98506
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 06:07 PM

Testimony:

As a student renting in Hawai‘i, finding accessible, affordable housing options has become increasingly unattainable.

Finding even shared accommodations below $1000 is nearly impossible for many students, like me, for whom on-campus dorming is not an option. I am not from this land and am privileged to study and live here and I want to ensure I do my part to fight for the issues that truly matter and have an impact on so many, like the housing crisis. For Kānaka and local families and individuals who have lived on this land for generations, the financial need to move to the Continent has become increasingly common. Housing should prioritize those whose principal residence is here, should focus on ensuring those who are from here can access and afford to live here. Many actively residing on O'ahu struggle to obtain housing that meets their financial, living situation, and proximity related needs. In thinking about a system of collective care where those who do have the financial freedom and space to rent out their spaces, choose to think about the multilateral impact their actions could have on their communities, as the right thing to do.

The Empty Homes Tax (Bill 46) provides a beginning to a sustainable solution to the housing crisis here. A 3% tax would be placed on homeowners who choose to keep their properties vacant, a tax that while considerable, the revenue generated from it would ideally be contributed toward the construction of more affordable housing and other improvements to this area. A substantial portion of the homes kept empty here on O'ahu are owned by investors, whose principal residence is not located on island. Buyers who invest in homes here, only to keep them vacant and loosely occupy a usable, open property, now unavailable to those who do reside here, further contributing to the housing crisis experienced by so many.

Through the use of existing infrastructure and encouraging homeowners to rent out or sell their currently vacant properties to increase the quantity of spaces available, significant progress can be made to increase the amount of housed people on island. A model of this tax has been used and has shown demonstrable success in other major cities like Vancouver, BC. Where, as a result, there was an over 50% decrease in vacant homes across the city and $142M in revenue put towards affordable housing. Incorporating this tax and system here, would not heavily rely on new construction costs or finding space for new structures, and would instead prioritize housing local residents, generating revenue toward tackling this housing issue that so many of your constituents face daily.

Using the power and honor you all hold as City Council Members to work towards a better, more sustainable future of housing accessibility in Hawai'i would be incredibly beneficial. Access to housing is a basic human need and to have a solution that would not require extensive or additional construction, nor place burdens on those who truly could not bear them. Instead, this bill encourages us to consciously choose to utilize the thousands of empty properties that have the capability to house families and individuals who truly need them and keep Kānaka and local individuals and families here to use homes in the way they are intended to be used. When thinking about an issue that impacts nearly everyone in some way here, it is housing. To have a role in finding solutions to this problem, is not only a privilege, but will positively impact generations to come. I strongly encourage you all to pass this bill and appreciate your thoughtful consideration.

Name:	Email:	Zip:
Andrea Anixt	andreapeatmoss6@gmail.com	96730
Representing:	Position:	Submitted:
Self	I wish to comment	Nov 19, 2024 @ 06:39 PM

Testimony:

This Bill is in need of simplifying. The amendment for a flat rate vs. a percentage of assessed value is a favor for buyers

who have driven up the housing costs on O'ahu for real residents in my opinion.

Want to Keep the Country Country? For Residents?

Save the North Shore 'brand' that keeps O'ahu

' cool' enough on the world market; and stop work on an urban sprawl development beginning at Turtle Bay now.

This is irreplaceable coastal land O'ahu taxpayers paid $45+million for recently.

Not in 1986. Not in Unilateral Agreement. Resident taxpayers did not support or agree more.

Our's was an agreement to restrict development to two smaller full service (Local 5 kind)hotels on either side of the existing hotel, and 100 residential units also within the existing footprint only!

This is to develop MORE

(350est.)empty resort units

used 8 months a year per Arete Collective developer at an estimated $ 5 to 8 million each to buy.

This is on an already over-saturated 2 Lane road eroding into the ocean with real labor shortages already in the area.

Please consider stopping work and saving the people who live in Windward Hawai'i and Ko'olauloa/North Shore their ONLY road.

Do not build instant problems to begin with. Mahalo for consideration.

Name:	Email:	Zip:
James Parker	Jamiecparker@aol.com	96791
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 06:52 PM

Testimony:

My wife and I are kupuna, born and raised in Hawaii, on a fixed income who returned home to Hawaii to retire a few years ago.

While going to graduate school, living and working for more than 35 years on the mainland, we scrimped and saved to buy a condo in Mokuleia to have a place to return to when we came back home to visit family and friends. Although our primary residence is now in Mililani, we maintain our Mokuleia condo as our "healing place" (after enduring several health challenges) and as a place to go to frequently each week to rest and relax. Our children and friends who visit from the mainland also stay at our Mokuleia condo as our Mililani residence is too small to accommodate guests. Our Mokuleia condo is hardly empty as it is used frequently by ourselves, our family and guests and we do from time to time rent our Mokuleia condo on 30-day basis to others. As fixed income retired kupuna, we could not afford to pay an "empty homes" tax on our Mokuleia condo and would therefore be punished for all the hard work, scrimping and saving that we did to buy and maintain our special place in Mokuleia for ourselves, our family and friends.

It is true that our island needs more housing for our residents. Although building housing is the #1 solution, it does not make sense to allow the continued growth of “empty” homes or “land-banking”.

- I support Chair Waters Bill 46 (24) CD2 which creates a separate classification for empty homes rather than a

supplemental tax and includes more exemptions that protect Resident second home owners.

• I ask that you combine occupancy of an Owner, Renter or permitted occupant to attain the 6 month minimum. This can be done by combining items B.1. (C) and B.1.(D) on Chair Waters CD2. This would ensure vital monthly or month-to-month housing for residents, traveling nurses and other medical staff, emergency workers, government contract workers, and other important visitors is not taken away. It is essential that month to month housing be maintained.

We hope that you will support our position on this.

James Parker

Name:	Email:	Zip:
Adam Strubeck	adam.strubeck@gmail.com	96822
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 06:57 PM

Testimony:

I am in strong support of this Bill as written. We have a housing crisis but not for a physical lack of housing. There are many homes that sit empty while their owners are at other residences, not contributing to our island community. This tax will encourage sales in the housing market and may put a damper on home prices skyrocketing, becoming out of reach for many community members. The supply of housing would increase to bring it closer to the high level of demand. It is not in line with Hawaiian values to turn real estate into an investment vehicle. Housing in Honolulu shouldn't be a commodity that is traded among investors. We have many homeless people in our City, so it is right that a portion of this tax helps them get the services they need and fund the programs which do so. In summary, I strongly support this Bill as written, and look forward to the Council's action on this persistent problem of empty homes.

Name:	Email:	Zip:
Beppie Shapiro	beppie@hawaii.edu	96816
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 07:17 PM

Testimony:

I whole-heartedly support the Empty Homes Tax. Like almost everyone else on the island, I am horrified and distressed at the number of homeless individuals and what's worse families we encounter; and that's just the tip of the iceberg. For every homeless person there are probably 3 people who are paying rent at prices they really can't afford, giving up food choices, medical care, etc. to keep a roof over their heads. We won't solve homelessness with this measure but we could make a dent by incentivizing house owners to rent out their house while they are off island for extended periods. The availability of those rentals will meet some of the demand for rental housing, providing more options for affordable rentals at every price point. Please take this measure a needed step further by allocating all monies earned by enforcement to fund affordable housing, shelters, and tiny homes for homeless individuals.

Mahalo for your attention, and your sympathy for insecurely housed residents of Oahu.

Name:	Email:	Zip:

Amanda Kirby	kirby.a.elizabeth@gmail.com	96822
Representing: Self	Position: Support	Submitted: Nov 19, 2024 @ 07:22 PM

Testimony:

I am in support of Bill 46(24). What is your neighborhood without your neighbors? Empty homes create negligent home owners, like the recently condemned Pensacola property. For years it sat vacant, the owner abandoning responsibility, not caring what it did to the community, neighborhood, city. A constant fire hazard, it harbored criminal activity and dangerous materials. The city had to take on a huge undertaking to remove the hazardous material and continue to maintain the property to stop it becoming a dumping site.

Aside from abandoned homes, there is no economic value of empty houses. A waste of space in an economic equation, betting on that number of people who could reside in this area to spend in their community. Any empty home is money removed from community economic growth. Businesses in a wasteland of empty condos will leave these Villages to make a profit elsewhere and they are already.

Lastly, people are leaving the island. People who cannot afford current house prices, people who want to stay and build a career and family here, see no interest in creating a generation in an unsustainable location.

Empty homes create housing deficits and inflation, which drives up the cost of living. Cost of living forces increases in Section 8 and Housing Voucher subsidies max rent limits. These empty homes are forcing an increase in social service spending to landlords and out of state companies just for shelter expenses, when it can be used on providing mental health and medical support instead through licensed social workers.

Thank you for your time,

Mahalo

Name: Piper Neri	Email: pipern@hawaii.edu	Zip: 96822
Representing: Self	Position: Support	Submitted: Nov 19, 2024 @ 08:18 PM

Name: Kanoa Zimmerman	Email: kanoaz@gmail.com	Zip: 96816
Representing: Self	Position: Support	Submitted: Nov 19, 2024 @ 08:29 PM

Testimony:

Aloha Chair Cordero, Vice Chair Weyer, and members of the committee:

I am submitting testimony in STRONG SUPPORT for Bill 46 (2024) - CD1, which creates a supplemental “empty homes tax”. Honolulu is facing a dire affordable housing crisis. Too many families, kupuna, and young people are being pushed to the brink—living paycheck to paycheck, unable to afford rent, or being forced to leave Hawaii altogether. According to UHERO,

in 2022 over 11,000 more Hawaii residents left for other states than moved in. Over 80 percent of Honolulu renters are cost-burdened, spending at least 30 percent of their income on housing. By 2023, only 20 percent of local households could afford a mortgage on a median-priced single-family home.

Our current property tax policies fail to prioritize housing for Hawaii's residents. An Empty Homes Tax is a critical step towards fixing this issue, discouraging property owners from underutilization of housing for non-long term housing purposes, and generating revenue to increase the supply of available housing to better meet local demand.

I urge you to support Bill 46 (2024), keep the legislation effective, and dedicate 100% of tax revenues to the Affordable Housing Fund, affordable housing initiatives, and homelessness solutions.

Our housing crisis needs bold action, not half measures. The number of excessive exemptions and reduction in tax rates significantly reduces the tax base and signals the prioritization to protect wealthy homeowners' investments over housing Oahu's residents. We need a robust source of funding to support our community's housing needs. Any benefits the empty homes tax may have in discouraging speculative investment will not be sufficient. We need dedicated investments in a diverse array of affordable housing units and homeless services to ensure all our community members can be provided for.

We are concerned that the proposed amendments to the empty homes tax will render it ineffective. Specifically, we oppose any changes that reduce the revenue generated for affordable housing. Further reducing the allocation from 50% to 20% without ensuring proper use of the remaining funds, such as direct allocation to the Affordable Housing Fund, risks diverting crucial resources away from housing initiatives. The proposed exemptions are overly broad, allowing numerous properties to remain vacant or underutilized and enabling indefinite tax evasion. Many of these exemptions seem designed to protect wealthy homeowners and their properties profitability. Finally, removing the specified tax rates risks failing to generate enough revenue to address our housing crisis and capping the tax at a flat rate instead of a percentage of assessed value disproportionately benefits the wealthy and undermines the tax's deterrent purpose.

I urge you to reconsider these amendments to ensure Bill 46(24) CD1 remains an effective tool for addressing our housing crisis and dedicating 100% of revenue to affordable housing and the Affordable Housing Fund.

Mahalo for the opportunity to testify,

Kanoa Zimmerman

Name:	Email:	Zip:
Sheila Gage	Exit8wahine@aol.com	96786
Representing:	**Position:**	**Submitted:**
Self	Support	Nov 19, 2024 @ 08:47 PM

Testimony:

Aloha Chair Cordero, Vice Chair Weyer, and members of the committee:

I am submitting testimony in STRONG SUPPORT for Bill 46 (2024) - CD1, which creates a supplemental "empty homes tax".

Honolulu is facing a dire affordable housing crisis. Too many families, kupuna, and young people are being pushed to the

brink—living paycheck to paycheck, unable to afford rent, or being forced to leave Hawaii altogether. According to UHERO, in 2022 over 11,000 more Hawaii residents left for other states than moved in. Over 80 percent of Honolulu renters are cost-burdened, spending at least 30 percent of their income on housing. By 2023, only 20 percent of local households could afford a mortgage on a median-priced single-family home.

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I urge you to support Bill 46 (2024), keep the legislation effective, and dedicate 100% of tax revenues to the Affordable Housing Fund, affordable housing initiatives, and homelessness solutions.

Our housing crisis needs bold action, not half measures. The number of excessive exemptions and reduction in tax rates significantly reduces the tax base and signals the prioritization to protect wealthy homeowners' investments over housing Oahu's residents. We need a robust source of funding to support our community's housing needs. Any benefits the empty homes tax may have in discouraging speculative investment will not be sufficient. We need dedicated investments in a diverse array of affordable housing units and homeless services to ensure all our community members can be provided for.

We are concerned that the proposed amendments to the empty homes tax will render it ineffective. Specifically, we oppose any changes that reduce the revenue generated for affordable housing. Further reducing the allocation from 50% to 20% without ensuring proper use of the remaining funds, such as direct allocation to the Affordable Housing Fund, risks diverting crucial resources away from housing initiatives. The proposed exemptions are overly broad, allowing numerous properties to remain vacant or underutilized and enabling indefinite tax evasion. Many of these exemptions seem designed to protect wealthy homeowners and their properties profitability. Finally, removing the specified tax rates risks failing to generate enough revenue to address our housing crisis and capping the tax at a flat rate instead of a percentage of assessed value disproportionately benefits the wealthy and undermines the tax's deterrent purpose.

I urge you to reconsider these amendments to ensure Bill 46(24) CD1 remains an effective tool for addressing our housing crisis and dedicating 100% of revenue to affordable housing and the Affordable Housing Fund.

Mahalo for the opportunity to testify,

Sheila Gage

Name:	Email:	Zip:
Kiana Otsuka	kiana.otsuka@gmail.com	96819
Representing:	Position:	Submitted:

Self	Support	Nov 19, 2024 @ 08:49 PM

Testimony:

Aloha Budget Committee,

My name is Kiana Otsuka, and before moving back home to Honolulu, I worked as a housing researcher, particularly on addressing challenges related to empty homes.

The establishment of a strong empty homes tax is an extremely effective strategy to encourage property owners who buy housing as an investment to leave empty, to put housing back on the market. This will help to alleviate the housing shortage, and generate much needed revenue for the City to develop affordable housing.

I'm asking that the City Council passes a strong bill, with no loopholes, and ensures that the revenue generated goes to develop affordable housing for residents.

Thank you for introducing this bill, hearing it, and considering my testimony.

Mahalo,

Kiana

Name:	Email:	Zip:
Erica B	ebrenner808@gmail.com	96706
Representing:	**Position:**	**Submitted:**
Self	Support	Nov 19, 2024 @ 08:54 PM

Testimony:

Aloha Chair Cordero, Vice Chair Weyer, and members of the committee:

I am submitting testimony in STRONG SUPPORT for Bill 46 (2024) - CD1, which creates a supplemental "empty homes tax".

Honolulu is facing a dire affordable housing crisis. Too many families, kupuna, and young people are being pushed to the brink—living paycheck to paycheck, unable to afford rent, or being forced to leave Hawaii altogether. According to UHERO, in 2022 over 11,000 more Hawaii residents left for other states than moved in. Over 80 percent of Honolulu renters are cost-burdened, spending at least 30 percent of their income on housing. By 2023, only 20 percent of local households could afford a mortgage on a median-priced single-family home.

Our current property tax policies fail to prioritize housing for Hawaii's residents. An Empty Homes Tax is a critical step towards fixing this issue, discouraging property owners from underutilization of housing for non-long term housing purposes, and generating revenue to increase the supply of available housing to better meet local demand.

I urge you to support Bill 46 (2024), keep the legislation effective, and dedicate 100% of tax revenues to the Affordable Housing Fund, affordable housing initiatives, and homelessness solutions.

Our housing crisis needs bold action, not half measures. The number of excessive exemptions and reduction in tax rates significantly reduces the tax base and signals the prioritization to protect wealthy homeowners' investments over housing

Oahu's residents. We need a robust source of funding to support our community's housing needs. Any benefits the empty homes tax may have in discouraging speculative investment will not be sufficient. We need dedicated investments in a diverse array of affordable housing units and homeless services to ensure all our community members can be provided for.

We are concerned that the proposed amendments to the empty homes tax will render it ineffective. Specifically, we oppose any changes that reduce the revenue generated for affordable housing. Further reducing the allocation from 50% to 20% without ensuring proper use of the remaining funds, such as direct allocation to the Affordable Housing Fund, risks diverting crucial resources away from housing initiatives. The proposed exemptions are overly broad, allowing numerous properties to remain vacant or underutilized and enabling indefinite tax evasion. Many of these exemptions seem designed to protect wealthy homeowners and their properties profitability. Finally, removing the specified tax rates risks failing to generate enough revenue to address our housing crisis and capping the tax at a flat rate instead of a percentage of assessed value disproportionately benefits the wealthy and undermines the tax's deterrent purpose.

I urge you to reconsider these amendments to ensure Bill 46(24) CD1 remains an effective tool for addressing our housing crisis and dedicating 100% of revenue to affordable housing and the Affordable Housing Fund.

Mahalo for the opportunity to testify,

Erica

Name:	Email:	Zip:
Michelle Yao	yyao2008@gmail.com	96821
Representing:	**Position:**	**Submitted:**
Self	Oppose	Nov 19, 2024 @ 09:55 PM

Testimony:

I applauded council members' efforts in trying to address the affordable housing. But passing Bill 46 is pre-mature. No one has seen any data showing how many more affordable housing units Bill 46 and any version of Bill 46 will generate, and no one has done any study of the cost vs. benefit analysis. Given the complexity of the Bill 46, it will be a daunting task for BFS to administer and enforce. How much of $$ will needed to be allocated for the increased staffing and administration of the new program? Can this cost even be fully recovered by the "revenue" generate from empty home taxes? These questions need to be answered with solid data before passing this bill.

The most effective way of increasing the housing units should be allowing builders and homeowners to get permits quickly and not to make the building codes so overly complicated that deter the home construction.

Another effective way of addressing affordable housing is to lower the property taxes for residential A properties that are long term rentals, which will lead to lowered rent for renters.

Mahalo.

Name:	Email:	Zip:
David Day	david@davidfday.com	96822
Representing:	**Position:**	**Submitted:**
Self	Oppose	Nov 19, 2024 @ 10:18 PM

Testimony:

Opposed upon the grounds that this additional tax will obviously severely depress the real estate market for 2nd home buyers. It provides a tremendous disincentive. As it takes the real estate market down, so will it depress the City's income from property taxes which will then need to be raised to compensate.

Note: you will never solve the homeless crisis by building more housing. You need to look at the failures of LA County in attempting to do the same. Homelessness is solved by mental health care, perhaps institutionalizing some, drug rehabilitation, and job retraining. Building more housing is simply repeating the same failure over and over again. You'd better study the obvious consequences to this tax proposal. There is a potentially negative impact on the State's tourism engine that also needs to be studied carefully. Many, many tourists come here with second home possibilities in the back of their minds.

Name:	Email:	Zip:
Ronda Ching Day	aloharonda@live.com	96822
Representing:	Position:	Submitted:
Self	Oppose	Nov 19, 2024 @ 10:43 PM

Name:	Email:	Zip:
Dale Jensen	dalejensen2@gmail.com	96734
Representing:	Position:	Submitted:
Self	Support	Nov 19, 2024 @ 10:58 PM

Testimony:

Dear 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

Name:	Email:	Zip:
Mimi Yi	mimiyi808@gmail.com	96817
Representing:	Position:	Submitted:
Self	Oppose	Nov 19, 2024 @ 11:43 PM

Testimony:

This bill will not help for local home owners.

Stop building a luxury condos from outside of state corporation. Have local companies to build a house will help more local community.

Name:	Email:	Zip:
Lisa Shozuya	lshozuya@gmail.com	96817
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 12:03 AM

Testimony:

I OPPOSE Bill 46, which proposes an "Empty Homes Tax" on residential properties unoccupied for more than six months annually. While its intent to address housing challenges is clear, this bill brings up more questions that I would like to make sure are being considered.

My Key Concerns:

1. Burdensome and Inequitable Exemptions:

I recently moved my dad from his home to a care facility due to an emergency. While he was in care, I still had to tend to his needs and all his affairs. The furthest thing from my mind was his home which sat vacant for more than a year. Families managing elder care or medical crises often leave homes vacant temporarily. They may not have the time or capacity to address the home until their loved one is settled or to manage the burdensome documentation required for an exemption. Many families plan to keep the home in the family or move back themselves, yet this bill penalizes them during already difficult times.

2. Exacerbating Financial Strains on Residents:

Hawaii residents already face some of the highest costs of living in the nation, with food prices more than 60% higher than the U.S. average and utilities, sewer, water, and insurance costs on its way up by more than inflationary standards. Penalizing homeowners with additional taxes will only deepen financial stress and force even more locals to sell their homes or leave Hawaii.

We have been losing residents for years due to these high costs. In 2022, over 67,000 residents moved to other states, and this outmigration trend will only worsen under measures like Bill 46. Policies should help locals stay in Hawaii, not push them out. This feels like very bad timing.

3. Failure to Address Income and Economic Stability:

This bill does nothing to increase local incomes or develop industries that offer higher wages. Without addressing the root causes of housing unaffordability, such as stagnant incomes and rising costs, Bill 46 will only create more economic strain for families. It becomes one more straw that may just break the camel's back once and for all.

4. Administrative Challenges and Fiscal Burden:

The city currently struggles with an 8,500-permit backlog, creating hardship for residents and businesses alike. The caregiver for my dad has a second home in Kalihi that was supposed to expand her business. It has been under permit and has been for 3 years to date. She's been unable to move residents into the home and has been losing potential income each year plus being burdened by out of pocket expenses to keep up the property with no one in it. Our family are contractors and subcontractors and I can't tell you how many stories I hear of people unable to do home repairs or move back home due to rising costs since Covid and shipping delays and rising prices. We know of homes that are sitting there with no one in it but these are local families that would want to keep their family homes in their family. Adding a new department to oversee this tax raises serious questions about fiscal responsibility. How will the city handle another layer of bureaucracy when it cannot even manage existing responsibilities? What is the general fund being used for if not to address these critical infrastructure issues?

5. Precedent of Legal Challenges to Similar Measures:

In November 2024, the San Francisco Superior Court invalidated its "Empty Homes Tax," citing:

- Property Rights Infringement: Forcing owners to rent out homes or face penalties was deemed unconstitutional and a violation of fundamental property rights.
- Due Process and Equal Protection Violations: Disproportionately penalizing certain property owners without sufficient justification was found to violate these principles.
- Preemption by State Law: The tax conflicted with California's Ellis Act, which protects property owners' rights to withdraw units from the rental market.

Bill 46 risks facing similar legal challenges, which could lead to wasted city resources and legal battles. Its vague criteria and disproportionate impact make it vulnerable to the same constitutional and legal concerns that invalidated San Francisco's law.

Conclusion:

Bill 46, while well-intentioned, seems to create uncertainty in Hawaii's housing and financial sectors, while failing to address the root causes of unaffordability. Locals are already burdened by rising costs and stagnant incomes, and this bill only adds to their hardships. It seems like so much all at once and could be the unnecessary impetus to break us past the point of no return.

If the committee and council could focus on solutions that genuinely help locals thrive and stay in Hawaii, such as addressing rising sewer, water, and insurance costs, supporting higher-wage industries, and streamlining the permitting backlog, it would help us to start where we are so we can create a more certain baseline for a foundation that feels like it's giving way under us. Adding more layers to an already unstable system is neither fair nor fiscally responsible.

Thank you for considering my testimony.

Sincerely,

Lisa Shozuya

Name:	Email:	Zip:
Alexander McNicoll	akdmcnicoll@gmail.com	96792
Representing:	Position:	Submitted:
Self	Support	Nov 20, 2024 @ 01:08 AM

Testimony:

Aloha,

I am in strong support of Bill 046(24).

Thank you for your consideration.

A. McNicoll

Name:	Email:	Zip:
Sven Sorge	othberlin@web.de	10713
Representing:	Position:	Submitted:
Self	Support	Nov 20, 2024 @ 03:20 AM

Testimony:

Aloha Chair Cordero, Vice Chair Weyer, and members of the committee:

I am submitting testimony in STRONG SUPPORT for Bill 46 (2024) - CD1, which creates a supplemental “empty homes tax”.

Honolulu is facing a dire affordable housing crisis. Too many families, kupuna, and young people are being pushed to the brink—living paycheck to paycheck, unable to afford rent, or being forced to leave Hawaii altogether. According to UHERO, in 2022 over 11,000 more Hawaii residents left for other states than moved in. Over 80 percent of Honolulu renters are cost-burdened, spending at least 30 percent of their income on housing. By 2023, only 20 percent of local households could afford a mortgage on a median-priced single-family home.

Our current property tax policies fail to prioritize housing for Hawaii’s residents. An Empty Homes Tax is a critical step towards fixing this issue, discouraging property owners from underutilization of housing for non-long term housing purposes, and generating revenue to increase the supply of available housing to better meet local demand.

I urge you to support Bill 46 (2024), keep the legislation effective, and dedicate 100% of tax revenues to the Affordable Housing Fund, affordable housing initiatives, and homelessness solutions.
Our housing crisis needs bold action, not half measures. The number of excessive exemptions and reduction in tax rates significantly reduces the tax base and signals the prioritization to protect wealthy homeowners’ investments over housing Oahu’s residents. We need a robust source of funding to support our community’s housing needs. Any benefits the empty homes tax may have in discouraging speculative investment will not be sufficient. We need dedicated investments in a

diverse array of affordable housing units and homeless services to ensure all our community members can be provided for.

We are concerned that the proposed amendments to the empty homes tax will render it ineffective. Specifically, we oppose any changes that reduce the revenue generated for affordable housing. Further reducing the allocation from 50% to 20% without ensuring proper use of the remaining funds, such as direct allocation to the Affordable Housing Fund, risks diverting crucial resources away from housing initiatives. The proposed exemptions are overly broad, allowing numerous properties to remain vacant or underutilized and enabling indefinite tax evasion.

Many of these exemptions seem designed to protect wealthy homeowners and their properties profitability. Finally, removing the specified tax rates risks failing to generate enough revenue to address our housing crisis and capping the tax at a flat rate instead of a percentage of assessed value disproportionately benefits the wealthy and undermines the tax's deterrent purpose.

I urge you to reconsider these amendments to ensure Bill 46(24) CD1 remains an effective tool for addressing our housing crisis and dedicating 100% of revenue to affordable housing and the Affordable Housing Fund.

Mahalo for the opportunity to testify,

Thank you very much!

Name:	Email:	Zip:
Debbie Winters	wingiin@consolidated.net	96707
Representing:	Position:	Submitted:
Self	I wish to comment	Nov 20, 2024 @ 03:30 AM

Testimony:
I am opposed to Bill 46 for the following reasons:

My husband and I fell in love with Hawaii our first visit here in 1982. Eventually we bought two time shares and then a condo in Hawaii. We have owned our condo for 15 years in a dedicated resort community determined by Bill 41. We travel to Hawaii often to enjoy our home here.

Over our years of ownership we have become friends with many locals, utilize services offered here, and support the homeless especially the children. It is important to us for Hawaii to thrive in this beautiful setting.

When we purchased our condo we made the decision to file for Residential Dedication A as we chose not to rent so that we could travel here often. We spend a number of months here but do not reach six months. We have watched our value go up and it has more than doubled. With that increase in value we have paid more and more taxes which is the way

taxation works. Never did we ever think we would be surprised with the proposal for our taxes to increase to almost $100,000. We are in shock that anyone in leadership would consider this fair. And on top of that, Hawaii leadership is in charge of determining our values. So after we are forced to pay extreme taxes they will also increase the value in order to take even more money from us.

We feel targeted to carry the burden of fiscal mistakes that the leadership of Hawaii made for many years. They make the fiscal mistakes and we, as non Hawaiian residents, pay the price. The target that has been placed on our backs is unfair. I'm not sure why mainland residents who support the Hawaiians have to be the target to pay extreme taxes.

I would appreciate your giving serious consideration to exempting those who own in approved resort communities to be exempt from this extreme Bill 46 taxation. Our condo, even if put in the rental pool, will not bring more housing to local Hawaiians as the rental rates are too high. If we are forced to sell because we cannot afford $100,000+ taxes every year our condo will not provide affordable housing for any locals. So why target us, allow us to be exempt.

When I first heard of the intent of Bill 46 it was my understanding it was being created to help the homeless and create affordable housing. Now I am finding that it is going to apply 70% to 80% of the revenue to the general budget! What an absurdity. Now I really do feel like mainlanders who support your communities are being targeted to pay for the leaders' mistakes. I'm sure it sounds like an "easy" way to create income for Hawaii but does it really sound fair? I would greatly appreciate someone on the committee to call me to explain why you think my view of Bill 46 is flawed and that your view is fair. I just cannot see this as fair.

At the very least can you change the bill to set a reasonable cap of $3000 to $5000? If your plan is to run off mainland ownership the bill as it is will make that happen. I cannot imagine that would be a wise decision, but to set a cap for those of us who cannot live in Hawaii for six plus months would be a wise decision. Spread the taxation over the county at much lower rates without all of the heavy burden of oversight.

One last comment is that this bill is making it extremely difficult for anyone to own property in Hawaii who does not rent. The value of our property will not help the homeless or affordable housing. We take great joy in helping support residents of Hawaii and are very careful to avoid doing anything that offends their culture. However, you are letting those who rent their units bring in many visitors who are completely unaware of the cultures here and I often hear how much that upsets Hawaiians. I am not asking you to increase rental taxes but to set a cap on those who do not rent and spend less than six months in their Hawaiian home so that we are not the targets taking the heavy burden.

Again, I beg you to call me and explain why I should not feel like a target by Bill 46. Thank you in advance.

Name:	Email:	Zip:
Kevin Johnson	kjddrp@earthlink.net	96707
Representing:	Position:	Submitted:

Self	Support	Nov 20, 2024 @ 04:19 AM

Testimony:

Any effort to disincentivize absentee homeownership is a positive step toward restoring affordable housing to our island.

Name:	Email:	Zip:
Kira Mau	kirafox@hawaii.edu	96744
Representing:	**Position:**	**Submitted:**
Self	Support	Nov 20, 2024 @ 05:56 AM

Testimony:

Aloha Chair Cordero, Vice Chair Weyer, and members of the committee:

I am submitting testimony in STRONG SUPPORT for Bill 46 (2024) - CD1, which creates a supplemental “empty homes tax”.

Honolulu is facing a dire affordable housing crisis. Too many families, kupuna, and young people are being pushed to the brink—living paycheck to paycheck, unable to afford rent, or being forced to leave Hawaii altogether. According to UHERO, in 2022 over 11,000 more Hawaii residents left for other states than moved in. Over 80 percent of Honolulu renters are cost-burdened, spending at least 30 percent of their income on housing. By 2023, only 20 percent of local households could afford a mortgage on a median-priced single-family home.

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I urge you to reconsider these amendments to ensure Bill 46(24) CD1 remains an effective tool for addressing our housing crisis and dedicating 100% of revenue to affordable housing and the Affordable Housing Fund.

Mahalo for the opportunity to testify,

Kira Mau		
Name: Jeffrey Laurent	Email: jeffrey.laurent@hotmail.com	Zip: 08836
Representing: Self	Position: Oppose	Submitted: Nov 20, 2024 @ 06:54 AM
Name: Martin Berger	Email: martin@hawaiidebtsolutions.com	Zip: 96814
Representing: Self	Position: Support	Submitted: Nov 20, 2024 @ 06:58 AM

Testimony:

Aloha Members of the Committee,

I am a bankruptcy lawyer, and everyday I meet with residents who are forced to make the painful tradeoff between rent and, for examples, medicine, auto insurance, and food.

Anything you can do to increase the housing stock and reduce the cost of rent would be extremely beneficial, even transformative, for local families.

There are amendments that are under consideration which will water down the best parts of this bill. Please don't let that happen - your constituents will be grateful for your stand.

Feel free to contact me if you have any questions.

Thank you for your time.

Sincerely,

Martin Berger
Attorney at Law
Hawaii Debt Solutions, LLLC
808.468.7000
martin@hawaiidebtsolutions.com

Name: Deanna Espinas	Email: espihawaii@juno.com	Zip: 96816
Representing: Self	Position: Support	Submitted: Nov 20, 2024 @ 07:14 AM

Testimony:

I support this measure and ask that you continue to support it too.

Name:	Email:	Zip:
Barbara Palmby	bpalmby@charter.net	96707
Representing:	**Position:**	**Submitted:**
Self	I wish to comment	Nov 20, 2024 @ 07:40 AM

Testimony:

I am writing to you with great concern over Bill 46, It's difficult to even know where to began because it has so many major issues with it.

1. My understanding after listening to the council meeting that, a consulting firm has been hired to the tune of $500,000 to study some of the issues that may be created by this new tax bill, how many new employees would need be hired, what new technology would need to be purchased. It seems it is very irresponsible to even consider moving forward with any of this until the results have been received. I feel like this is a waste of $500,000,(wasting the $500.000 is fiscally irresponsible) this $500,000 could have been better spent housing the homeless or put toward funding building permits or resources for low in come homes or apartments.

There are approximately 280,000 property owners who would need to declare each year why their property is exempt from Bill 46, this would require mailings to each house hold, someone to review this document (which at 280,000 plus... that is a big job) I would imagine there is not enough staff currently to over see this. Of this total, there may be approximately 34,000 empty homes, this too would require much more staff to police this, how would they be able to do this, just popping in at a home is an INVASION of home owners privacy, what if the home owners are working or out at that time? I see this as significantly cutting into the revenue you are trying to collect

2.Every day people like myself purchased a house with a mortgage and were approved for what the mortgage was as well as what the taxes were at that time 4 years ago. If this tax goes into effect many owners would lose their home due to taxes. Our taxes have increased already 2 1/2 time since we purchased 4 short years ago. Home owners expect their taxes to go up a long with a new assessment but not what the city is trying to do to CERTAIN home owners.

3.We purchased our home not as an investment but as a retirement place when we retire in a few years. The additional tax would whip that dream right out from underneath us. I am sure there are local people who own properties that are second homes that they may have inherited or purchased for family when they come to visit. imposing a tax like this hurts more than just the "wealthy" It would hurt some of the local people as well.

4. We pay taxes just like everyone else does and we do not use many of the places or things our tax money is used for, ex schools, state, police, fire etc we are also not able to vote in Hawaii. There are many benefits to have home owners who are not here 6 or more months a year... When we are in Hawaii we are spending our hard earned money in your shops, in your restaurants, and many local businesses.

5. This seems to be a supply and demand issue, This is not only a Hawaii issue it is a Nationwide issue, but Hawaii exasperates it by not exploring options to build more affordable housing, make permits easier to get, make the empty buildings easier to turn into housing, make rezoning easier. Continuing to put a bandaid on these issues is not finding a solution A solution is needed otherwise this vicious circle will only continue.

6. As I stated earlier in the email, our taxes in 4 years has more than doubled. I understand the assessments have gone up understandable that then the taxes go up. I would assume that most everyone's taxes have increased which is bringing in more $$ to do more building and low income housing. With our taxes being 2.5 times what they were 4 years ago.
7. Many owners of some of the properties that this would effect, share with multiple owners none of which are a principle resident. Ex family who has other family members staying at the property at different times ex. parents who are there 2 months and children are there 2 months and the other children are there for 2 months, this adds up to 6 months but is not the principle residence for any of them...
8.There are "empty Homes" purchased a few years ago because the interest rate was amazing, knowing it would not stay at 2.38% rate for long, we as I am sure others purchased our retirement home.
9 This law seems to be quite DISCRIMATORY against non residents. This in itself would open up for a lawsuit, and defending against this would be timely and costly
10 The few cities who do have an empty home tax, have a reasonable cap on their tax, which would make it much easier to man than having to audit 34,000 homes, send out 228,000 letters and going through each one. I believe a reasonable cap on empty home taxes would help until the building or renovations are started and completed and much better received (hopefully without added lawsuits to the county/state.
11.There are many properties such as ours that are not affordable for your average renter, the rents per week start at about $4000.00 a week we are in a resort area that does not help with the homeless or low income situation at all. What would help them as well as all of Hawaii Is to accelerate the building permits and help with getting permits to renovate older vacant buildings turned into new homes for this housing/homeless issue.
12. I also believe the penalty for changing from residential dedication to a TVU or hotel needs to be waived if this bill is passed being as this is what one of the purposes is with this bill is to bring more of empty homes into the rental pool..
13. We have a 29 year old daughter who has chosen to live in NYC she has a masters degree and holds 1 full-time job and 4 part time jobs to live in a STUDIO apartment in a place she loves... It's a choice and sacrifice she has made to be there.
14 I feel this bill still has a long way to go before it is passed, there needs to be so many revisions. Ex Cap of maybe $5000.

Changing principal resident to Occupancy.
This again seems to be against non residents...

Name: Shaun Campbell	Email: islolandia@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Nov 20, 2024 @ 07:54 AM
Name: Sandy Ma	Email: Voters@LWV-Hawaii.com	Zip: 96823
Representing: League of Women Voters of Honolulu	Position: Support	Submitted: Nov 20, 2024 @ 08:04 AM
Name:	Email:	Zip:

Annette Jang	annettejang@yahoo.com	96744
Representing: Self	Position: Oppose	Submitted: Nov 20, 2024 @ 08:13 AM

Name: Valerie Eshelman	Email: eshelmanvalerie@gmail.com	Zip: 96815
Representing: Self	Position: Support	Submitted: Nov 20, 2024 @ 08:20 AM

Testimony:

Aloha Chair Cordero, Vice Chair Weyer, and members of the committee:

I am submitting testimony in STRONG SUPPORT for Bill 46 (2024) - CD1, which creates a supplemental “empty homes tax”.

Honolulu is facing a dire affordable housing crisis. Too many families, kupuna, and young people are being pushed to the brink—living paycheck to paycheck, unable to afford rent, or being forced to leave Hawaii altogether. According to UHERO, in 2022 over 11,000 more Hawaii residents left for other states than moved in. Over 80 percent of Honolulu renters are cost-burdened, spending at least 30 percent of their income on housing. By 2023, only 20 percent of local households could afford a mortgage on a median-priced single-family home.

Our current property tax policies fail to prioritize housing for Hawaii’s residents. An Empty Homes Tax is a critical step towards fixing this issue, discouraging property owners from underutilization of housing for non-long term housing purposes, and generating revenue to increase the supply of available housing to better meet local demand.

I urge you to support Bill 46 (2024), keep the legislation effective, and dedicate 100% of tax revenues to the Affordable Housing Fund, affordable housing initiatives, and homelessness solutions.

Our housing crisis needs bold action, not half measures. The number of excessive exemptions and reduction in tax rates significantly reduces the tax base and signals the prioritization to protect wealthy homeowners’ investments over housing Oahu’s residents. We need a robust source of funding to support our community’s housing needs. Any benefits the empty homes tax may have in discouraging speculative investment will not be sufficient. We need dedicated investments in a diverse array of affordable housing units and homeless services to ensure all our community members can be provided for.

We are concerned that the proposed amendments to the empty homes tax will render it ineffective. Specifically, we oppose any changes that reduce the revenue generated for affordable housing. Further reducing the allocation from 50% to 20% without ensuring proper use of the remaining funds, such as direct allocation to the Affordable Housing Fund, risks diverting crucial resources away from housing initiatives. The proposed exemptions are overly broad, allowing numerous properties to remain vacant or underutilized and enabling indefinite tax evasion. Many of these exemptions seem designed to protect wealthy homeowners and their properties profitability. Finally, removing the specified tax rates risks failing to generate enough revenue to address our housing crisis and capping the tax at a flat rate instead of a percentage of assessed value disproportionately benefits the wealthy and undermines the tax's deterrent purpose.

I urge you to reconsider these amendments to ensure Bill 46(24) CD1 remains an effective tool for addressing our housing crisis and dedicating 100% of revenue to affordable housing and the Affordable Housing Fund.

Mahalo for the opportunity to testify,

Name:	Email:	Zip:
Richard Williams	willfoam@gmail.com	96818
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 08:35 AM

Testimony:

This is a terrible bill, because it is inexcusable to think just because your second property is worth over 1 million dollars on Oahu that you have to pay an exorbitant amount of tax sent mostly to the general fund. Stop this bill now.

Name:	Email:	Zip:
Linda Woodstock	dusty@horitarealty.com	96701
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 08:43 AM

Testimony:

Please do not pass this bill. It will create undue hardship on local residents who keep homes vacant for family visits. Many elderly people need to stay in their homes and families rotate by coming home to help care for their loved ones and stay in the vacant home. This tax would be devastating to each family. Please reconsider and oppose this bill. Signed Linda Woodstock

Name:	Email:	Zip:
Scott King	scott@islandlivinghomes.com	96734
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 08:50 AM

Testimony:

I oppose additional taxes on vacant properties. This is not fair to hardworking homeowners who may have responsibilities off island, and would be damaging to the island economy by turning away our local citizens who invest so greatly in our local economy.

Name:	Email:	Zip:
Patrick ONeill	ogrouphk@gmail.com	96816
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 08:53 AM

Testimony:

I urge the council to please not pass the bill penalizing owners of empty homes. This will not help provide affordable housing but will add one more layer of expense on home owners. The only way to provide affordable housing is to build more homes. To provide more affordable housing we should focus our energies on fast tracking building permits and making the development of new homes easier and with less burdens.

Empty home owners still pay property taxes, contribute to our neighborhoods, are great neighbors, and employ

thousands of people in Hawaii. Let's not become even more unfriendly to non-residents in Hawaii.

Please do not pass this bill.

Thank you,

Patrick W ONeill, Homeowner

Name:	Email:	Zip:
Margaret Lim	margaret@praiseGodteam.com	96817
Representing:	**Position:**	**Submitted:**
Self	Oppose	Nov 20, 2024 @ 08:53 AM

Testimony:

Bill 46 is not good. It is going to further hurt our real estate industry hence, our overall economy. Hardworking people who can afford to buy multiple properties should not be punished by paying excessive Real Property Tax especially additional Vacant Home Tax.

We should incentivize people to rent out their property and not coerced them.

One incentive is to have an agency protect Landlord from tenant who abuse the property and get away with it leaving Landlord in a distressed situation having to deal with personal items left behind and damages to the property with funds from 1-month security deposit which is not sufficient

The Landlord-Tenant Code is mostly in favor of the tenant ; there is no provision to help Landlord recover their losses caused by negligent and abusive tenant. If a homeowner is not in need of additional rental income, they would rather leave their home vacant than having to deal with abusive and bad tenants. Furthermore, the 1-month security deposit is NOT enough to cover damages, cleaning, removing junk and personal items AND loss rental income because many bad tenants don’t pay the last month and would just leave in the middle of the month.

The overall experiences of landlords in Hawaii is not pleasant in fact, horrible at times.

This IS a BAD bill.

Name:	Email:	Zip:
John Peterson	john@residencehawaii.com	96816
Representing:	**Position:**	**Submitted:**
Self	Oppose	Nov 20, 2024 @ 08:58 AM

Testimony:

This bill unfairly burdens home owners who wish to and can afford to own a home and to use it at their discretion. The homes targeted most likely will not help the housing shortage if they become available for rent as they will not be a the low end of the rental market, but instead most likely at the highest end. Penalizing owners who do not wish to have their home "occupied" through additional taxation is unfair.

Name:	Email:	Zip:
ethan Mamiya	ethanmam@hawaii.edu	96825
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 09:02 AM

Testimony:

I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.

Reasons I am opposed to Bill 46

1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government. This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners.

2. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located? The City Council should wait for the Ernst and Young report before passing a law based on so many unknowns.

3. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills.

4. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu.

Thank you for your time.

Name:	Email:	Zip:
Jose Lopez	jlopez452003@yahoo.com	96744
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 09:11 AM

Name:	Email:	Zip:
Kasandra Shriver	kasandra@kasandrashriver.com	96734
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 09:20 AM

Testimony:

Thank you for the opportunity to submit written testimony in opposition to Bill 46 CD1. I applaud the efforts of my council member Esther Kia'aina and Council to continue to seek ways to alleviate our housing crisis - but Bill 46 is not the way.

Initially, from the previous council and committee meetings on Bill 46 and submitted testimony of many industry experts, it is clear that Bill 46 is not ready for passing and implementation.

First, the scope and impact of the bill is unknown. It is unclear exactly - or even approximately - how many properties will be deemed "vacant" under the current CD1. It is unclear how much revenue the supplemental tax will generate for

collection. However, it is clear from the testimony of the administration that the cost - and the ability - of administrating the assessment and collection is totally unknown. I urge the council to wait for the Ernst and Young report before passing an ordinance based on so many unknowns.

Second, council should not be passing bills that will be a target of litigation - litigation that will cost the taxpayers hundreds of thousands or more to defend. For example, in another US jurisdiction, an empty homes tax was found to be faulty as it restricted private property rights by coercing property owners to use their property in a manner that is preferred by the government. There is no question that the proposed tax of 1% up to 3% of assessed value (on an Oahu median priced home that amounts to a penalty of $10000 to $30000 - PER YEAR!) is coercive and unjust.

Finally, the council is doing their best to carve out exemptions -- however, too many exemptions create a level of perplexity and confusion that the average resident may find too difficult to navigate. This perplexity and confusion, coupled with the fact that there is only one opportunity per year to make any changes, and the tax is unjust and punitive. Moreover, the Council knows that there is only one opportunity per year to make changes to exemptions -- no consideration has been given to residents who purchase or inhabit a home that is subject to this proposed excessive empty homes tax - resulting in a homeowner that would be forced to pay tens of thousands of dollars of punitive taxes for a year or more on a home that is occupied by a resident and/or owner.

This bill must be deferred pending the report of Ernst and Young and further investigation.

Name:	Email:	Zip:
Estela Chao-Reza	director@hifaithaction.org	96814
Representing:	Position:	Submitted:
Faith Action for Community Equity	Support	Nov 20, 2024 @ 09:24 AM

Testimony:

I want to provide a supporting statement for Bill 046 and the importance it will bring to building a sustainable fund for housing that will ease the pressure on the housing crisis. The biggest struggle for the people of Oahu regarding the housing crisis has been the outrageous measures benefitting the wealthy homeowners' additional properties, limiting the people of Hawaii from being able to afford housing on the island. Therefore, it would be imperative for 100% of tax revenues to be dedicated to affordable housing and houselessness to create a sustainable long-term budget to ensure that funds will be devoted to addressing affordable housing and houselessness.

When I moved to Oahu seven years ago, the most challenging task was finding a place I could afford without exceeding my living wage. In addition to trying to budget food and transportation, rent was exceedingly high for a one-bedroom, not a one-bedroom apartment, simply renting a bedroom in a multi-home living situation. In speaking with college students and other young professionals, the struggle has become more complex with the increasing cost of living and competitiveness. Bill 46 is not a single solution but a catalyst for sustainable housing solutions.

Name:	Email:	Zip:
Eleanor Kakazu	ekakazu@hawaii.rr.com	96818

Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 09:24 AM

Testimony:

I am oppose to any taxes on empty homes and large homes with only one person living in the home. Homeowners keep their homes for many reasons. You need to give owners freedom to make their own decisions. Taxing people is not the answer. The city has increased property taxes. Insurance rates have gone up tremendously. And now you want to increase taxes on empty homes? You need to find ways to cut taxes, not increase taxes. Amen!

Name:	Email:	Zip:
Lori Charlton	loricharlton@hawaii.rr.com	96734
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 09:31 AM

Testimony:

Aloha, thank you for allowing me to share personal experiences with you regarding the proposed Bill. My father, a veteran, purchased a property in Kailua and finally bought the fee simple land in the late 1980's. He traveled for his occupation and owned a home in California where he was based for work, where he would frequent. His real home was in the Kailua home, where he and his children grew up. When he retired, after selling the Cali home, he bought a second home in Kailua in the late 1980's. At that time my sister and her family moved into the original Kailua home where they upkept the home and raised 4 fine children (one who currently serves this country proudly). My sister and husband still live there now and do not plan to move. My father passed recently and now my mom owns both homes. She is in her 90s on a fixed income and would not be able to pay exorbitant taxes on the 2nd property. She already pays a lot for the Residential A tax on the second home. To add to that tax, it would be a huge burden on my mom. My sister works long hours, her husband is retired on a fixed income and has health issues. If my mom transferred the property to them now, they would not be able to pay all the expenses at this time. When my mom passes, they would be better situated to pay the home expenses. The 2nd home my mom owns is not an "Empty Home", but it seems like the County would see it that way. I oppose this Bill. My father intended to provide for my mom all her life and sustain the homes he worked hard to purchase and upkeep while he was alive. I appreciate your kind consideration of this experience while reviewing this bill. Thank you.

Name:	Email:	Zip:
JEFFREY GRISWOLD	jg@jgriswoldlaw.com	96734
Representing:	Position:	Submitted:
Self	Support	Nov 20, 2024 @ 09:35 AM

Name:	Email:	Zip:
Lila Marino-Camacho	lilamc@bhhshawaii.com	96734
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 09:50 AM

Testimony:

I oppose! This bill has not been carefully thought out and competently written. Bill 46 will do more harm than good.

Name:	Email:	Zip:
Roberta Morgan	robertamorgan@mac.com	96707
Representing:	**Position:**	**Submitted:**
Self	I wish to comment	Nov 20, 2024 @ 10:00 AM

Testimony:

Aloha Budget Committee and Council Members,

Thank you for your efforts and hard work on this bill to come up with something workable for all. As I listened to your last discussion only meeting, it was evident that you see need to continue working on this bill to make it better for everyone, including those who have to administer it. I appreciate that very much.

I am opposed to the empty homes tax in resort/hotel areas. Please consider an additional exemption for unique properties that are in a resort zone but are allowed to opt into residential. Certain condominium projects, such as the Beach Villas at Ko Olina, have specific wording in their documents that allow for multiple uses, including hotel, short term, and residential. It seems that the land use and zoning for these unique projects would preclude any proposed tax. Owners who bought into these projects bought with the understanding they could be used as second / vacation homes. These owners are also already paying the Residential A tax rate.

In the event that you don't agree this is an acceptable exemption, would you please consider the following:

Allow each residential property owner to have one exempt property, whether it is their principal residence or not. This would ease the administrative paperwork burden on both property owners and city staff.

Change exemption 1 so that the property doesn’t have to be the principal residence but only needs to be occupied at least six months in the tax year by an owner or owners.

Have a cap of $7400 or another reasonable amount. Please also take into consideration that many homes targeted for the supplemental tax are also paying the Residential A rate which already brings in more money. Even though Hawaii currently has the lowest tax rate in the nation, the actual dollar amount paid in property taxes is on par with the average property tax paid nationwide because our values are so much higher than most other states.

Make a new tax category that is 1.1% (the national average) for any "Empty Home". This seems much more fair than a supplemental tax.

Lastly, consider defining "Empty Home". The way the bill is written, there seems to be no clear definition, only exemptions

to the supplemental tax.

Thank you again for taking your time to work on this bill so that the negative unintended consequences will be eliminated. I thank each one of you who have offered revisions to make the bill better. In the end, it still might be better to find other ways to increase affordable housing and help the homeless instead of implementing any kind of Empty Home Tax. Please consider this also.

Respectfully,
Roberta Morgan

Name:	Email:	Zip:
Marian Heidel	mheidel808@icloud.com	96734
Representing:	**Position:**	**Submitted:**
Self	Support	Nov 20, 2024 @ 10:01 AM

Testimony:
I support this bill, partly because we have had an empty house on Manu Mele St. in Kailua for over 10 years. Apparently the children who inherited the house can't make up their minds about what to do with it. It could have been rented. Whatever the reason, I believe we should discourage this kind of behavior when we are so short of housing. Please pass the bill and designate the money earned by the tax to go to the houseless/homeless programs.

Name:	Email:	Zip:
Matt L	mattscalling@gmail.com	96816
Representing:	**Position:**	**Submitted:**
Self	Oppose	Nov 20, 2024 @ 10:03 AM

Testimony:
I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties. There are possible solutions to the points below:

Reasons I am opposed to Bill 46
1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government. This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners. To rectify this see #5 below.
2. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located? The City Council should wait for the Ernst and Young report before passing a law based on so many unknowns.
3. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills.

4. A huge factor in my opposition is that a good portion of the tax collections are going to the General Fund instead of Affordable Housing. I need to see a commitment of 65%+ of the tax collections going to Affordable Housing and a verified system of oversight ensuring the 65%+ tax collections did go to Affordable Housing.
5. Incentivize this program with a standard tax form all landlords have to submit that is verified by the tenant for tax credits for 6 month rentals. You can use small tax credits as an incentive. Also have the proposed penalties in place for those who do not comply or submit false claims.
6. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu.

I appreciate your time and consideration..

Name:	Email:	Zip:
Carolyn Eaton	mead.alice9@gmail.com	96822
Representing:	Position:	Submitted:
Self	Support	Nov 20, 2024 @ 10:07 AM

Testimony:
I urge support of this bill as written, in the strongest terms. No exemptions, no diversion of revenue generated to purposes other than increasing affordable housing stock and addressing the awful plight of our unhoused citizens.
The City and County has a great opportunity to take the matter of insufficient housing in hand, it’s an extremely important responsibility!

Thank you for the opportunity to express my strong support.

Name:	Email:	Zip:
Diliaur Tellei	diliaur@gmail.com	96822
Representing:	Position:	Submitted:
Self	Support	Nov 20, 2024 @ 10:16 AM

Testimony:
Aloha council members,

I'm a Honolulu resident and homeowner and am writing in support of this bill. We are in a cost of living crisis which is compounded by inadequate affordable home supply and underfunded social services. This would be a way to address that by only taxing those units that are truly standing empty. Wealth stratification in our society is so great that there are individuals who own multiple dwellings simply for the convenience and luxury of it while others are struggling to make ends meet. We have to correct course to strengthen the fabric of society.

Mahalo for your time and consideration,
Diliaur

Name:	Email:	Zip:

Bonnie Tam	bonnie25303@gmail.com	96815
Representing: Self	Position: Oppose	Submitted: Nov 20, 2024 @ 10:25 AM

Testimony:

Urge you to wait for the report from Ernst & Young before making hasty decisions that may backfire and end up in costly lawsuits!

Name: Dean Kim	Email: dkim@hawaii.rr.com	Zip: 96816
Representing: Self	Position: Oppose	Submitted: Nov 20, 2024 @ 10:29 AM

Testimony:

This is crazy! As we are already the most heavily taxed State in the Union, the C&C is proposing to still add even more taxes? You guys are not understanding how real estate works. That is abundantly clear. Like so many other bills and laws you guys pass, you have an idea, don't do the proper vetting/due diligence, you propose it, then pass it without listening to your constituents, then when it goes into effect, you find out there are a myriad of issues and collateral damage you caused due to your lack of understanding and not doing any due diligence from reliable experts and sources. And in the long run, this causes way more issues and expenses that far outweigh what your initial intent was. History repeats itself. Here are my issues with this bill;

1. Have you guys done any impact studies both economically and socially on this bill (by a reliable, reputable consultant)?
2. How will you validate what constitutes an occupied/rented 2nd home? What will this cost? How will you enforce it? At what cost? What are the legal ramifications if you are accused of discrimination or targeting? Does the C&C have the resources to police and ensure compliance? It is doesn't, the law won't matter.
3. Do you have legal counsel who are experts and ready to defend the C&C position?
4. If you pass this bill and get what you want. What will the owners do? They will pass the property on to their beneficiaries. Anything worth keeping as a 2nd home is something worth passing on to children/grandchildren, etc especially in our State which has limited inventory. It won't go on the market to create inventory, it'll just pass hands. So you won't get your intended outcome.
5. The C&C will encourage people to move off island. There is only so much people will pay to remain in paradise. The continued taxation of locals and their ability to hold 2nd homes for their ohana will create a detrimental effect whereby we will continue to see the outflow of local people to the other 49 states. I thought this was what the C&C was trying to avoid. Instead of taxing those with 2nd homes, you guys should be doing the opposite. You should be cutting their taxes because any homeowner who has the ability to have a 2nd home, are the exact people you need to give tax breaks to. Why? Because these are the exact ones who create jobs, spends money on goods and services, pumps tax dollars into our local economy. You guys got it ALL backwards.

I hope you guys will reconsider this bill and kill it. It does NOT reflect the sentiment of the quiet majority. Your constituents

are aware of your actions and will vote accordingly (which I hope is what is in the back of your minds). Mahalo....		
Name: Ted Kefalas	Email: tkefalas@grassrootinstitute.org	Zip: 96813
Representing: Grassroot Institute of Hawaii	Position: Oppose	Submitted: Nov 20, 2024 @ 10:29 AM
Name: Michele Mihalko	Email: michele.mihalko@cbrealty.com	Zip: 96844
Representing: Self	Position: Oppose	Submitted: Nov 20, 2024 @ 10:51 AM
Testimony: This Bill will hurt middle income families. Some have inherited property that can be used as a generational gathering place. Please taylor the Bill toward ownership of multiple properties being used for investments or rentals. Mahalo		
Name: Heather Lusk	Email: hlusk@hhhrc.org	Zip: 96813
Representing: Hawaii Health and Harm Reduction Center	Position: Support	Submitted: Nov 20, 2024 @ 10:56 AM
Name: Lynn Wells	Email: lynnwells@hawaii.rr.com	Zip: 96734-1968
Representing: Self	Position: Oppose	Submitted: Nov 20, 2024 @ 10:57 AM
Testimony: I oppose Bill 46. There are many valid reasons for a home to be vacant. Didn't San Francisco try this and it was just struck down? There bill had a cap of $5,000/year. With Bill 46 an average Res A home in Kailua could be looking at $25,000 to $40,000 for one year. What happens when a Buyer is waiting for their home exemption to change on October 1st?		
Name: Calvin Pham	Email: cfpham@yahoo.com	Zip: 32803
Representing: Self	Position: Support	Submitted: Nov 20, 2024 @ 10:58 AM
Testimony: This proposed tax has broad based support after years of studies, discussions, and proposals. The Mayor's office has studied the idea and the O‘ahu Real Property Tax Advisory Commission recommended the idea. It's time to pass this tax to create the needed disincentive to wasteful speculatory investing in the local real estate market. Every residence that is		

consumed by an investor that doesn't rent the unit into the local real estate market is contributing the high housing costs within the community. For every investor that doesn't feel a disincentive and acts by selling or renting their vacant residence, then the community will be able to obtain tax revenue that can be used to offset the negative impacts of these empty home investments. Let's get local people into local homes for a more affordable island community.

Name:	Email:	Zip:
Madelyn McKeague	madelyn@hawaiiancouncil.org	96707
Representing:	Position:	Submitted:
Council for Native Hawaiian Advancement	Support	Nov 20, 2024 @ 11:03 AM

Name:	Email:	Zip:
Margaret Murchie	Margaret@margaretm.com	96816
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 11:05 AM

Testimony:

I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.

Reasons I am opposed to Bill 46 It's too much and will affect the local people who have no choice here. People do their investments in different ways and some people have their retirement in investments and should be able to do what they want.

I understand that you are hoping to target wealthy people who leave their properties vacant and it is frustrating but it will adversely affect locals, even those with homeowners' exemptions.

1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government. This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners.

2. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located? The City Council should wait for the Ernst and Young report before passing a law based on so many unknowns. (I understand that the census people knocked on doors and, in some cases, if there was no answer, deemed it vacant) so the count could very well be off. Likely.

3. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills. Possibly misunderstanding. Consider rewriting the bill and deferring action until these questions are answered. I understand that it is frustrating but this is not the way to go.

4. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu.

Name:	Email:	Zip:
Carolyn Shigemura	carolyns@cbpacific.com	96822
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 11:10 AM

Testimony:

I oppose yet another tax of any kind on rental property. Already owners pay income tax on rental income, Res A tax on Properties over $1m: almost all Properties, not just luxury homes in metro to Hawaii Kai and Kailua. All this does is force owners to sell $1m homes and exchange there cash into lower price, thus competing with folks who are already struggling to buy in the lower price range and forcing prices up.

Name:	Email:	Zip:
Molly Mamaril	mollymamaril@gmail.com	96816
Representing:	**Position:**	**Submitted:**
Self	Support	Nov 20, 2024 @ 11:14 AM

Testimony:

Aloha Chair Cordero, Vice Chair Weyer and Budget Committee Members,

I am writing in support of the Empty Homes Tax in order to generate revenue for critically needed housing for our residents and to discourage the use of limited housing stock for non-housing purposes.

Mahalo for your consideration,

Molly Mamaril

Kaimuki resident

Name:	Email:	Zip:
Benjamin Williams	benjaminw@bhhshawaii.com	96826
Representing:	**Position:**	**Submitted:**
Self	Oppose	Nov 20, 2024 @ 11:22 AM

Testimony:

I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.

Reasons I am opposed to Bill 46

1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government. This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners.

2. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located? The City Council should wait for the Ernst and Young report before passing a law based on so many unknowns.

3. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills.

4. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu.

Thank you for your time.

Name:	Email:	Zip:
Bong Ha Sah	bongha.sah@gmail.com	96825
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 11:22 AM

Testimony:

I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.

Reasons I am opposed to Bill 46

1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government.

2. Any bill having good purpose could bring unexpected consequences. It could bring more worse results in totally different area/industries. Vacation homes for family or for retirees in Hawaii are one of important reason why people visit Hawaii. While they're staying in their vacation homes, they give some positive effects to our local communities like economic, cultural, educational ways, etc. The Bill 46 CD1 could discourage US mainland people and foreigners to visit Hawaii. Construction industry is one of very important industry in Hawaii. The Bill 46 CD1 could bring very negative impact on construction industry and related industry, too. Hawaii residents working for these industries could get negative impact on their lives.

3. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located? The City Council should wait for the Ernst and Young report before passing a law based on so many unknowns.

4. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills.

5. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu.

Thank you for your time.

Name:	Email:	Zip:
Love Conrad	loveconrad.hi@gmail.com	96792
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 11:37 AM

Testimony:

I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties. The reason I am opposed to Bill 46 is that the bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government.

Name:	Email:	Zip:

Liz Bills	lizb@bhhshawaii.com	96734
Representing: Self	Position: Oppose	Submitted: Nov 20, 2024 @ 11:43 AM

Testimony:

I oppose this! Too many residents forget or miss the deadline then be hit with the additional 3% of property value for their property tax.

Name: Lauren Ballesteros-Watanabe	Email: esta.asi24@gmail.com	Zip: 96822
Representing: Self	Position: Support	Submitted: Nov 20, 2024 @ 11:44 AM

Testimony:

Aloha Chair Cordero, Vice Chair Weyer, and members of the committee:

I am submitting testimony in STRONG SUPPORT for Bill 46 (2024) - CD1, which creates a supplemental “empty homes tax”. Honolulu is facing a dire affordable housing crisis. Too many families, kupuna, and young people are being pushed to the brink—living paycheck to paycheck, unable to afford rent, or being forced to leave Hawaii altogether. According to UHERO, in 2022 over 11,000 more Hawaii residents left for other states than moved in. Over 80 percent of Honolulu renters are cost-burdened, spending at least 30 percent of their income on housing. Even for myself and my partner with considerable decent income, we cannot afford a median-priced single-family home.

Our current property tax policies fail to prioritize housing for Hawaii’s residents. An Empty Homes Tax is a critical step towards fixing this issue, discouraging property owners from underutilization of housing for non-long term housing purposes, and generating revenue to increase the supply of available housing to better meet local demand.

I urge you to support Bill 46 (2024), keep the legislation effective, and dedicate 100% of tax revenues to the Affordable Housing Fund, affordable housing initiatives, and homelessness solutions.

Our housing crisis needs bold action, not half measures. The number of excessive exemptions and reduction in tax rates significantly reduces the tax base and signals the prioritization to protect wealthy homeowners’ investments over housing Oahu’s residents. We need a robust source of funding to support our community’s housing needs. Any benefits the empty homes tax may have in discouraging speculative investment will not be sufficient. We need dedicated investments in a diverse array of affordable housing units and homeless services to ensure all our community members can be provided for.

We are concerned that the proposed amendments to the empty homes tax will render it ineffective. Specifically, we oppose any changes that reduce the revenue generated for affordable housing. Further reducing the allocation from 50% to 20% without ensuring proper use of the remaining funds, such as direct allocation to the Affordable Housing Fund, risks

diverting crucial resources away from housing initiatives. The proposed exemptions are overly broad, allowing numerous properties to remain vacant or underutilized and enabling indefinite tax evasion. Many of these exemptions seem designed to protect wealthy homeowners and their properties profitability. Finally, removing the specified tax rates risks failing to generate enough revenue to address our housing crisis and capping the tax at a flat rate instead of a percentage of assessed value disproportionately benefits the wealthy and undermines the tax's deterrent purpose.

I urge you to reconsider these amendments to ensure Bill 46(24) CD1 remains an effective tool for addressing our housing crisis and dedicating 100% of revenue to affordable housing and the Affordable Housing Fund.

Mahalo for the opportunity to testify,
Lauren Ballesteros-Watanabe

Name:	Email:	Zip:
Shannon Waltz	shannon.r.waltz@gmail.com	96825
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 11:49 AM

Testimony:
I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.
Reasons I am opposed to Bill 46
1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government. This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners.
2. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located? The City Council should wait for the Ernst and Young report before passing a law based on so many unknowns.
3. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills.
4. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu.
Thank you for your time.

Name:	Email:	Zip:
Shari Hooks	shari.hooks@cbpacific.com	96734
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 11:59 AM

Testimony:
I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed

value of vacant residential properties.

Reasons I am opposed to Bill 46: It's too much and will affect the LOCAL people who have no choice here. People do their investments in different ways and some people have their RETIREMENT in investment PROPERTY.

Some local people inherit these homes and it is their bounty. But they are not wealthy and do not have extra money. It’s too much work to constantly renew status and too much cost, and will hurt some of the very people that should be protected.

I understand that you are hoping to target wealthy people who leave their properties vacant and it is frustrating but it will adversely affect locals, even those with homeowners' exemptions.

1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government.

This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners.

2. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located?

The City Council should wait for the Ernst and Young report before passing a law based on so many unknowns. (I understand that the census people knocked on doors and, in some cases, if there was no answer, deemed it vacant) so the count could very well be off.

Likely. 3. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills.

Consider rewriting the bill and deferring action until these questions are answered. I understand that it is frustrating but this is not the way to go.

4. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu.

Some kind of tax might help, but this is not helpful.

Name:	Email:	Zip:
Trevor Nagamine	tnagamine.nb25@gmail.com	96789
Representing:	Position:	Submitted:

Self	Support	Nov 20, 2024 @ 11:59 AM
Name: Phoebe Nikolakakis	Email: phoeben@bhhshawaii.com	Zip: 96707
Representing: Self	Position: Oppose	Submitted: Nov 20, 2024 @ 12:01 PM

Testimony:

I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.

Reasons I am opposed to Bill 46

1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government. This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners.

2. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located? The City Council should wait for the Ernst and Young report before passing a law based on so many unknowns.

3. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills.

4. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu.

Thank you for your time.

Name: Elizabeth McArdle Solomon	Email: e-m-s@comcast.net	Zip: 94108
Representing: Self	Position: Support	Submitted: Nov 20, 2024 @ 12:08 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 or “land-banking”.

I support Chair Waters Bill 46 (24) CD2 which creates a separate classification for empty homes rather than a supplemental tax and includes more exemptions that protect Resident second home owners.

I ask that you combine occupancy of an Owner, Renter or permitted occupant to attain the 6 month minimum. This can be done by combining items B.1. (C) and B.1.(D) on Chair Waters CD2. This would ensure vital monthly or month-to-month housing for residents, traveling nurses, emergency works and other important visitors is not taken away.

Name: Eric Macaraeg	Email: eric.macaraeg@cbpacific.com	Zip: 96744

Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 12:17 PM

Testimony:

I believe that this bill is a government overreach and an encroachment on citizens right to real property ownership. In my opinion, I would characterize this bill as a form of illegal imminent domain. thank you.

Name:	Email:	Zip:
Pauline Chu	josofia88@gmail.com	96822
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 12:20 PM

Testimony:

This bill is UNFAIR. The rental income that is generated will be NULL for property owners who saved up, worked hard, and bought property with the intention of generating income after years of sacrifice. That is UNDUE punishment for individuals who worked hard and saved up. I STRONGLY OPPOSE THIS BILL!

Name:	Email:	Zip:
Cameron Kaneshiro	cameron.kaneshiro@theagencyre.com	96744
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 12:21 PM

Testimony:

I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.

The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government. This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners.

Name:	Email:	Zip:
Eric Olson	erolson@mac.com	96734
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 12:25 PM

Testimony:

I am opposed to this Bill. Similar to the Res-A property tax status, this will end up negatively affecting all residents, not just those with empty homes. The City has already demonstrated that where taxes are concerned, they are very draconian and will impose the tax as of the day of their choosing, but make it VERY difficult to reverse, or make the homeowner wait until the next tax year to get their exemption back. This is bad policy, and is getting pushed through under the guise of only applying to evil mainland owners, when it will actually end up harming local people when they go to buy or sell their property.

Name:	Email:	Zip:
Ann Renick	arenick8@gmail.com	96822
Representing:	Position:	Submitted:
Self	Support	Nov 20, 2024 @ 12:25 PM

Testimony:

I strongly urge you to support passage of Bill46 in its most money-generating form to fulfill the mandate for more affordable housing. Please consider the future of all residents as opposed to special interests.

Mahalo, Ann Renick

Name:	Email:	Zip:
Helen Yee	heleningyee1@gmail.com	96734
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 12:40 PM

Testimony:

1. Administrative Burden / Filing for Exemptions

All residential property owners must provide documentation ANNUALLY by declaring and attesting that the home is owner-occupied, being used as a long-term rental, or qualifies for one of the bill's 15 exemptions. This would include filing documents EVERY YEAR to the City proving occupancy (like homeowner exemptions, rental agreements, or utility bills). Since the City only allows you to change your home status once a year, if you miss the deadline, you would be responsible for the additional tax for an entire year until the next filing deadline, even if you were eligible for the exemption.

2. Significant Double Taxation

If the home is vacant for more than six months of the year, the property could be classified as an "empty home" and subject to the Empty Homes Tax. The tax will be applied as follows:

For example, on a Res A property with an assessed value of $1 million, the property owners would pay $4,000 Res A property tax plus an additional Empty Homes Tax of $10,000 in the first year, rising to $30,000 by the third year. This is a substantial cost, especially for those using the property infrequently or holding it as an investment.

3. Pressure to Rent, Sell, Occupy, or Pay Enormous Taxes

The tax is designed to incentivize homeowners to either rent, sell, or occupy their vacant properties to quickly increase the inventory of housing for our residents. If a homeowner prefers to keep the property empty for personal use or as an occasional vacation home, they will be hit with this escalating tax burden. The financial strain may force some homeowners into selling their properties at less favorable terms to avoid the ongoing tax liability and lose their legacy properties that have been in the family for generations. Additionally, there is no assurance that the new buyer will be a

local resident.

4. Erosion of the Benefits of Second Homewnership

Many homeowners purchase second homes as long-term investments, holding it for future generations, or as personal getaways. The Empty Homes Tax would erode the financial appeal of maintaining a second home that is not generating income and is structured with an untenable tax burden. This added cost on top of Res A taxes (double taxation) will make it less viable to keep a property strictly for personal enjoyment.

5. Allocation of Revenues Collected

The intent of the bill is to increase inventory for long-term rentals or generate revenue to be used for affordable housing and homeless solutions. The current version of the bill appears to allocate less than 50% of the revenue toward housing solutions. This does not align with the purported purpose of the bill.

6. Potential Resentment or Discontent

Many homeowners feel that this Empty Homes Tax is unfairly punitive to those who maintain a second home for personal reasons without necessarily renting it out. Some may view it as a penalty for wanting to hold onto a property for private use, leading to possible discontent with local government policies.

Name:	Email:	Zip:
Robert Gould	bob.gould@stanfordalumni.org	96744-2664
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 12:42 PM

Testimony:

I want to add to my previously submitted written testimony.

Name:	Email:	Zip:
Emma Padeken	emmakaolu@gmail.com	96813
Representing:	Position:	Submitted:
Self	Support	Nov 20, 2024 @ 12:51 PM

Testimony:

I fully support this bill.

Name:	Email:	Zip:
Damien Waikoloa	damien.waikoloa@gmail.com	96822
Representing:	Position:	Submitted:
Hawai'i YIMBY	I wish to comment	Nov 20, 2024 @ 12:52 PM

Name:	Email:	Zip:
Natalie Arbois	naarbois@gmail.com	96786
Representing:	Position:	Submitted:
Self	Support	Nov 20, 2024 @ 12:56 PM
Testimony:		
I support this Bill		

Name:	Email:	Zip:
Madison Hagge	mhagge@hawaii.edu	96822
Representing:	Position:	Submitted:
Self	Support	Nov 20, 2024 @ 12:57 PM
Testimony:		
I support this bill because it is a simple way to help provide more housing to the people on this island.		

Name:	Email:	Zip:
Mahealani Ioanis	ioanism@hawaii.edu	96822
Representing:	Position:	Submitted:
Self	Support	Nov 20, 2024 @ 12:57 PM
Testimony:		
I support the empty Homes tax.		

Name:	Email:	Zip:
Greilynn Bergonio	greilynn@hawaii.edu	96706
Representing:	Position:	Submitted:
Self	Support	Nov 20, 2024 @ 12:58 PM
Testimony:		
Hi my name is Greilynn and I support Bill 46 because I want to be able to buy a home in my home state.		

Name:	Email:	Zip:
joslyn aykroid	jaykroid@hawaii.edu	96816
Representing:	Position:	Submitted:
Self	Support	Nov 20, 2024 @ 01:00 PM
Testimony:		
i am in support.		

Name:	Email:	Zip:
joslyn aykroid	jaykroid@hawaii.edu	96816
Representing:	Position:	Submitted:

Self	Support	Nov 20, 2024 @ 01:09 PM
Testimony: i am in support.		

Name: joslyn aykroid	Email: jaykroid@hawaii.edu	Zip: 96816
Representing: Self	Position: Support	Submitted: Nov 20, 2024 @ 01:11 PM
Testimony: I support the bill.		

Name: Robert Perkinson	Email: perk@hawaii.edu	Zip: 96817
Representing: Self	Position: Support	Submitted: Nov 20, 2024 @ 01:16 PM
Testimony: I support a robust version of Bill 46, with exceptions narrowly drawn and a rate high enough to have a real impact on housing availability and city revenue.		

Name: James Lewis	Email: jelhawaii@yahoo.com	Zip: 96712
Representing: Self	Position: Oppose	Submitted: Nov 20, 2024 @ 01:19 PM

Testimony:

Aloha,

My opinion as a 50-year resident of Oahu is that enacting a Vacant Home Tax will not benefit the housing shortage or affordability issue.

How will the authorities determine which properties are vacant? How many additional departments and officials will need to be hired to manage this program? How much will the litigation cost the taxpayers when property owners began suing because of this "unjust taking away of homeowners rights"? Will off Island 2nd home property owners quit buying property in Hawaii?

It's obvious based on San Francisco's inability to enact this type of law, that this new tax will not stand up to litigation.

I believe that the solution for lack of housing and affordability is: 1) Make it quicker to obtain building permits. 2) Increase the dollar amount threshold required to obtain a permit so repairs to houses can be done without the current additional expense and time lost. 3) Use existing government funds to build rentals on land owned by Kamehameha School lands. (funds exist but are being used for frivolous purposes).

Hawaii keeps adding more and more taxes to everything. Residents will continue to move away until government waste is reduced, un-needed governments departments eliminated, and every tax dollar that is received is accounted for and

applied to the purpose it was created for.

DO NOT PASS THIS VACANT HOME TAX PLEASE.

Mahalo

Name:	Email:	Zip:
Maile Skinner	maileskinner@gmail.com	96791
Representing:	Position:	Submitted:
Self	Support	Nov 20, 2024 @ 01:22 PM

Name:	Email:	Zip:
Jon Tavares	tavaresj96734@gmail.com	96734
Representing:	Position:	Submitted:
Self	Support	Nov 20, 2024 @ 01:27 PM

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 about 35,000 homes sitting vacant in the state of Hawaii and this restriction of available homes has driven up prices for local residents. I have relatives that have moved to Las 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:	Email:	Zip:
Marsha Hamamoto	islandpapercraft@hotmail.com	96701
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 01:42 PM

Testimony:

I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.

Reasons I am opposed to Bill 46

1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government. This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners.
2. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located? The City Council should wait for the Ernst and Young report before passing a law based on so many unknowns.
3. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills.
4. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu.

Thank you for your time.

Name:	Email:	Zip:
Albert Hamamoto	berton808@gmail.com	96819
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 01:43 PM

Testimony:

I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.

Reasons I am opposed to Bill 46

1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government. This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners.
2. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located? The City Council should wait for the Ernst and Young report before passing a law based on so many

unknowns.

3. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills.

4. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu.

Thank you for your time.

Name:	Email:	Zip:
Evan Oue	eoue@imanaka-asato.com	96813
Representing:	Position:	Submitted:
NAIOP Hawaii	Oppose	Nov 20, 2024 @ 01:49 PM

Name:	Email:	Zip:
Donna Kohls	dkkbay@yahoo.com	96744
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 02:22 PM

Testimony:

Councilmember Radiant Cordero, Chair

Councilmember Matt Weyer, Vice Chair

Committee on Budget

RE: Bill 46 (2024), CD1 - Relating to Real Property Taxation – In Opposition

November 21, 2024; 1:00 p.m.

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

I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.

While the bill is well-intentioned, I believe that it would ultimately hurt local residents and not achieve its goals. As one example, I have several kapuna friends in their 80s who are lifelong residents and own more than one property. Both pay Residential A taxes already, and Bill 46 will most definitely have a significant and adverse impact on them. None of the 15 proposed exemptions in the bill would apply to them. However, even if there were an exemption, Bill 46 is an excessive tax that infringes on constitutional rights and would be a nightmare to administer and enforce.

Rather than create a new tax, I humbly suggest the Honolulu City Council explore proven alternatives and data-informed policy solutions to help address our community's affordable housing needs.

Thank you for the opportunity to provide comments in opposition. I urge you to hold this bill in committee.

Sincerely,

Donna Kohls
47-853 Kamehameha Hwy
Kaneohe, HI 96744

Name:	Email:	Zip:
Lisa Darcy	lisa@shareyourmana.org	96768
Representing:	Position:	Submitted:
Share Your Mana	Support	Nov 20, 2024 @ 02:34 PM

Testimony:

Aloha Chair Cordero, Vice Chair Weyer, and members of the committee:

I am submitting testimony in STRONG SUPPORT for Bill 46 (2024) - CD1, which creates a supplemental “empty homes tax”. Honolulu is facing a dire affordable housing crisis. Our housing crisis needs bold action, not half measures. Not one more resident can fall into homelessness. Not one kupuna.

Too many families, kupuna, and young people are being pushed to the brink—living paycheck to paycheck, unable to afford rent, or being forced to leave Hawaii altogether or pushed out on the streets. According to UHERO, in 2022 over 11,000 more Hawaii residents left for other states than moved in. Over 80 percent of Honolulu renters are cost-burdened, spending at least 30 percent of their income on housing. By 2023, only 20 percent of local households could afford a mortgage on a median-priced single-family home.

Our current property tax policies fail to prioritize housing for Hawaii’s residents. An Empty Homes Tax is a critical step towards fixing this issue, discouraging property owners from underutilization of housing for non-long term housing purposes, and generating revenue to increase the supply of available housing to better meet local demand.

I urge you to support Bill 46 (2024), keep the legislation effective, and dedicate 100% of tax revenues to the Affordable Housing Fund, affordable housing initiatives, and homelessness solutions.

The number of excessive exemptions and reduction in tax rates significantly reduces the tax base and signals the prioritization to protect wealthy homeowners’ investments over housing Oahu’s residents. We need a robust source of funding to support our community’s housing needs. Any benefits the empty homes tax may have in discouraging speculative investment will not be sufficient. We need dedicated investments in a diverse array of affordable housing units and homeless services to ensure all our community members can be provided for.

We are concerned that the proposed amendments to the empty homes tax will render it ineffective. Specifically, we oppose any changes that reduce the revenue generated for affordable housing. Further reducing the allocation from 50% to 20% without ensuring proper use of the remaining funds, such as direct allocation to the Affordable Housing Fund, risks diverting crucial resources away from housing initiatives. The proposed exemptions are overly broad, allowing numerous properties to remain vacant or underutilized and enabling indefinite tax evasion. Many of these exemptions seem

designed to protect wealthy homeowners and their properties profitability. Finally, removing the specified tax rates risks failing to generate enough revenue to address our housing crisis and capping the tax at a flat rate instead of a percentage of assessed value disproportionately benefits the wealthy and undermines the tax's deterrent purpose.
I urge you to reconsider these amendments to ensure Bill 46(24) CD1 remains an effective tool for addressing our housing crisis and dedicating 100% of revenue to affordable housing and the Affordable Housing Fund.

Mahalo for the opportunity to testify,
Lisa Darcy
Kula, HI

Name:	Email:	Zip:
Mai Gregory	maig@cbpacific.com	96816
Representing:	**Position:**	**Submitted:**
Self	Oppose	Nov 20, 2024 @ 02:57 PM

Testimony:
I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.
Reasons I am opposed to Bill 46
1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government. This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners.
2. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located? The City Council should wait for the Ernst and Young report before passing a law based on so many unknowns.
3. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills.
4. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu.
Thank you for your time.

Name:	Email:	Zip:
Darlene Wong	darleneylwong@gmail.com	96816
Representing:	**Position:**	**Submitted:**
Self	Oppose	Nov 20, 2024 @ 03:44 PM

Testimony:
This is an excessive tax and how how you going to enforce it?

Name:	Email:	Zip:
Jesse Kaneshiro	jesse.kaneshiro@theagencyre.com	96814

Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 03:47 PM

Testimony:

Aloha,

I strongly oppose Bill 46 as it represents government overreach, infringes on constitutional rights, and imposes an excessive and unjust tax. The majority of the funds generated by this bill do not even address its stated purpose of making Hawaii more affordable.

Instead of penalizing property owners, the state should explore alternative solutions. Many vacant homes are not owned by the ultra-wealthy but by hardworking families who face delays due to inefficiencies, such as the DPP's lengthy permitting process. Others are properties purchased by families for future use by their children or relatives.

This bill unfairly targets those who have worked diligently to invest in homes, rather than addressing systemic issues. I urge the state to reconsider and focus on sustainable, effective alternatives that genuinely support affordability in Hawaii without wasting taxpayer resources.

Name:	Email:	Zip:
Rebecca Kim	carolt@cbpacific.com	96822

Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 03:51 PM

Testimony:

I agree that there are issues that need to be addressed as far as property ownership in Hawaii is concerned. I disagree with this approach, in general, and do not agree that this is the best avenue to take toward increasing our housing for the currently homeless in our midst.

I further believe that increasing housing, as needed, for our homeless is our best overall first goal to set. There needs to be sound reasons to tax people extra with homes they own but don’t live in full time.

These are serious issues and require more thought. I would love to see a planned approach that is straightforward. These tax issues must only be used for good, well-planned concepts. It doesn’t work to “make people pay more because we can” and get a pile of money with not a clue how to work toward problem resolution. This is idiocy, and we must do better.

Name:	Email:	Zip:
John Kim	j808kim@gmail.com	96744

Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 03:55 PM

Testimony:

Aloha, I am firmly against Bill 46 as it represents an overreach of government authority, infringes on constitutional rights, and imposes an excessive and unfair tax burden. The majority of the revenue generated by this bill fails to address its stated goal of improving affordability in Hawaii. Instead of targeting property owners, the state should prioritize alternative solutions. Many vacant homes are not owned by the ultra-wealthy but by hardworking families who encounter delays due to inefficiencies, such as the DPP's slow permitting process. Some properties are also held by families intending them for future use by children or relatives. This bill unjustly penalizes those who have worked hard to invest in homes, rather than tackling the underlying systemic challenges. I urge the state to reevaluate this approach and focus on sustainable, effective strategies that truly promote affordability in Hawaii without misusing taxpayer funds.

Name:	Email:	Zip:
Roger Wong	rwongy@aol.com	96816-3358
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 03:57 PM

Testimony:

I believe this will cause unforseen problems.

Name:	Email:	Zip:
Nancy Chen	nancyyenjuchen@gmail.com	96744
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 04:24 PM

Name:	Email:	Zip:
Elizabeth Nelson	hawaiilizzie@gmail.com	96744
Representing:	Position:	Submitted:
Self	Support	Nov 20, 2024 @ 04:39 PM

Testimony:

Thank you for allowing this bill to be made into law. We have one of the largest houseless populations in our nation. And some of the most expensive costs of living, due to exorbitant housing. These seem to be incongruent. We need to make some major changes and this bill seems to be to be a start. Thank you for your support.

Elizabeth Nelson

Kaneohe

Name:	Email:	Zip:
Franklin Rone	frone961@gmail.com	95045
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 05:01 PM

Testimony:

I oppose Bill046(24) as an incorrect and unfair assessment, as currently written, that my second home in Ko Olina is a

vacant home. I typically reside in it four to five months a year, and rent or advertise and attempt to rent it as a 30 day minimum (HOA requirement) furnished rental the rest of the year. In 2024, it will have been rented for seven months. I myself am not a resident of Oahu, and purchased the home for my use in retirement since I have Ohana on the island. Also, most of my renters are not residents. My renters over the years have included: traveling nurses; contractors working on solar farm installations, construction of the mall in Kapolei, cleaning of the ship to shore fuel transfer facilities, and other large projects; relatives visiting Ohana for long periods of time (one yearly returning couple grew up on the island and come for one plus months every year to see their family); military personnel on temporary assignment or awaiting longer term housing; a teacher relocating to the island; a foreign businessman establishing a branch of his business on the island; and many other people who were contributing to the local economy.

Clearly my home is not “vacant”, but because I am not an Oahu resident for 6+ months a year and neither are the majority of my renters, I and my demographic are targeted by this bill with excessively high tax rates. Not only do I believe that I have the constitutional right to use of my property both as a second home and as a rental, I believe that the nonresidents that I rent to for 30 day to six month periods need furnished housing for conducting their business and personal affairs on Oahu, and in so doing contribute beneficially to the economy.

While the goals of more affordable housing are laudable, excessive taxation of nonresidents under the guise of “vacancy” will not solve that issue, and in my analysis, will not withstand constitutional legal challenges.

Name:	Email:	Zip:
Michael Moran	realestateinhawaii@yahoo.com	96789
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 07:07 PM

Testimony:
I oppose this bill it's been deemed illegal in San Francisco we should stop the process with the consultant and try to get any funds back of the $500000 wasted with ernst and young

Name:	Email:	Zip:
Sharon Rasos	secfinancial@msn.com	96782
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 07:12 PM

Testimony:
I oppose Bill 46

Name:	Email:	Zip:
Jennifer Andrews	Jennifera808gh@gmail.com	96701
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 07:27 PM

Testimony:

I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.

Reasons I am opposed to Bill 46

1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government. This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners.

2. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located? The City Council should wait for the Ernst and Young report before passing a law based on so many unknowns. The Director of BFS has testified numerous times that there is no projection on revenue and the current system is not capable of the additional processing that would be required.

3. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills. Mimicking the dedication rules does not equate to RPAD's ability to process each exemption faster as dedications are eligible for home exemptions, which is the primary purpose of obtaining the dedication. Properties with a HE are not subject to EHT. When there are that many exemptions, there needs to be a transparent pause on what this bill is actually about and what City Council aims to achieve.

4. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu. The City approved the report at the cost $500,000 taxpayer dollars. Why is the City Council in a rush to pass a bill when there is no solid objective or action plan in place, let alone data to base the bill on. With only 20% of the revenue to be allocated towards housing and homelessness, the City has not presented on how the additional 75% of funds deposited into the general fund is to be spent.

5. The EHT will not result in the affordable housing supply needed. A majority of the homes that would fall under the EHT are the multi-million dollar condominiums in the Kakaako and Metro-Honolulu areas. This is not the type of housing stock that Oahu residents needs. There is no plan as to how the revenue will be spent, when, where, and who would be eligible for City funded housing. The E&Y Report should be completed and this matter be deferred until the time the report has been distributed to the public for review.

6. CD2TW submitted does not state a rate for a new empty homes tax class, there is no requirement for the City to set a minimum or maximum rate and when it would be in effect. This is problematic and a new tax class should be introduced as separate resolution as Bill 46 was created as supplemental tax. The City already has a tax class of Residential A. If the CIty is looking for revenue then there needs to be a discussion on restructuring Residential A, not introducing a new tax class.

The City should defer this bill.

Thank you for your time.

Name:	Email:	Zip:
Ryan Rutenschroer	rutensch@hawaii.edu	96819
Representing:	**Position:**	**Submitted:**
Self	Support	Nov 20, 2024 @ 08:22 PM

Testimony:

Testimony IN FAVOR of Bill 46 (Empty Homes Tax)

Dear City Councilmembers and Honolulu Citizens,

My name is Ryan Rutenschroer and I am a REALTOR who is responding IN FAVOR of Bill 46.

You are probably receiving testimony in opposition to this measure from my colleagues in the local and national real estate industry, as many in our Honolulu Board of Realtors oppose this measure in the shallow belief that it represents government overreach. I strongly disagree with their position, as housing SHOULD be considered a valuable public resource. Constrained supply, like we are seeing not only in our community but across the country, represents a regressive burden that affects all of us. Lack of housing inventory pushes up prices and shrinks our economy significantly, which hurts our most precious clients the most: working families with children. Empty homes and hollow “LUXURY” designations do nothing to solve the housing crisis. In fact, they represent a subsidy in favor of the wealthy who see their properties simply as a place to park their money in expectation that equity will grow unimpededly: at the expense of all of us who actually choose to live here and make our community function!

I managed a number of "Luxury" buildings in town for several years during my career. The number of perpetually vacant units I encountered: those which investors purchased and simply never took occupancy, was truly shocking and eye-opening. My understanding is that through dubious accounting practices and slight-of-hand these individuals can actually make profit on their "investment" despite paying all taxes and fees for privilege of ownership in the building. And when asked why they don't just lease the units, "It would be too inconvenient" is generally the response. As a building management professional, vacant units in a building are frightening as upkeep within these properties can be overlooked, which makes them difficult to access to prevent disasters.

I also disagree with my colleagues who proffer that this measure is a violation of their clients' constitutional rights. Nowhere in our constitution does it support the notion of an oligarchy to hold and control our valuable land resources, to

the detriment of society. Our own National Association of Realtors believes that private property owners have the right to determine the highest and best use of their land, while working with the appropriate government entities. THE NAR ALSO RECOGNIZES THAT THE INTERESTS OF THE NATION AND ITS CITIZENS REQUIRE THE HIGHEST AND BEST USE OF THE LAND. We in Hawaii live in a unique situation where development (for housing) is possible only within a relatively tiny percentage of the islands' land. If we continue to let homeowners hold empty houses and horde this limited resource (which artificially inflates the cost of rent and homeownership), what is the actual cost of carrying this burden? Does the property tax we collect on an empty home support the immense public expense of homelessness, out-migration of kama'aina families, and pushing development further into the country?

Until our housing stock offers a balanced inventory that is equitably-accessible to all contributing citizens, measures like this which strongly encourage maximum use of all available space are not only necessary, but humanitarian. "Luxury" homeowners will always have the opportunity to purchase and hold real estate, paying whatever the cost. What value then are their holdings if the very community it is located in is but an empty shell?

As a real estate professional who truly wishes to bring value to all whom I serve and to improve all that I touch, we need to utilize every tool available to get more families and individuals into homeownership. HOMES WHICH FAMILIES AND INDIVIDUALS ACTUALLY LIVE IN. Not possessions to be guarded like jewelry.

I encourage you to PASS this measure, or at least continue to refine the concept, and I welcome the opportunity to work with my colleagues in all other actions we need to take that benefit the long-term health of our industry, economy and community.

Mahalo, Ryan

Name:	Email:	Zip:
Keith Webster	KEITHHAWAII@YAHOO.COM	96744
Representing:	Position:	Submitted:
Self	Support	Nov 20, 2024 @ 08:24 PM

Testimony:

I'm writing to strongly support bill 46 CD1, the Empty Homes tax. It is time to prioritize our housing to house Oahu's people. It's critical that we move the needle on housing. Passing something called an Empty Homes Tax will not help with our crisis unless it provides strong incentives to house local people and dedicates significant revenue to building more housing for our community.

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.

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:	Email:	Zip:
Elvia Alvarado	elviadonis04@gmail.com	96822
Representing:	Position:	Submitted:
Self	Support	Nov 20, 2024 @ 08:37 PM

Testimony:
Hello City Council members,

My name is Elvia Alvarado, I am a current Political Science undergraduate student here at Manoa, and am here writing to you in support of Bill 46. I believe what Bill 46 proposes will significantly help Oahu and our communities when it comes to the housing issue we all face. Well over 30,000 units are empty here in Oahu and considering our homelessness, local people, and middle class families that often work two jobs to afford rent. Implementing Bill 46 will strongly help in keeping the local and working class here in Hawaii. We heard the argument already about empty homeowners being hit with a high tax is unfair, however if their empty unit that they only come to every once in a while when they want to vacation either becomes rented out or sold. Only positive outcomes surface for the local people of Hawaii, helping the families of Hawaii stay in Hawaii. Which is why when an opposition tunes in on zoom from the Mainland, I strongly urge you to dissect what it is they are asking and opposing. Homes for the people here in Hawaii, renting to the families of Hawaii. The very people who complain about a high empty homes tax because they live 6 months out of the year in California in their other home and can't make Hawaii their full time place of stay. Are the exact kind of people this tax should be hitting. Keeping locals and the working class of Hawaii here in Hawaii should be top priority for us. We hear it all the time "priced out of paradise" and it's devastating hearing the stories of people who have to work two jobs to support their families or protest for fair pay. Which is why I strongly urge the City Council to think about the people of Hawaii and pass Bill 46.

Name:	Email:	Zip:
Trase Wagner	trasew@cbpacific.com	96816

Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 08:44 PM

Testimony:

I am writing to express my opposition to Bill 46 CD1, which proposes a supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.

Reasons for my opposition:

1. Violation of Property Rights: The bill infringes on private property rights by pressuring owners to use their properties in ways dictated by the government. This approach could lead to lawsuits, similar to the recent case in San Francisco where homeowners successfully challenged such measures.
2. Unclear Scope and Impact: The bill lacks clarity on critical aspects. How many properties will be classified as “vacant”? What revenue will the tax generate? What are the administrative costs for implementing and enforcing this tax? Where are the vacant properties located? These uncertainties highlight the need for more comprehensive analysis before moving forward.
3. Exemptions Create Confusion: The current version of the bill includes numerous exemptions that could lead to ambiguity and potentially incentivize property owners to exploit loopholes to avoid the supplemental tax.
4. Need for Factual Data: I strongly urge the City Council to wait for the Ernst & Young report to gather factual data relevant to Honolulu before enacting legislation with such significant consequences.

Thank you for your attention to this matter.

Name:	Email:	Zip:
Jody Libed	libed808@gmail.com	96825
Representing:	Position:	Submitted:
Self	Oppose	Nov 20, 2024 @ 09:34 PM

Name:	Email:	Zip:
Edward Fujioka	puunui@msn.com	96818
Representing:	Position:	Submitted:
Self	Support	Nov 21, 2024 @ 12:48 AM

Testimony:

I am in support of Bill 46. We need to increase available inventory on Oahu for rental and sale to Oahu residents. In South Korea they tax non residents up front at a 20% or more this is to allow property to Kearan born citizens and discourage nonresidents/citizens to purchase "investment property". Additional for Korean residents if you own more than one property there is a tiered tax for each additional property. for the first 3 homes the tax is between 1.6% to 6% annually. After 3 home it is 6% if the homes are higher in valve. The government will double the "ownership tax" next year since there is home values raising and demand for homes is high and not enough affordable homes. Where I live, I discovered there is a mainland owner of 3 units in our building he uses for storage no one has ever lived in them. This is an example

of why there are not enough home for rent or for sale. I know of 3 families that have moved or are the process to move to the mainland this year alone. All of them say it is too expensive to live in Hawaii especially on Oahu. My wife and I are considering relocating to Korea or the mainland where it is cheaper to live and our retirement dollars has greater buying power

Name:	Email:	Zip:
Dale Bordner	Dale@BordnerHI.com	96821
Representing:	Position:	Submitted:
Self	Oppose	Nov 21, 2024 @ 04:24 AM

Testimony:

I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties. To be clear, this would be in addition to the existing property tax paid by the property owner.

In addition to the reasons for opposition listed below, it appears that this bill was developed without considering real life issues concerning family members, particularly in our Aloha State. This bill needs to be reconsidered once all facts and information are gathered.

Reasons I am opposed to Bill 46

1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government. This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners.

2. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located? The City Council should wait for the Ernst and Young report before passing a law based on so many unknowns.

3. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills.

4. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu.

Name:	Email:	Zip:
Suzanne Young	anakama@wik.com	96813
Representing:	Position:	Submitted:
Honolulu Board of Realtors	Oppose	Nov 21, 2024 @ 04:42 AM

Name:	Email:	Zip:
Fran Villarmia-Kahawai	fran@lifehousehi.com	96701
Representing:	Position:	Submitted:
Self	Oppose	Nov 21, 2024 @ 07:42 AM

Testimony:

Homeowners should not be coerced into renting their home if they choose not to. This appears to be along the lines of

government overreach. Besides, Hawaii residents pay enough taxes as it is.

Name:	Email:	Zip:
Marilee LYONS	mlyons7734@aol.com	96712
Representing:	Position:	Submitted:
Self	Oppose	Nov 21, 2024 @ 07:49 AM

Testimony:

I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.

Reasons I am opposed to Bill 46

1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government. This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners.

2. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located? The City Council should wait for the Ernst and Young report before passing a law based on so many unknowns.

3. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills.

4. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu.

I am your constituent and totally oppose of this catastrophic bill, this is so unconstitutional and socialist.

Name:	Email:	Zip:
Marina Wang	marina.wang@cbrealty.com	96821
Representing:	Position:	Submitted:
Honolulu Board of Realtor	Oppose	Nov 21, 2024 @ 07:59 AM

Testimony:

I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.

Reasons I am opposed to Bill 46

1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government. This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners.

2. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located? The City Council should wait for the Ernst and Young report before passing a law based on so many unknowns.

3. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills.
4. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu.
Thank you for your time.

Name:	Email:	Zip:
Jaymes Song	jaymess@betterhawaii.com	96825
Representing:	Position:	Submitted:
Self	Oppose	Nov 21, 2024 @ 08:10 AM

Testimony:
Why does the City Council consistently try to tax its way out of issues it has failed to solve? This proposed measure is not only punitive but also an affront to basic property rights. Property ownership is a fundamental right, and the government's overreach in attempting to dictate how owners use their properties sets a dangerous precedent.
This irresponsible bill would fail to address the root causes of housing challenges in our community. Instead, it would make housing more expensive for everyone—especially renters.
Similar measures in other cities have failed, proving to be unconstitutional, overreaching and ineffective. These policies undermine property rights, discourage investment in housing, and ultimately shrink the housing market rather than expanding it.
The City Council should respect the rights of property owners while working to encourage housing production and create incentives to make homes available. Punitive taxation is not the answer. Instead of coercing property owners, the Council should collaborate with stakeholders to find real, sustainable solutions to our housing challenges.
I urge you to reject this misguided measure and uphold the principles of fairness and respect for property rights. Our island deserves solutions, not shortsighted and harmful policies.

Name:	Email:	Zip:
SEBASTIAN YOUNG	waikikifudosan@gmail.com	96815
Representing:	Position:	Submitted:
Self	Oppose	Nov 21, 2024 @ 08:31 AM

Testimony:
Honolulu already has the highest taxes. This further targeting of empty homes will only hurt the economy as investors and retirees will not consider buying Honolulu real estate due to this new tax law. It should be the owners freedom to enjoy and use the property as they wish. If due to circumstances when their travel is limited and they are unable to visit their vacation homes, this situation should not be penalized by tax.

Name:	Email:	Zip:
Dianne Willoughby	dianne.willoughby@cbrealry.com	96815
Representing:	Position:	Submitted:
Self	Oppose	Nov 21, 2024 @ 08:43 AM

Testimony:

The housing crisis will not be solved by coercing owners of second homes to keep their properties occupied. Please address the systemic causes of the low supply and high cost of housing in Honolulu. Streamline permit processing to reduce costs and consider more inclusionary zoning to encourage development of "missing middle" housing options.

Name:	Email:	Zip:
Camellia Young	camellia808@gmail.com	96813
Representing:	**Position:**	**Submitted:**
Self	Oppose	Nov 21, 2024 @ 08:49 AM

Testimony:

In the USA, the freedom to use and enjoyment of one's real estate (property) is a guaranteed right for everyone. Why should the city impose tax on empty homes and destroy this right. The homewowner may have many reasons for why the property is empty. No city government should poke their nose into this matter. Homeownership rights belong to the American people. If you want to tax something to make money for the city government , then the city government can consider tax for new development for sewer and electrial upgrades like the Ward/Kakaako area. If the city government needs money, then it should earn it through charging real estate developers, who are not paying their share for public services. And not target the individual homeowner of the empty home. We all have the right to defend for our homes --- so "NO" to this bill.

Name:	Email:	Zip:
Jim Tree	ssitree@aol.com	96707
Representing:	**Position:**	**Submitted:**
Self	I wish to comment	Nov 21, 2024 @ 09:01 AM

Testimony:

The $500,000 study due summer of 2025 dealing with an Empty Homes Tax in Honolulu, the San Francisco court case finding the Empty Home Tax unconstitutional, the University of Chicago Law Review Article written to provide a roadmap for municipalities considering a Vacancy Tax are important resources for the City to study prior to enacting the Empty Homes Tax.

The more severe the Ordinance the less likely it will pass constitutional scrutiny. San Francisco's Empty Homes Tax was stricken on October 31, 2024 and it is not as severe as Honolulu's proposal in many respects. (1) San Francisco exempts all single family residences and duplex's, only buildings with 3 or more units are subject to the Empty Homes Tax. (2) Any occupancy counts toward occupied days. Does not need to be the principal residence of the owner or renter. (3) All legal short-term rental properties are automatically exempt. (4) Maximum tax is $5,000.

Prior to Honolulu's proposed Empty Homes Tax, San Francisco's was considered one of the most severe in the US. It has been found unconstitutional. Please take your time. Wait for the study due out this coming summer and lets get it right so the Bill is not found too severe, beyond its stated purpose, and is not found unconstitutional.

Jim Tree

Name:	Email:	Zip:
allison lum	plumbuys@gmail.com	96817
Representing:	Position:	Submitted:
HBR	Oppose	Nov 21, 2024 @ 09:05 AM

Name:	Email:	Zip:
Mandi Esrason	mandi@mandiesrason.com	96734
Representing:	Position:	Submitted:
Self	Oppose	Nov 21, 2024 @ 09:07 AM

Testimony:

I oppose this bill for the date of Hawaii.

Name:	Email:	Zip:
Richard Sterman	richard@sterman.com	96712
Representing:	Position:	Submitted:
Self	Oppose	Nov 21, 2024 @ 09:17 AM

Testimony:

ALOHA,

I have been a Realtor on the North Shore for over 45 years! Our area is probably the most "Transient" of all areas of Oahu (besides maybe Waikiki)... and we deal with off-island owners that LOVE the North Shore, live here a good part of the year, however, they can't move here 'just yet'. They DO plan to live here full time (upon retirement, when they sell their mainland company, etc.)... and so - until then - they fly over a much as possible but do NOT qualify for Owner Occupant status.

They are usually GREAT assets to our community, participating in Fund-Raisers, youth out-reaches and usually have kids of their own that surf and, sometimes, become residents out here before their own parents.

Bottom Line: This "EMPTY HOME" extra tax would be DEVASTATING to them! Half would HAVE TO SELL! Why do that to our long-time North Shore owners? Think about this... an average of $4m for a nice beachfront out here... x 3% = $10,000/mo EXTRA TAX! They will ALL SELL. A giant loss for our community. And - who will take their place? ONLY those that can throw away (to the City & County of Honolulu) an extra $10,000 just because they can AFFORD IT! Please VOTE NO to this progressive and unfair tax!

Name:	Email:	Zip:
Chester Dal Santo	chetdalsanto@outlook.com	96821
Representing:	Position:	Submitted:
Self	Oppose	Nov 21, 2024 @ 09:20 AM

Testimony:

I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.

Reasons I am opposed to Bill 46

1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government. This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners.

2. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located? The City Council should wait for the Ernst and Young report before passing a law based on so many unknowns.

3. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills.

4. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu.

Thank you for your time.

Aloha Chet Dal Santo

Realtor and Mortgage broker

We are having more truble sell home now alread.

If you want to do some look into Insurance and how they are triplinng policy's

Name:	Email:	Zip:
Denise Miyahira	denise@leihomesllc.com	96822
Representing:	**Position:**	**Submitted:**
Self	Oppose	Nov 21, 2024 @ 09:24 AM

Testimony:

Aloha

As a Realtor who works with members of the community and a person who has dealt with a vacant property with family members, I feel Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties may have unintended consequences for local families who aren't wealthy in liquid cash but have properties that are part of their "land wealth". For most people, grandma's house where everyone gathered was never meant to be a huge investment vehicle but in today's real estate market, the home is extremely valuable due to the land beneath it.

Families who keep homes and don't have the means to fix up the property will inadvertently have a home vacant while they try to figure out what to do and how much money they need and how they can obtain a loan to get the money. Trying to get a line of credit on a house that is in poor condition may be very difficult and it creates an endless cycle of not being able to have enough money to fix a home but they have a property that is valuable strictly for the land. Sometimes it may take a new generation of family members who have more financial options and understanding of building or construction

who may be the ones to "save" the family house. In the meantime, imposing more taxes on properties that families want to keep but have financial burdens may cause them to do the knee jerk reaction which is to sell off the property.

I have had some cases where families decide against keeping a property because it heads into the "Residential A" category which doubles their taxes. Having a property go into Residential A and ALSO have a vacant tax will be too much of a burden for families who need time and money to make a home livable. Family member who want to keep the home but don't have the means will automatically sell and although the short term gain is they have some money, the long term consequence is they do not have a property to pass on to the next generation and keep local families here in the islands.

On islands like Kauai where the median price of a home is higher than the majority of middle class workers can afford, the only way some of these families can stay on island is to inherit a home from grandparents or family. In some cases, the family has some means to fix up the house. For others, they may have to wait until they are in a better financial situation and need time and access to money to be able to keep the homes they were raised in and stay in the islands.

Please reconsider any tax that has unintended consequences for local families that are trying to stay here and also help them build wealth by acquiring and keeping real estate. Any additional taxes for local families could cause them to knee jerk and sell which is a short term solution but creates a long term problem for the community.

Name:	Email:	Zip:
Dianne Wennick	dw@diannewennick.com	96814
Representing:	Position:	Submitted:
Self	Oppose	Nov 21, 2024 @ 09:25 AM

Testimony:

I oppose because it is an excessive tax and is an overreach of government.

Name:	Email:	Zip:
Yumi Laney	yumi@laneyre.com	96782
Representing:	Position:	Submitted:
Self	Oppose	Nov 21, 2024 @ 09:27 AM

Testimony:

This is so against property rights of a property owner where government is dictating what you can or cannot do. ThSecond homes are owners right to keep it vacant for themselves and family. Unconstitutional!! Rather than taxing property owners, government should be monitoring wasteful spending and get their act together with the building permit process which seems to be taking at least 6 mos to 1-2 years!!

Name:	Email:	Zip:
William Tam	william.tam2@gmail.com	96744
Representing:	Position:	Submitted:
Self	Support	Nov 21, 2024 @ 09:39 AM

Name:	Email:	Zip:
Shanti Gomes	shanti.gomes808@gmail.com	96795
Representing:	Position:	Submitted:
Self	Oppose	Nov 21, 2024 @ 09:40 AM

Testimony:

I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.

Reasons I am opposed to Bill 46

1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government. This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners.

2. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located? The City Council should wait for the Ernst and Young report before passing a law based on so many unknowns.

3. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills.

4. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu.

Thank you for your time.

Name:	Email:	Zip:
Kala Gomes	kalagomes4@gmail.com	96795
Representing:	Position:	Submitted:
Self	Oppose	Nov 21, 2024 @ 09:41 AM

Testimony:

I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.

Reasons I am opposed to Bill 46

1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government. This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners.

2. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located? The City Council should wait for the Ernst and Young report before passing a law based on so many unknowns.

3. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills.

4. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu.

Thank you for your time.

Name:	Email:	Zip:
Robert Huber	luxhawaiihomes@gmail.com	96815
Representing:	Position:	Submitted:
Self	I wish to comment	Nov 21, 2024 @ 10:09 AM

Testimony:

Aloha -

I support this bill with an exception to the date condominium was built , as you know anything that was newly built is unaffordable to local families .

I overwhelmingly support this bill's purpose , and feel all single family homes should have a ' empty house tax ' with no exception .

Name:	Email:	Zip:
Jennifer Schultz	jennifernschultz@gmail.com	96734
Representing:	Position:	Submitted:
Self	Oppose	Nov 21, 2024 @ 10:20 AM

Testimony:

I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.

Reasons I am opposed to Bill 46

1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government. This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners.

2. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located? The City Council should wait for the Ernst and Young report before passing a law based on so many unknowns.

3. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills.

4. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu.

Thank you for your time.

Name:	Email:	Zip:
Carol Kage	ckage808@gmail.com	96813
Representing:	Position:	Submitted:
Self	Oppose	Nov 21, 2024 @ 10:28 AM

Testimony:

I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.

Reasons I am opposed to Bill 46

1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government. This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners.

2. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located? The City Council should wait for the Ernst and Young report before passing a law based on so many unknowns.

3. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills.

4. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu.

Thank you for your time.

Name:	Email:	Zip:
Michelle Lynch	michellelynchrealtor@gmail.com	96789
Representing:	Position:	Submitted:
Self	Oppose	Nov 21, 2024 @ 10:28 AM

Testimony:

I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.

Reasons I am opposed to Bill 46

1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government. This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners.

2. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located? The City Council should wait for the Ernst and Young report before passing a law based on so many unknowns.

3. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills.

4. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu.

Thank you for your time.

Michelle Lynch

Name:	Email:	Zip:
Darryl Macha	dmmacha@gmail.com	96797

Representing:	Position:	Submitted:
Self	Oppose	Nov 21, 2024 @ 10:38 AM

Testimony:

Honorable Chair & Committee members,

I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.

Reasons I am opposed to Bill 46

1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government. This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners.
2. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located? The City Council should wait for the Ernst and Young report before passing a law based on so many unknowns.
3. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills.
4. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu.

Thank you for your time.

D. Macha

Name:	Email:	Zip:
William Roehl	roehl.billy@gmail.com	96744
Representing:	Position:	Submitted:
Self	Oppose	Nov 21, 2024 @ 10:54 AM

Testimony:

This bill would make property used for cultural practices like la'au lapa'au and fishing unaffordable for Windward O'ahu residents. The study used to assess this has flawed materials and methods and has not gone through any kind of peer reviewed process.

I am a published marine biologist trying to preserve a lineage of marine conservation. My great grandfather has a day named after him by the City and Council of Honolulu recognizing his exceptional works in conservation of Hawaiian fish ponds.

Please exempt local people from this bill. At the very least put a hold on this bill until more accurate studies have been conducted.

Name:	Email:	Zip:
Susan Le	susan@hihac.org	96816
Representing:	Position:	Submitted:
Hawaii Appleseed	Support	Nov 21, 2024 @ 12:00 PM

Name:	Email:	Zip:
Jenny Kono	jennykono808@gmail.com	96822
Representing:	Position:	Submitted:
Self	Oppose	Nov 21, 2024 @ 12:36 PM

Testimony:

I oppose Bill046(24). An empty home tax is excessive regulation and excessive taxation.

There are many other direct solutions that should be tried first rather before forced taxation even a consideration.

The majority of affordable housing that local families can qualify to purchase is overwhelmingly purchased by military with 0% down VA Loans. Local non-military families who need a 20% downpayment cannot compete with the 0% down VA Loans. Realtors know if they sell a home to a military client they have a high chance to re-sell that same home in 3 years when that military client is relocated whereas a local family will likely live in that home forever and pass it down through generations. So, there is zero incentive for realtors to sell homes to local families when they can ensure their own job security selling over and over again to VA Buyers.
THIS IS THE PROBLEM!!

Until local families have an even playing field with the 0% down VA Loans, and realtors stop pushing their clients to accept VA Loans over conventional 20% down loans the problem will persist. We need to ensure that local families who can qualify for a mortgage have an even playing field to be able to compete in the housing market. If local families who can qualify to purchase a home can actually do so, then it would open up the houses they currently rent to those who cannot afford to purchase. That is the path solving the affordable housing crisis.

Bill046 does none of that. Rather, it will strip away the hard earned investments that many local families have worked a lifetime for. And I'm sure you'll hear from some of them today. Local families who chose to invest in Hawaii. Into a community they love. Will now have to forego a lifestyle they worked hard to achieve. To enjoy retirement, to visit their grandkids on the mainland or family abroad. To have a home to leave to their children. Their legacy. You are asking them to give that up, for a shot in the dark that maybe by egregiously taxing everyone, somehow that will trickle down into affordable housing.

But we refuse to accept that! I refuse to except any more taxes! Enough!

We the people, made it very clear in the recent election that we want LESS taxes and LESS government overreach. Bill046

is an EXCESSIVE tax under the illusion of progress and it needs to stop here.

Name:	Email:	Zip:
Andrew Pereira	andrewpereira95@gmail.com	96789
Representing:	Position:	Submitted:
Self	Oppose	Nov 21, 2024 @ 12:52 PM

Testimony:

Aloha Budget Chair Cordero , Vice-chair Weyer, and members of the Budget Committee,

If the Honolulu City Council wants to make an impact on O'ahu's housing crisis, the focus should be on building more affordable and workforce homes for our people and not penalizing property owners who have lived their entire adult lives in Hawai'i, and through their hard work and efforts, contributed greatly to the broader community.

Residents who do not reside in their primary residence on O'ahu for six months or more per year should not be punished by the county government with tens of thousands of dollars in fines, which is what Bill 46 actually entails. In reality, these residents who travel abroad during their golden years and have paid off their mortgages use less county resources while still paying the full amount of annual property taxes and fees.

Instead of attempting to pass an empty home tax that targets our hardworking people, perhaps a better target is large landowners who do not develop their lots with new homes for local residents. An "empty land tax" could result in the actual building of more homes, as it's clear that Bill 46 is not only unconstitutional, but also misguided and mean-spirited.

Mahalo for the opportunity to opine.

Aloha,

AP

Church of the Crossroads
United Church of Christ

A Just Peace and Open and Affirming Congregation

Testimony In Support of Bill 46, CD1 (2024)
At the Budget Committee on November 21, 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. We urge you to pass Bill 46, CD1 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.

This bill does not need more exemptions and delays that will endanger the effectiveness of this bill. We need bold action, not window dressing.

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.

1212 University Avenue ♦ Honolulu, Hawai`i ♦ 96826
Phone: 808.949.2220 *www.churchofthecrossroadshawaii.org* Fax: 808.943.6719

2. A well-designed Empty Homes Tax, like Bill 46, CD1, 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 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. 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 help address 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

RUSSELL Y. TSUJI
99-178 Kealakaha Drive
Aiea, Hawaii 96701
c: (808) 265-4642
tsujir001@hawaii.rr.com

November 16, 2024

Budget Committee
Honolulu City Council, City Hall
530 South King Street
Honolulu, HI. 96813

Subject: Bill 46-Empty Homes Tax Hearing on Thursday, November 21, 2024

Chairperson Cordeiro and committee members.

My name is Russell Tsuji and I am a resident of Aiea and member of the neighborhood board. I submit this testimony in opposition in my personal capacity and not on behalf of the board. However, I am informing you that the Aiea Neighborhood Board recently considered supporting Bill 46 but the motion to support did not have majority support and thus failed.

I oppose this legislation. I see this legislation as "government overreach" by mandating its own people use their property (i.e., must rent or occupy the home or face an additional extraordinary tax[1]) only in a particular manner as the government sees fit. In my view, this raises a "regulatory takings" claim and a possible just compensation requirement[2], and more importantly the bill intrudes on the people's fundamental right to do what they wish to do with their own property[3]. With much respect, I urge this committee to hold this bill.

Thank you for allowing me to testify.

/s/
RUSSELL Y. TSUJI

[1] In addition to the ordinary real property tax and Honolulu's additional luxury or investor tax on second homes exceeding a million dollars which covers a very large segment of homes in Honolulu.
[2] The 5th Amendment of the United States Constitution prohibits government from taking (physical or regulatory take) private property without just compensation—which has been held to be fair market valuation compensation.
[3] There are many good reasons for keeping a property vacant or unoccupied. Sometimes a homeowner may be desiring to renovate the home that is pending a time delay due to permitting, or simply desires to keep the home vacant to avoid the necessary cleanup and repairs typically required after renting out the home. The stringent requirements for repairs and upkeep of maintenance under Hawaii's landlord tenant code also adds to the cost of renting out a home.

TESTIMONY OF ELLEN GODBEY CARSON
IN SUPPORT OF BILL 46, CD1,
At Budget Committee Hearing on November 21, 2024

Thank you for your efforts to address our housing crisis.

I urge you to support Bill 46, CD1, **without t**he major changes proposed in the pending CD2s. CD1 is the only game changer on the horizon that can help us:

- increase housing supply for local residents
- decrease demand by owners who maintain empty homes, and
- generate major revenues for affordable housing and homelessness,

It appears that we now have a consensus of the majority of Council members with two major steps in the right direction: (1) preserving the all-important Principal Residence language in CD1, exemptions 4(1) - (2), and (2) allocating at least 20% of the tax revenues to increase our supply of affordable housing. We appreciate that progress. Bill 46 advocates would love to see more revenues and a dedication of revenues for this purpose.

I have many strong concerns, however, about some of the other language in the CD2s. Some CD2 provisions seriously endanger the entire effectiveness of the bill and could cause Bill 46 to fail. It's not clear the drafters are aware of these consequences, as I know each of you would like this bill to be effective.

I highlight these more serious concerns below with some "better options" to help avoid the worst problems. Please note that I support CD1 rather than the changes discussed below that are proposed by CD2s. However, if those changes are to be pursued, at least the "better options" can significantly decrease the detrimental impact of the CD2 proposals.

1. **CD2-TW1 removes ALL provisions regarding implementation, enforcement, appeals, and tax rate and instead requires BFS to adopt rules on those issues without any structure established by Council.**
    a. Concern: This leaves all implementation and enforcement matters undefined and in BFS' control. Sadly, BFS has in the past said it does not want to take on this new tax, citing lack of time, resources, and expertise to do so. Council members have noted that BFS' prior resistance has caused this effort to fail for many years. If BFS does not do rule-making, or delays for years in rule-making, it could effectively kill any ordinance passed, and undo all the Council's good efforts to create an empty homes tax.
    b. Best option: Leave the administrative provisions in Bill 46 and have Council re-consider whether any adjustments are needed after BFS and

the Consultant work together in the coming year. Or at the least, retain the basic structure of a rate, as in section 2(b)-(c), administration as in sections 5(a)-(c) and (h)-(k), responsibilities of owners as in section 6 (a)-(b), penalties as in sections 7 and 8, and add a provision that says BFS **may** adopt rules or procedures for implementation, but that will not prevent the bill from being implemented if BFS does not engage in rule-making.

2. **CD2-TW1 proposes to exempt properties with an active effort to sell or rent, without any limit on the number of years such exemption can be used.**
    a. CD1 limits this exemption to once every 5 years (as well as an additional year of exemption when a sale occurs), which limits abuse of this provision. Without a limit, every owner could list their empty home for sale or rent each year with an exorbitant price to discourage offers (or find fault with any offers made), while the owner is able to keep an empty home in perpetuity.
    b. Better option: limit this exemption, as in CD1, for use only once every 5 years

3. **CD2-TW1 proposes to exempt property owned by a person who receives a majority of the person's income from a Honolulu source or receives retirement/SocSec benefits at an address in the City and is same owner who owned the property before 2024**
    a. This would exempt ALL empty homes (not just second homes) owned by anyone who meets these criteria (whether or not an Oahu resident), and could likely be easily avoided by an owner creating a PO box on Oahu to receive and forward retirement benefits, thus exempting snow birds and off-shore investors.
    b. Better option: retain the grandfathering (ownership of the property before 2024), limit it to owners who are Oahu residents, and/or limit its use to only one dwelling per owner.

4. **CD2-CS1 exempts properties owned in whole or in part by a Hawaii resident, but if the property also has a home exemption, then the owner may not claim an EHT exemption for any other property**
    a. This would exempt ALL properties of any nature owned by a Hawaii resident, except an owner with a home exemption may not have any other exempted property. This seems contrary to the likely intent, as it has the effect of discouraging owners from obtaining a home exemption if they want to exempt their other properties.
    b. Better option: Use language from CD2-TW1 regarding second home exemption for properties owned before 2024 and do not permit more than one second home exemption.

5. **CD2-EK1 and CD2-TM1 propose to exempt a second home of Oahu residents.**
    a. This allows every local family with a second home here to keep it as an empty home in perpetuity, regardless of income of the owners, and with no incentive to allow it to be used as a home by local residents. This is potentially thousands of empty homes that will damage the effectiveness of this bill. EK1 is not limited to grandfather units owned before 2024 and so allows more second homes to be created each year. Every empty home deprives an Oahu family of a place to live, regardless of the owner's residency, so the damage to our community is as great as empty homes owned by those off-shore.
    b. Better option: If you must exempt a second home, use language from EK1 that requires the home exemption to be held all year, and combine with language from TM1 that requires the second home to have been owned before 2024 by the owner with the principal residence. That creates a grandfathering situation rather than encouraging more empty second homes for our future.

6. **CD2-CS1 proposes an unspecified cap on the tax, and CD2-TW1 removes the tax rate altogether**
    a. This is too important a feature to leave open-ended. A cap would be regressive, benefiting those with the most capability to pay more. Removal of the tax rate could allow a rate so low as to have no significant impact on our housing crisis.
    b. Better option: Retain CD1's graduated rate of 1%-2%-3%, as it's already a phased in approach. If Council needs to adjust the rate after some years of experience, take up the issue then.

Two New Amendments would enhance Bill 46, CD1:

1. **For the exemption in section 4(2) for renters and permitted occupants with a principal residence, require minimum periods of 3 months for cumulating to the required 6 months**. Allowing cumulation of periods of less than 30 days is contrary to our short term rental ordinance (and STRs are already exempted if in legal operation). These short periods encourages unlawful rentals to visitors who are not establishing a principal residence in the dwelling. It is difficult for someone to establish a "principal residence" with less than 3 months, and leaves the inaccurate impression that a series of short term visitors can meet the 6 month period for exemption.

2. **Exempt ADUs only if the owner of the property has their principal residence on the same property.** ADUs are meant to be some of our most affordable housing. State law now requires much greater accommodation for ADUs, so there will be many more. This exemption appears to be

intended to address a privacy issue raised by owners living on their property with an ADU, but it is much broader than that. This concern does not apply when none of the dwellings on the property are occupied by the owner.

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, our 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 cannot build ourselves out of this problem without changing our tax policy. Bill 46, CD1 can help fix this. Please keep it strong, do not water it down with too many exemptions or by requiring BFS to do rule-making.

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

Respectfully submitted,

Ellen Godbey Carson
Honolulu, Hawaii

Robert A. Gould
44-365 Kaneohe Bay Drive
Kaneohe, HI 96744-2664
November 18, 2024

To Honolulu City Council
Re: Bill 046(2024)

Dear Council:

OPPOSED

You are flogging a dead horse with this bill! It will most likely not stand the test of constitutionality and it will DEFINITELY not provide the revenue envisioned. It will end up being a negative revenue stream. Just give it up! You have not yet even properly defined the problem you are trying to solve, especially after the changes to the bill over the months.

You have addressed, at least (maybe) partially, two of my concerns, though Exception 16 is a bit confusing in its legalese.

Maximum tax: (e) Maximum empty homes tax. The empty homes tax for any residential property may not exceed $_____. This change is definitely needed, but the amount must be limited to no more than $6,000.

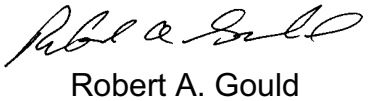
Exception 16: The residential property is owned, in whole or in part, by a resident of the State; provided that if the property also has a home exemption under § 8-10.3, the owner of the residential property may not claim an exemption under this article for any other property.

8-__.2 Empty homes tax.(c) is completely meaningless, as it is covered in 8-__.2 Empty homes tax (b)

If the maximum tax is set at a reasonable level as is the case in other cities (no more than $6,000) it would perhaps be accepted by owners of 2nd homes or investors and would at least reduce the number of lawsuits. But the exemptions and limitations have weakened the bill so much that your projected revenue will decrease so much that the added tax may not even cover expenses in the beginning. If the bill is REALLY designed to make more dwellings available for local renters or purchasers, the revenue will drop if the bill is effective, but the administrative costs will remain.

Finally, at least two council members have expressed a desire to lower home prices so they can afford to buy a home. They should recuse themselves from the vote due to conflict of interest. In fact it is my opinion any council member who does not own a home should recuse themselves.

Sincerely,



Robert A. Gould
(808) 254-5242
bob.gould@stanfordalumni.org

Members of the Council I submit this statement in opposition to Bill 46 (2024)

I incorporate by reference by prior testimony before this Council on August 16, 2024 @ 05:23 PM

Primarily I request that Bill 46 not be approve or that Ko Olina be exempt from this ordinance in its entirety. Ko Olina was developed as a resort community where transient vacation rentals were to be permitted. The Department of Planning and Permitting for the City and County of Honolulu has recognized this.

When negotiating with the City and County Land Use Commission ("LUC") the Office of State Planning (1 copy) and the City & County of Honolulu Department of Planning and Permitting, Ko Olina Development, LLC was required to provide moderate and low income housing. The Government required:

> 'Petitioner shall provide housing opportunities for low and moderate income Hawaii residents prior to assigning or transferring its fee simple interest to be acquired in the Property by offering for sale, on a preferential basis on its own or in cooperation with either or both the Hawaii Housing Authority and the City and County of Honolulu, a number of residential units equal to ten percent (10%) of the residential units, plus ten percent (10%) of the resort residential condominium units not operated as full-service hotel facilities to be developed on the Property, or in the alternative on other land to be acquired by the Petitioner, to residents of the State of Hawaii of low or moderate family income as determined by standards promulgated by the Hawaii Housing Authority and/or the City and County of Honolulu from time to time. The preferential residential units shall be offered for sale at prices not exceeding prices that enable such purchasers to qualify for and obtain State-assisted financing (e.g. Act 105 or Hula Mae) or Federally-insured or assisted financing (e.g. FHA Section 245 Program) intended to encourage home ownership for low and moderate income families.

Pursuant thereto Ko Olina Development, LLC complied with the development and sale of 136 affordable multi-family townhomes at Westloch Fairways and 256 affordable multi-family townhomes at Kulalani Village and Pae Ko Gardens within Villages of Kapolei 5 and 6, at prices 80% of median income and below.

Ko Olina has developed 392 units for the benefit of low to moderate income families. Clearly the current owners stand in the shoes of the developer since the cost associated with the low-income housing was clearly passed on to the current owners. Now for the City and County to come back and place additional restrictions on the people of Ko Olina would appear to be unfair. The owners of Ko Olina purchased their units in good faith knowing that they could live there part-time and rent the units when not occupied by the owner. I personally would like to have my unit rented for the entire time that I am off island but is not that simple. To do that one must obtain the rentals. While it may be possible for me to rent the unit for 6 months of the year if I come to Hawaii for 4 months each year as I planned when I purchased the property, then that would mean that I would need to rent the unit for 6 of the remaining 8 months or will be fined. That would be difficult. This is not fair.

Should this Council disregard my plea not to pass this Bill or refuse to exempt Ko Olina I make the following requests. By suggesting these changes please do not make the assumption that I support the Bill with these changes. It is merely a small attempt to mitigate the harm that will be caused by this Bill becoming an ordinance.

1. Please amend the Bill to allow for a credit toward the six months stay to include months when the owner is present and for the time when the unit is rented for transient vacation rentals. For example if the owner is present for 4 months and the owner rents it for 2 months let that count as 6 months

   In that regard I would request that the following language be used at Exemptions paragraph 15.

   > The property is a bed and breakfast home or a transient vacation unit that is utilized by the owner and/or transient occupants for compensation for an aggregate total of six months or more in the tax year and is operating in compliance with all applicable laws.

2. The summary of proposed committee draft provided the following language at Exemptions 15:

   > The property is a bed and breakfast home or a transient vacation unit that is provided to transient occupants for compensation for an aggregate total of six months or more in the tax year and is operating in compliance with all applicable laws.

   But the current Bill provides the following language:

   > The property is a bed and breakfast home or a transient vacation unit that is provided to transient occupants for compensation for not less than six months in the tax year and is operating in compliance with all applicable laws.

   Why the change?

   It cannot be that it must be a consecutive 6 months since the Council has stated that the meaning of transient vacation unit has the same meaning as defined in § 21- 10.1. Section 21-10.1. provides that the definition of a transient vacation unit is:

   > A dwelling unit or lodging unit that is advertised, solicited, offered, or provided, or a combination of any of the foregoing, for compensation to transient occupants for less than 90 consecutive days, other than a bed and breakfast home, timeshare unit, or hotel unit. For the purposes of this definition:
   >
   > (1) Compensation includes but is not limited to monetary payment, services, or labor of transient occupants; and
   >
   > (2) Month-to-month holdover tenancies resulting from the expiration of long-term leases of 90 consecutive days, or more are excluded.

Since “transient vacation units” means less than 90 consecutive days it is a contradiction to require six consecutive months. As a result that cannot be the meaning. I request that you reinstate the language “for an aggregate total of six months or more in the tax year and is operating in compliance with all applicable laws.”

If you refuse to exempt Ko Olina, and refuse to use the language following language I proposed above then please incorporate the language from the summary of proposed committee draft which reads as follows:

> The property is a bed and breakfast home or a transient vacation unit that is provided to transient occupants for compensation for an aggregate total of six months or more in the tax year and is operating in compliance with all applicable laws.

Mahalo

Edward F. Humphries

Support for Bill 046(24) CD1 – Empty Homes Tax
Committee on Budget
Thursday, November 21, 2024, at 1:00PM

Aloha Chair Cordero, Vice Chair Weyer, and members of the committee:

I am submitting testimony in STRONG SUPPORT for Bill 46 (2024) - CD1, which creates a supplemental "empty homes tax".

Honolulu is facing a dire affordable housing crisis. Too many families, kupuna, and young people are being pushed to the brink—living paycheck to paycheck, unable to afford rent, or being forced to leave Hawaii altogether. According to UHERO, in 2022 over 11,000 more Hawaii residents left for other states than moved in. Over 80 percent of Honolulu renters are cost-burdened, spending at least 30 percent of their income on housing. By 2023, only 20 percent of local households could afford a mortgage on a median-priced single-family home.

Our current property tax policies fail to prioritize housing for Hawaii's residents. An Empty Homes Tax is a critical step towards fixing this issue, discouraging property owners from underutilization of housing for non-long term housing purposes, and generating revenue to increase the supply of available housing to better meet local demand.

I urge you to support Bill 46 (2024), **keep the legislation effective, and dedicate 100% of tax revenues to the Affordable Housing Fund, affordable housing initiatives, and homelessness solutions**.

Our housing crisis needs bold action, not half measures. The number of excessive exemptions and reduction in tax rates significantly reduces the tax base and signals the prioritization to protect wealthy homeowners' investments over housing Oahu's residents. We need a robust source of funding to support our community's housing needs. Any benefits the empty homes tax may have in discouraging speculative investment will not be sufficient. We need dedicated investments in a diverse array of affordable housing units and homeless services to ensure all our community members can be provided for.

We are concerned that the proposed amendments to the empty homes tax will render it ineffective. Specifically, we oppose any changes that reduce the revenue generated for affordable housing. Further reducing the allocation from 50% to 20% without ensuring proper use of the remaining funds, such as direct allocation to the Affordable Housing Fund, risks diverting crucial resources away from housing initiatives. The proposed exemptions are overly broad, allowing numerous properties to remain vacant or underutilized and enabling indefinite tax evasion. Many of these exemptions seem designed to protect wealthy homeowners and their properties profitability. Finally, removing the specified tax rates risks failing to generate enough revenue to address our housing crisis and capping the tax at a flat rate instead of a percentage of assessed value disproportionately benefits the wealthy and undermines the tax's deterrent purpose.

I urge you to reconsider these amendments to ensure Bill 46(24) CD1 remains an effective tool for addressing our housing crisis and dedicating 100% of revenue to affordable housing and the Affordable Housing Fund.

Mahalo for the opportunity to testify,

As your constituent, I strongly oppose Bill 46 (2024) CD1. I find coaxing residents into selling or renting their property is clearly not a solution to our housing crisis. If anything, it may be harmful than helpful, and I humble ask you reconsider proceedings with this Bill as it may affect the people that you serve in your communities.

First, I find this Bill misleading, as the purpose of this Bill is to help our homelessness, creating affordable housing and funding affordable housing, is clearly not the goal.

Suggesting this Bill is a solution to homelessness is far from a reality, it's like saying the rail was a solution to our traffic problems. Most of our homelessness have mental health problems and need treatment, others need a good paying job to afford any type of housing.

I understand we have a shortage of housing inventory, but even with owners selling or renting out their homes, the listing price will still be out of reach for our residents who live on a fixed income here.

Coaxing homeowners to rent or sell their property or be subjected to an excessive property tax hike, of which only 20% percent of the proceeds will go towards the purpose of this Bill, is misleading to the public. While 80% of the proceeds will be contributing to the general fund and not be helping the housing crisis. If this Bill passes 100% OF THESE FUND should go to the purpose of the bill.

In all fairness, homeowners with second homes here will be affected and shouldn't be forced to sell or rent their home. Obviously, we have a problem with foreign investors buying property here on Oahu, but this Bill will also be affecting residents who own family homes in Hawaii. Even former President Obama has a second home here too.

Find better solutions, work with homeowners, make a tax incentive program for homeowners to want to rent out their properties. Work on the Department of Permit and Planning department and outsource work to licensed contractors for faster permit turnaround time for more building of Ohana homes.

Working with the Federal government to insure they house more military families on military bases instead of in our local rental market, this problem also contributes to rent increase as the military families get a large housing allowance.

I am humbly asking for your NO vote on Bill 46, and create better solutions for the housing crisis.

Mahalo,

Marissa Delaforce

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 analyzing these types of proposals.

I work hard and contribute to Hawai‘i’s economy through my purchasing power, taxes and through the labor I provide in the nonprofit sector and as a freelance artist and designer. Even though I am paid comparatively well, I still need that extra side-hustle to make the math work on the bills. I moved to Pālolo after graduating from the University of Hawai‘i at Mānoa, and came to love it dearly. It had everything I felt I needed at the time: proximity to my place of work downtown, access to the Kaimukī businesses I loved to patronize as well as Waikīkī’s beaches. And it was, at the time, affordable.

Two years ago, I was renting the back half of a funky 1950s home on 9th Avenue. The owners, a lovely, multi-generational family from China with both kūpuna and several young keiki, lived crammed into the front half. There was literally a makeshift, wooden barrier erected in the middle of the hallway connecting the two halves.

Despite its funkiness, I loved living there. And during the nearly 4 years I lived there, not once did they raise our rent. They were getting ready to welcome the final contingent of their immigrating family members, and had worked hard to earn enough financial stability to no longer need our rental income when they asked me to move out so they could expand into the back half of their own house. Of course I said no problem. They gave me the 45 days, and any additional time I needed and prorated the rent, and so I set off trying to find a new place to live in Pālolo.

I could not find a single home that was anywhere near as affordable as that place. I was quite literally priced-out of Pālolo. I expanded my search to encompass the entire eastern half of the urban core out to ‘Aiea and Pearl City, and still could not find a suitable apartment that was comparable in quality as well as price. Out of necessity I moved back to the windward side of O‘ahu, where I grew up. Even here, I wasn’t able to find an affordable place in ‘Ahuimanu where I grew up. Instead, I am—as Senator Keohokalole affectionately joked with me once in an elevator—“way out there in the boonies” of Kahalu‘u, past Ka‘alaea Stream, practically in Waikāne.

Senator Keohokalole and I both agree it’s beautiful out here. But it *is* extremely rural. If I did not have a job(s) that allowed me to work (mostly) remotely these days, I would struggle to live this far outside the urban core and live my life and contribute in Hawai‘i. The mental and physical cost in commute time alone would be enough to make me seriously consider leaving. Adding the transportation costs of a hardcore commute into town 5 days a week would be

overwhelming. 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 Kāne‘ohe Bay to buy groceries, I see far more people experiencing homelessness than I ever saw while growing up in the area. The mental health and drug abuse problems that are a direct result of living unsheltered have gotten worse everywhere.

These are the twin symptoms of our housing crisis: homelessness, and the drain of Hawai‘i's working professionals and brightest students out of the islands. This crisis is robbing us of our future. Not just each of our individual futures, but our collective future. If we allow this crisis to continue unabated, we will truly have failed as a society. I urge the committee to take every available opportunity to prevent that from happening by adopting the strongest possible version of this bill, inline with Appleseed’s recommendations and the calls from the community advocates that have been grassroots lobbying you over the past month or two.

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.

Profit motives to invest in Hawai‘i housing and leave them vacant, or to rent them out as Short-Term Rentals are nowhere near as important as solving our housing crisis. There should not be a single person living unsheltered in our society. There is no reason for it. We have the resources and the tools available to put some kind of roof over the heads of every person living unsheltered, and in fact we would save money and resources by doing that, because mental health problems, drug problems, emergencies, crime and all that comes with it are far more costly.

A strong Empty Homes Tax is one of the tools available to you, but it has to be free from loopholes. Resist the special interests asking you to water this down until there is nothing left to enforce. It’s time to prioritize O‘ahu’s housing for O‘ahu’s residents. I urge you to support Bill 46 (2024).

11/19/2024

Aloha Budget Committee & Housing Committee,

RE: Bill 46 (24) CD2

I am writing in support of Bill 46 (24) CD2 which creates a separate classification for empty home rather than a supplemental tax and includes more exemptions that protect Resident second homeowners. I support the definition of occupancy is the combination of an owner, renter, or permitted occupant to attain the six-month minimum. This will ensure availability of month-to-month housing for residents, traveling nurses, new residents in transition, students, etc.

Thank you for your time.

Denise Freund
General Manager, Ala Wai House LLC
263 Kaiulani Ave/2411 Ala Wai Blvd
Honolulu, HI 96815
denise@alawaihouse.com

November 19, 2024

To: **Honolulu City Council Budget Committee**
Committee Chair Radiant Cordero, Vice-Chair Matt Weyer
Esther Kiaʻāina, Calvin K.Y. Say, and Augie Tulba

Comments regarding Bill 46 CD1 (2024)

Strong concerns with Bill 46 CD1 (2024)

As an Oahu Housing advocate, I had publicly supported the original version of Bill 46. But now I have grave concerns; I firmly believe the CD1 of Bill 46 will have significant unintended negative consequences that will cause more harm than good for Oahu's residents.

Bill 46 CD1 will motivate empty home property owners to rent their residential zoned properties to vacationers and NOT residents.

The approved CD1 modified the original Bill 46 to allow 30-day rentals to be included in the number of days that qualify for a rental to be exempt from the empty house tax. After passage of Ordinance 22-7, Federal Court Derrick Judge Watson ruled that non-permitted vacation rental property owners can legally have vacationers sign a 30-day rental agreements and those vacationers are allowed to occupy the property for any period of time during those 30 days. So, the new vacation rental business model for non-permitted short-term rentals is to have all vacationers sign a minimum 30-day rental agreement regardless of how long they stay.

It's my steadfast belief that the vast majority of empty home property owners will convert their properties into non-permitted vacation rentals that are rented once every 30 days and up to 12 times a year in order to avoid the empty home tax.

It's very telling that now the vacation rental industry is in very strong support of the CD1 for Bill 46 when previously they were not!

The bottom line is the majority of renters who rent a home for only 30 days on are not actual residents but vacationers from out of state! Allowing 30-day rental periods will not promote more permanent housing for residents as Bill 46 is intended to do!

I strongly recommend that the City Council return the original language that required rental periods to be no less than 90 days:

(2) The dwelling unit is the principal residence of a renter or other permitted occupant of the property for at least six months in the tax year. Two rental or occupancy periods may be aggregated for the calculation of the six- month period; provided that any rental or occupancy of the dwelling unit for a term that is less than three months cannot be counted toward the six month period;

Thank you for your consideration.

Stu Simmons
Oahu Resident

November 21, 2024

COMMITTEE ON BUDGET – SPECIAL MEETING
Chair, Councilmember Radiant Cordero; Vice Chair Matt Weyer and Committee Members
Public Hearing, November 21, 2024, 1:00 p.m. City Council Chambers, Honolulu Hale

TESTIMONY OF WILLIAM ANONSEN
BILL 46 (2024), CD1 - REAL PROPERTY TAXATION
OPPOSE BILL IN ITS CURRENT FORM - OFFERING CONCERNS AND COMMENTS

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 (2024) CD1 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 Homeowners: 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 (2024) CD1

Sincerely,

William F. Anonsen
Honolulu, Hawaii, 96814

Aloha Councilmembers,

My name is Piper Neri, and I am a student at UH Manoa and a resident of Honolulu deeply concerned by the cataclysmic strain put on our community due to the escalating housing crisis. I am writing to express my strong support for Bill 046, the proposed empty homes tax. This legislation is a necessary and timely solution to our city's most urgent problem: the lack of affordable housing for local families. Now, more than ever, a bold and innovative measure is needed to ensure that Honolulu remains a beautiful destination and, more importantly, a sustainable and accessible place for its residents. Bill 046 is a critical step toward preserving the integrity of our community and ensuring that homes remain places of refuge, not merely an investment vehicle.

Our housing market is in a state of severe imbalance, as Honolulu consistently ranks among the most unaffordable markets in the country. The median price of housing has been rising far faster than median incomes, a trend we've recognized for decades yet have failed to address effectively. This disparity has forced residents out of the neighborhoods they grew up in, for they cannot afford either renting or owning a home. Meanwhile, thousands of homes remain vacant, held by absentee owners and speculators, while hardworking families search in vain for a house they can afford. The prevalence of these empty homes in such a desperate housing environment is not only unjust but entirely preventable.

Bill 046 offers a pragmatic and timely solution by incentivizing owners of empty homes to either rent or sell their properties. By bringing these empty homes back into use, we can swiftly increase the available housing stock for residents —without the lengthy delays tied to new construction or the need for government subsidies. This bill targets the housing shortage directly, bypassing the standard obstacles that often slow down other housing initiatives.

One of Bill 046's most prevailing aspects is its commitment to economic accountability. Many high-end homes are purchased and left vacant as long-term investments, driving up property values without contributing to the local housing supply. Implementing this tax creates a powerful incentive for these owners to rent or sell their properties, making more homes available to local families. This measure also helps to redirect the focus of our housing market away from speculative investment and toward fostering livable, sustainable communities for residents.

For far too long, profit has taken precedence over the well-being of our community. We have allowed wealthy speculators and absentee owners to use their power of "access" to manipulate the housing market, distorting it to benefit the few at the expense of many. This broken system has failed Hawai'i's people and economy, and it's time we recognize it for what it is. If you genuinely care about Honolulu's future and are committed to making a meaningful impact as a public servant, please pass the Empty Homes Tax Bill. Investing in our people and communities is the only way to address this unjust, corrupt housing crisis. It's time to build accountability back into the system. Passing Bill 046 is a crucial, proactive step toward supporting local families, protecting our neighborhoods, and securing a more equitable housing future for all of Honolulu.

Ronda Ching Day
Honolulu, Hawaii. 96822
aloharonda@live.com

Date: November 19, 2024

Honolulu City Council
530 S. King Street
Honolulu, HI 96813

Subject: Testimony in Opposition to Bill 46

Dear Honolulu City Council Members,

I am writing to express my strong opposition to Bill 46, which proposes an "Empty Homes Tax" on residential properties unoccupied for more than six months annually. While I understand the intent to address Honolulu's housing challenges, this bill is fraught with practical, legal, and economic issues that could harm local residents and property owners.

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1. **Consideration of Local Circumstances**
2.
The bill includes exemptions for specific scenarios, such as supervised care requiring extended absences from the home. While this Bill might technically cover certain situations (showing proof of medical care), the exemption process itself is burdensome. Property owners would need to provide extensive documentation to qualify, adding unnecessary stress during already challenging times.

For example, consider an elderly individual who moves into a care facility for health reasons, or a home whose resident is an unlicensed caregiver, leaving the elderly's home temporarily vacant. The family of the kupuna may want to maintain the home for future use, whether to allow the individual to return home or to preserve it within the family. However, this Bill imposes penalties on these families during a time when their focus should be on caregiving, not navigating bureaucratic hurdles.

Families navigating elder care, medical needs, or temporary property transitions already face significant challenges. Adding administrative burdens for exemptions not only creates undue pressure but also increases the likelihood of errors or inequitable enforcement.

- **Family Support:** Families often purchase homes to support aging parents but do not reside in them full-time. For instance, siblings may live locally and provide primary care, while others use the home sporadically to assist. This bill penalizes these compassionate arrangements without fully considering their social and cultural importance.

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2. Financial and Economic Impacts
The proposed tax could impose undue financial burdens and create broader market instability:

- **Rising Costs Passed to Families:** Higher fees imposed on property owners will exacerbate the rising costs of living in Honolulu. Combined with increasing utilities, maintenance costs, and insurance premiums—some of which are projected to rise by 30%—families who are already stretched thin will face additional financial stress.

- **Outmigration and Economic Instability:** Hawaii has been experiencing significant domestic outmigration for years, long before COVID-19 or the Maui wildfires. Between 2019 and 2023, tens of thousands of residents left Hawaii each year due to the high cost of living and stagnant wages.

    - **2019:** Approximately **68,417 residents** moved to other U.S. states, with California, Texas, and Washington as the top destinations.

    - **2021:** Around **59,236 residents** left, with Texas, California, and Florida leading as destinations.

    - **2022:** Approximately **67,257 residents** relocated to other states.

This long-standing trend reflects the structural economic challenges facing Hawaii, where locals are increasingly priced out of their communities. Measures like Bill 46, which add financial strain to residents and property owners, risk accelerating this exodus, shrinking the population and weakening the state's economic stability.

- **Forced Sell-Offs and Market Devaluation:** Property owners unable to afford the tax may feel forced to sell, but with such high costs, local buyers are unlikely to step in. When properties sit unsold, prices fall, creating a domino effect that lowers property values across the board. This would reduce property tax

revenues, forcing the city to raise taxes on everyone, a counterproductive and avoidable outcome.

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3. Precedent of Legal Challenges to Similar Measures
In November 2024, the San Francisco Superior Court invalidated the city's "Empty Homes Tax," a measure approved by voters in 2022 to levy taxes on residential units left vacant for more than 182 days annually. The court's decision was based on several constitutional concerns:

- **Property Rights Infringement:** The court found that compelling property owners to rent out their units or face taxation infringed upon their fundamental property rights. This coercion was deemed unconstitutional, as it interfered with owners' autonomy over their property usage.
- **Due Process and Equal Protection Violations:** The tax was criticized for potentially violating due process and equal protection clauses by imposing penalties on owners who chose to keep their properties vacant, thereby discriminating against certain property owners without sufficient justification.

- **Preemption by State Law:** The ruling also highlighted that the tax conflicted with California's Ellis Act, which allows property owners to withdraw rental units from the market. The court determined that the local tax was preempted by this state law, rendering it unenforceable.

These legal issues are highly relevant to Bill 46. By restricting how property owners use their properties—including penalizing those who keep their homes vacant for personal or family reasons—this measure risks being interpreted as coercive and unconstitutional. Additionally, if the tax disproportionately impacts specific groups or introduces administrative inequities, it could face similar challenges for violating due process and equal protection principles. Any conflicts with Hawaii state law protecting property rights could further undermine its enforceability.

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4. Enforcement Challenges
The bill’s implementation is impractical and riddled with loopholes, raising concerns about fairness and resource allocation:

- **Exemption Management:** The bill includes 15 exemptions, ranging from renovations to medical care, each requiring documentation and verification. This adds an enormous administrative burden to a city already struggling with an 8,500-permit backlog. How can the city handle these exemptions while ensuring compliance?

- **Potential for Abuse:** Some property owners may exploit loopholes by artificially inflating utility usage or fabricating lease agreements to avoid the tax. These behaviors would undermine the bill's intent and highlight its impracticality.

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5. Overreliance on Simplistic Solutions

The assumption that this tax will incentivize property owners to rent or sell ignores the complexities of the housing market. Properties may remain vacant due to ongoing renovations, legal disputes, or family considerations, such as preserving the home for future use. Incentivizing homeowners to utilize their properties in ways that align with family or community needs—through tax credits or similar measures—would avoid penalizing those facing personal or financial challenges.

6. Elevated Cost of Living in Hawaii

Hawaii's cost of living is significantly higher than the national average. With a cost of living index of 193.3, Hawaii ranks as the most expensive state, nearly double the U.S. average (100). Essential expenses such as food, utilities, and insurance are considerably more costly, adding to the financial burden on residents. For locals already grappling with high living expenses, an additional tax on vacant homes would only deepen this strain and further drive residents out of the state.

7. Supporting Higher-Income Industries for Residents

Honolulu should focus on fostering industries that provide higher incomes for local residents, enabling them to better afford rising costs for necessities such as food, insurance, electricity, and water. By supporting growth in sectors like green energy, technology, healthcare, and sustainable tourism, Honolulu can create stable, high-paying jobs for locals. Instead of adding tax burdens, focusing on job creation and income growth is a sustainable solution to address the underlying financial challenges facing Honolulu's residents.

Conclusion

Bill 46, while well-intentioned, adds yet another financial strain to residents already struggling to make ends meet in one of the most expensive places to live in the country. Locals face exorbitant food prices (more than 60% higher than the national average) paired with rising costs for utilities, insurance, and housing. Yet incomes have stagnated, leaving families unable to keep pace with these increasing expenses.

Penalizing property owners with additional taxes will only deepen this financial crisis and drive more people to leave Hawaii in search of economic stability elsewhere.

The failure of San Francisco's similar measure underscores the need for Honolulu to take a more thoughtful, legally sound approach. **By addressing the root causes** of the housing crisis, such as rising costs, stagnant income growth, low wages and household incomes, slow permit process, as well as, limited housing supply without resorting to punitive measures, **the City can work toward equitable solutions that respect property rights and support residents**.

Thank you for considering my testimony.

Sincerely,
Ronda Ching Day
aloharonda@live.com

Jeffrey Laurent
44-363 Kaneohe Bay Dr.
Kaneohe, HI 96744
jeffrey.laurent@hotmail.com
908-202-3569

November 20, 2024

Opposed to Bill 46

Dear City Council Members,

This note is in addition to the letter which was sent by me directly to each Council Member and to the mayor's office on November 10th, 2024. I do hope that each Council Member had the opportunity to read that note which provided important information about how a similar bill was overwhelmingly defeated by referendum in S. Lake Tahoe on Election Day by a 4:1 margin as it was viewed as unfair to second homeowners, would hurt local business, and was not viewed as actually resolving their similar issues with affordable housing.

The note also provided detailed information on how property taxes in New Jersey, which was raised by Chairman Waters, are misunderstood. Specifically, using my town of Bridgewater, NJ as an example, 67.8% of the property taxes are for local school expenses. Without these, the amount of property tax is on par or less than in the City and County of Honolulu. It is of great concern that policy for the City and County of Honolulu is being formulated using other states as examples while having significant misunderstandings of how taxes are applied elsewhere.

In the material circulated in preparation for the meeting on November 21st, 2024, it is clear that there is still extremely limited information about the details around the affordability issues on Oahu, the specifics around so-called empty homes, details around revenue expected, details about costs and how they will be handled if revenue does not cover the costs, and how, if there is any leftover revenue after costs, the funds will be used. It is not at all clear that this bill will accomplish anything in resolving the affordable housing crisis which really requires building and other creative solutions. I covered some ideas in my letter of November 10th.

With the numerous suggested changes on the agenda for November 21, it is clear the bill is being pushed through the Council without clarity about many details. It seems very premature to be at the Budget Committee level with so much up in the air.

What is clear is that the bill demonstrates outright **prejudice** toward out-of-state second homeowners while every effort is being made to allow Hawaii residents with second homes to be exempted from the bill. For a state that depends so much on the aloha spirit to attract tourists from around the world, it is unfortunate to witness first-hand the contempt for out-of-state homeowners that in many cases wish nothing more than to enjoy the homes they have been fortunate to purchase if this enjoyment doesn't cover over six months per year. It is sad to see that personal property is somehow being

effectively treated as public property to be used to resolve public problems, but only by out-of-state second homeowners.

As out-of-state homeowners with Residential A property tax status, we already pay more than 2.25 times in property taxes than those with a local property tax exemption. This premium already amounts to much more than the $6,000 annual cap that has been applied in the few locations that have similar bills or that was proposed in S. Lake Tahoe. There are legal challenges elsewhere that have yet to be adjudicated. The Residential A status is already significantly penalizing out-of-state second homeowners and that is already more than enough. Going in for another bite of the low-hanging apple should not be pursued

The proposals in Bill 46 are beyond unreasonable and beyond fair to anyone. It is time to recognize the unfairness of Bill 46 and to not abuse the power of your votes in pushing through such an unfair bill.

Sincerely,

Jeffrey Laurent

Shaun Campbell

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

November 20, 2024

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

RE: STRONG SUPPORT for Bill 46 (2024) CD1: The Empty Homes Tax—Ensure Its Effectiveness!

Aloha e Chair and Members of the Budget Committee:

I am writing to express my strong support for Bill 46 (2024) CD1, the Empty Homes Tax, while urging the Council to resist proposed amendments that would seriously compromise the bill's effectiveness. This initiative represents a vital step toward addressing Honolulu's urgent housing crisis by discouraging property vacancy and generating much-needed revenue for affordable housing and homelessness services. However, as it stands, the watered-down amendments threaten to undercut these objectives and prioritize the interests of wealthy property owners over the needs of O'ahu's residents.

First, the proposed reduction in affordable housing revenue allocations from 50% to 20% is deeply concerning. This shift significantly diminishes the potential impact of the tax and risks diverting funds away from critical housing initiatives. Without safeguards to ensure the proper use of these revenues, we jeopardize the very goal of this legislation: increasing housing availability for those who need it most. I urge the Council to restore the original 50% allocation or, better yet, dedicate *100% of tax revenues* to affordable housing and homelessness solutions.

Second, the introduction of excessive and overly broad exemptions to the tax base allows properties to remain vacant or underutilized,

perpetuating the very problem this legislation seeks to address. These exemptions overwhelmingly benefit wealthy homeowners, enabling them to profit from property appreciation while leaving homes empty. This undermines the deterrent effect of the tax and signals a prioritization of speculative investments over the urgent housing needs of our community. I implore the Council to remove unnecessary exemptions and ensure the tax applies broadly and equitably.

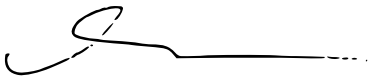
Lastly, eliminating originally specified tax rates and imposing a flat rate cap are regressive changes that disproportionately benefit wealthier property owners. By capping the tax at a flat rate rather than as a percentage of assessed value, these amendments erode the revenue-generating potential of the tax and reduce its deterrent effect. Honolulu deserves a tax structure that is fair and capable of producing the substantial revenues needed to meaningfully address the housing crisis.

Prioritize people over profits. We cannot afford half measures. Diluting Bill 46 with exemptions, reduced rates, and revenue diversions sends a clear message: that protecting the profits of wealthy homeowners takes precedence over housing our residents. This is unacceptable.

Honolulu's housing crisis will not solve itself, and the private market has proven insufficient in addressing the needs of our community. We need bold, dedicated investments in affordable housing and homelessness solutions, and Bill 46 provides a crucial opportunity to secure those funds. I urge the Council to ensure that all revenues generated by this tax are directed toward affordable housing and homelessness services.

Do not let this bill become a watered-down gesture. Make it a meaningful, impactful tool for addressing Honolulu's housing crisis and helping our residents. The stakes are too high for anything less. Thank you for your attention and commitment to serving the people of Honolulu.

Mahalo piha,



Shaun Campbell

Citizen Advocate

LEAGUE OF WOMEN VOTERS® OF HONOLULU

Statement Before The
Committee on Budget
Honolulu City Council
Special Meeting, Thursday, November 21, 2024
1:00 PM
Via Video Conference and City Council Chamber

in consideration of
BILL 46 (2024), CD1

RELATING TO REAL PROPERTY TAXATION.

Chair CORDERO, Vice Chair WEYER, and Members of the Budget Committee

The League of Women Voters of Honolulu (LWV HNL) **supports** Bill 46, CD1, addressing the taxation of vacant residential properties in the City and County of Honolulu.

LWV HNL is a nonprofit, nonpartisan, grassroots organization dedicated to promoting democracy. We believe that democracy thrives only if citizens play an active role in government oversight. Some of the most effective and enduring ways to engage citizens is through advocacy on critical issues, and there is none more critical than adequate shelter for our fellow citizenry.

It is indisputable that Oahu has an affordable housing shortage crisis.[1] This is caused by extremely low wages and low inventory of affordable homes.[2]

Bill 46, CD1 seeks to remedy this imbalance on Oahu. The LWV HNL respectfully requests that Bill 46, CD1 be amended so that the tax revenues collected from an empty homes tax be reserved for affordable housing and homeless solutions and **not** placed in the general fund. The housing crisis and our houseless population are the foreseeable consequences of an imbalanced housing market – not general budgetary shortfalls – to be redressed by Bill 46, CD1.

Thank you for the opportunity to testify in support with suggested amendments on HB 46, CD1. If you have questions for me, please contact me as directed below.

In League,

Sandy Ma (she/her)
President
League of Women Voters of Honolulu

[1] https://www.honolulu.gov/tod/zoning-policies/related-items/affordable-housing.html#:~:text=More%20than%2050%20years%20after,of%20the%20area%20median%20income. (retrieved Nov. 19, 2024).
[2] https://nlihc.org/housing-needs-by-state/hawaii (retrieved Nov. 19, 2024).

P.O. Box 235026 | Honolulu, HI 96823
Voicemail 808.531.7448 | my.lwv.org/hawaii | voters@lwv-hawaii.com

Annette Jang
46-140 Nahiku Street
Kaneohe, HI 96744
annettejang@yahoo.com
925-286-5089
Date: November 19, 2024

Honorable Radiant Cordero
Chair, Budget Committee
Honolulu City Council
530 S. King Street
Honolulu, HI 96813

Subject: Testimony in Opposition to Bill 46

Dear Chair Cordero and Budget Committee Members,

I strongly oppose Bill 46, which proposes an "Empty Homes Tax" on residential properties unoccupied for more than six months annually. While its intent to address housing challenges is clear, this bill is deeply flawed and would harm local residents and property owners.

Key Concerns:

1. **Burdensome and Inequitable Exemptions:**
   Families managing elder care or medical crises often leave homes vacant temporarily. They may not have the time or capacity to address the home until their loved one is settled or to manage the burdensome documentation required for an exemption. Many families plan to keep the home in the family or move back themselves, yet this bill penalizes them during already difficult times.
2. **Exacerbating Financial Strains on Residents:**
   Hawaii residents already face some of the highest costs of living in the nation, with food prices more than 60% higher than the U.S. average and utilities, sewer, water, and insurance costs projected to rise sharply. Penalizing homeowners with additional taxes will only deepen financial stress and force more locals to sell their homes or leave Hawaii.

Hawaii has been losing residents for years due to these high costs. In 2022 alone, over **67,000 residents** moved to other states, and this outmigration trend will only worsen under measures like Bill 46. Policies should help locals stay in Hawaii, not push them out.

3. **Failure to Address Income and Economic Stability:**
   This bill does nothing to increase local incomes or develop industries that offer higher wages. Without addressing the root causes of housing unaffordability—such as stagnant incomes and rising costs—Bill 46 will only create more economic strain for families.
4. **Administrative Chaos and Fiscal Irresponsibility:**
   The city already struggles with an 8,500-permit backlog, creating hardship for residents and businesses alike. Adding a new department to oversee this tax raises serious questions about fiscal responsibility. How will the city handle another layer of bureaucracy when it cannot even

manage existing responsibilities? What is the general fund being used for if not to address these critical infrastructure issues?

5. Precedent of Legal Challenges to Similar Measures

In November 2024, the San Francisco Superior Court invalidated its "Empty Homes Tax," citing:

- **Property Rights Infringement:** Forcing owners to rent out homes or face penalties was deemed unconstitutional and a violation of fundamental property rights.
- **Due Process and Equal Protection Violations:** Disproportionately penalizing certain property owners without sufficient justification was found to violate these principles.
- **Preemption by State Law:** The tax conflicted with California's Ellis Act, which protects property owners' rights to withdraw units from the rental market.

Bill 46 risks facing similar legal challenges, which could lead to wasted city resources and legal battles. Its vague criteria and disproportionate impact make it vulnerable to the same constitutional and legal concerns that invalidated San Francisco's law.

Conclusion:

Bill 46, while well-intentioned, will worsen Hawaii's housing and financial crises while failing to address the root causes of unaffordability. Locals are already burdened by rising costs and stagnant incomes, and this bill only adds to their hardships.

Rather than punitive measures, the council should focus on solutions that genuinely help locals stay in Hawaii—such as addressing rising sewer, water, and insurance costs, supporting higher-wage industries, and streamlining the permitting backlog. Adding more bureaucracy to an already strained system is neither fair nor fiscally responsible.

Thank you for considering my testimony.

Sincerely,
Annette Jang

Jose Lopez
46-140 Nahiku Street
Kaneohe, HI 96744
jlopez452003@yahoo.com

Date: November 20, 2024

Honorable Radiant Cordero
Chair, Budget Committee
Honolulu City Council
530 S. King Street
Honolulu, HI 96813

Subject: Testimony in Opposition to Bill 46

Dear Chair Cordero and Budget Committee Members,

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Hawaii has been losing residents for years due to these high costs. In 2022 alone, over **67,000 residents** moved to other states, and this outmigration trend will only worsen under measures like Bill 46. Policies should help locals stay in Hawaii, not push them out.

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Rather than punitive measures, the council should focus on solutions that genuinely help locals stay in Hawaii—such as addressing rising sewer, water, and insurance costs, supporting higher-wage industries, and streamlining the permitting backlog. Adding more bureaucracy to an already strained system is neither fair nor fiscally responsible.

Thank you for considering my testimony.

Sincerely,
Jose Lopez

JEFFREY GRISWOLD
502 N. KAINALU DR.
KAILUA, HAWAII

November 20, 2024

City Counsel
City and County of Honolulu

Subject: Bill 046(24)

To the Honorable Budget Committee Chair and Members,

I strongly support Bill 046. The high cost of housing in Hawaii is a function of supply and demand. The demand for housing by nonresidents has driven up residential real estate prices to the point that most Hawaii residents cannot afford to buy a home. Rental costs have also increased dramatically because many of the properties owned by nonresidents either remain vacant or are operated as illegal vacation rentals. On Oahu alone there are reportedly more than 30,000 residential units that are unavailable for long term occupancy by local residents because they are either vacant or operated as vacation rentals.

The proposed vacant house tax does not unfairly discriminate against nonresidents. It is a tax based on the use (or nonuse) of the property in question. Owners are free to use their properties as they chose but have no basis to complain if they pay a higher tax rate because their chosen use raises the cost of housing for the people that live here. Hawaii has some of the lowest property taxes in the Country. If someone can afford to own a home or condominium that is not owner occupied or rented on a long term basis, that owner can afford to pay higher property taxes. The increased revenue can defray the cost of subsidized public housing or pay for services that benefit Hawaii residents generally. Otherwise the exodus of local residents who can no longer afford to live here will continue.

Respectfully,

Jeffrey Griswold

GRASSROOT INSTITUTE OF HAWAII

1050 Bishop St. #508
Honolulu, HI 96813
808-864-1776
info@grassrootinstitute.org

Removing barriers to Hawaii's prosperity

Nov. 21, 2024, 1 p.m.
Honolulu Hale

To: Honolulu City Council Committee on Budget
Radiant Cordero, Chair
Matt Weyer, Vice Chair

From: Grassroot Institute of Hawaii
Ted Kefalas, Director of Strategic Campaigns

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

Aloha Chair Cordero, Vice-Chair Weyer and other members of the Committee,

The Grassroot Institute of Hawaii **opposes** Bill 46 (2024), CD1, which would create a so-called empty homes tax supplemental 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 increase the supply of homes by encouraging owners to rent or sell vacant homes and raise funds for affordable housing and homelessness.

First of all, the City and County of Honolulu has commissioned an expensive, half-million-dollar study on the feasibility of implementing an empty homes tax proposal. **The committee should defer acting on this bill until the study is completed.**

Beyond that, Grassroot opposes Bill 46 for the following reasons:

>> An empty homes tax would create major administrative headaches for the Department of Budget and Fiscal Services and would invade the privacy of city residents.

>> Research does not indicate empty homes increase housing prices or rents.

>> Empty homes do not consume a large number of public services.

>> There are better, proven ways to increase housing supply.

>> The proposed empty homes tax surcharge would ultimately be just another tax increase that risks unforeseen economic downsides for Honolulu's economy.

However, if the bill is to move forward, the committee should adopt the part of Councilmember Calvin Say's amendment that would put a to-be-determined cap on the total tax bill charged under the empty homes tax.

The committee should also adopt Councilmember Esther Kiaʻāina's amendment to exempt second homes owned by Honolulu property owners who have a homeowner exemption on their primary residences.

As for the wording of the bill in its current form, a major issue is definitional. In other words, 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."

Basically, Bill 46's 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.

It then lists 15 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 reasons.

But the number of exemptions can vary, as shown by the variations in other jurisdictions that have been experimenting with such a tax,[1] 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.

The bill currently states that the department would be required to mail a form to all owners of residentially zoned properties on Oahu for the owners to declare whether their homes are empty as defined by the bill.

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[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.

Further, the bill would empower the department 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."

Privacy concerns aside, the magnitude of all this required paperwork, investigation and enforcement would be enormous. For fiscal 2025, there are 251,787 parcels in Honolulu's Residential class and 28,058 in its Residential A class.[3] This doesn't count short-term rentals or bed and breakfasts that might exist in residential zones.

The department would not have to review each of these properties every year, but it seems reasonable to ask whether it 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 tax.

And consider how this might affect homeowners who for some reason 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."

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

In addition, the bill says that anyone who fails to timely pay the empty homes tax would be subject to nonpayment penalties of 1% of the empty homes tax due, 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.

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[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.

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

Furthermore, empty homes already help subsidize other city services. They contribute property taxes to the city budget without requiring many services from police, water, sewer, fire or other other departments.

Moreover, there are effective ways to produce affordable housing. Grassroot discussed some of those ways in its December 2023 report "How to facilitate more homebuilding in Hawaii," which essentially recommends removing or updating the many state and county regulations that hinder homebuilding.

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

Please consider, too, that an implicit empty homes tax already exists as a function of the housing market.

The fact is that anyone who chooses 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 motivate them to act otherwise.

In addition, the surcharge would, after all, be a tax increase, diverting funds from the private sector to the city government, which could result in all sorts of undesirable, unforeseen economic consequences.

All things considered, the Grassroot Institute of Hawaii urges you to reject Bill 46 and instead focus on alternatives that have good track records for 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 Oct. 7, 2024.

HAWAI'I HEALTH
& HARM REDUCTION CENTER
The New Chapter for Life Foundation and The CHOW Project

To: Honolulu City Council

Hearing Date/Time: Thursday November 21, 1pm

Re: Testimony in Support of Bill 46, Empty Homes Tax

From: Heather Lusk, Hawaii Health and Harm Reduction Center

Dear Chair Cordero, Vice Chair Weyer and Members of the Budget Committee:

The Hawaii Health & Harm Reduction Center (HHHRC) strongly **supports Bill 46** which would create a supplemental property tax to help address the City's dual crisis of homelessness and lack of affordable housing. As you know, we now have more Native Hawaiians on the continent than in Hawaii, and had an increase in our homelessness Point in Time count for 2024. We desperately need more housing units at affordable costs for our community. Too many of us are already homeless, or one or two paychecks away from being homeless.

HHHRC's mission is to *reduce harm, promote health, create wellness and fight stigma in Hawaii and the Pacific.* We focus our efforts on those disproportionately affected by social determinants of health, including but not limited to: people living with and/or affected by HIV, hepatitis, substance use, and the transgender, LGBQ and the Native Hawaiian communities.

Homelessness and housing insecurity is the great crisis facing our islands – and we need the City Council to take bold and decisive steps to address this as outher counties have done. This bill will being much needed revenue to the City and County as well as encourage owners to rent their units to local families. Please prioritize our local people over affluent multi-home owners who are not vested in communities.

Thank you for the opportunity to testify.

Heather Lusk, Executive Director, Hawaii Health and Harm Reduction Center

Honolulu City Council
Budget Committee
Bill 46, Relating to Real Property Taxation

RE: Strong support of Empty Houses Tax November 21, 2024

The Council for Native Hawaiian Advancement (CNHA) writes in **strong support** of Bill 46. For too long, cost of living and high housing prices have pushed local residents out of their generational homes, with over half of all Native Hawaiians no longer living in Hawai'i. Multiple concurrent solutions are necessary to curb the housing crisis and this bill is a critical part of keeping Hawai'i, Hawai'i.

Housing is a foundational stone to many of the challenges that our families are facing. The 2019 housing gap study identified over 22,000 units needed on O'ahu for housing local families. The study also described a projected decrease in demand caused by out-migration. Put simply, local people are leaving Hawai'i largely because the cost of living is too high and housing is unachievable. Despite the demand, over 34,000 units sit vacant according to the U.S. Census.

The lack of available, affordable housing is particularly a major detriment to the Native Hawaiian community. On average, 14% of Native Hawaiians in the state live in crowded households, twice more than the state average and almost five times more than the national average. The number of crowded homes jumps to 21% when looking at just Native Hawaiian renters. Overcrowding is how many Native Hawaiians can afford their homes, but as prices keep increasing more people are being pushed out. It is imperative that we do everything in our power to keep our 'ohana home.

This is the third attempt by the Council to address vacant units in the past five years. We know that O'ahu residents want to see action taken to bring these units into housing for local families, and while the policy has always been sound, prior efforts have struggled with implementation. I applaud Chair Waters and Budget Chair Cordero not only for introducing this measure but also for the work done to find a pathway that the Administration can support implementation. We should be careful to not carve out so many exemptions that this bill becomes effectively meaningless, but can instead try to retain its full power to positively affect the lives and well-beings of low- and middle-income residents throughout the state.

This bill cannot be expected to solve the housing crisis, but it is indispensable as one of many solutions to increase affordable and diverse housing options and prevent further homelessness and displacement. We humbly ask that you **PASS BILL 46.**

E mālama,

Madelyn McKeague
Director of Advocacy

November 20, 2024

Trevor Nagamine
PO Box 37966
Honolulu, HI 96837
tnagamine.nb25@gmail.com

Councilmember Radiant Cordero, Chair
Committee on Budget
Honolulu City Council
530 S. King St.
Honolulu, HI 96813

RE: Bill 46 (2024) — Relating to Real Property Taxation

Dear Chair Cordero and Members of the Committee,

My name is Trevor Nagamine, and I am a resident of Mililani. I am also a member of Neighborhood Board No. 25 (Mililani/Waipio/Melemanu); however, I am submitting this testimony in my individual capacity, and this testimony does not reflect an official position of Neighborhood Board No. 25. I am writing today in support of Bill 46.

This bill would impose an additional real property tax on residential properties not used as long-term housing. While this bill alone will not solve the housing crisis on this island, it is a vital and necessary step in disincentivizing the use of residential properties as vacation units for tourists.

I respectfully ask that if the committee votes in favor of advancing this bill that it not include any exemptions for second homes owned by O‘ahu residents, which is part of several proposed CD2 drafts being considered by the committee. Local residents who purchase residential property for investment are no different from out-of-state investors with the same objective and intent. The end result, regardless of where the investor lives, is that scarce homes are accumulated by wealthy individuals and families in need of a home are further deprived of an oppurtunity to obtain a home of their own.

Thank you for your time and attention to this matter.

Mahalo,

Trevor Nagamine

Hawai'i YIMBY
Honolulu, HI 96814
hawaiiyimby.org
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Wednesday, November 20, 2024

Honolulu City Council
Committee on Budget
530 South King St.
Honolulu, HI 96813

RE: COMMENTS for Bill 46 (2024), all proposed CD2 - Relating to Real Property Taxation

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

On behalf of Hawai'i YIMBY, I'm writing with **comments** on Bill 46 (2024) and the proposed CD2 amendments.

We **support** the intent of an Empty Homes Tax that effectively incentivizes property owners to use their residential property to its most beneficial use in the community and funds the building of more affordable housing. In the midst of a housing shortage, shifting underutilized homes towards uses like long-term rentals or owner-occupied primary residences, can make an impact, coupled with supply-side efforts to increase new housing supply.

We **oppose** Chair Waters and Councilmember Kia'āina's proposed CD2 amendments which would exempt second homes owned by residents from the Empty Homes Tax. This tax should be applied equally to all property owners, regardless of when they purchased the property or where they live or work. The use of the property should be the focus, not the status of the property owner.

We **support** that the tax revenues from the Empty Homes Tax would partially be deposited into the City's Affordable Housing Fund, into the general fund and for the

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administration of the tax. **However, we believe that more tax revenue should be dedicated towards building more housing supply and addressing homelessness.** As currently written, 45% of the tax revenue is not specifically designated to a fund or for a certain use. More of the tax revenue should be designated towards (1) the affordable housing fund, (2) increasing the city's supply of affordable housing for persons earning 140% or less of AMI, and (3) addressing homelessness. Additionally, any appropriate guardrails to ensure that funds are used correctly and effectively should be implemented for the designated funds.

Hawai‘i YIMBY (Yes In My Backyard) is a volunteer-led grassroots advocacy organization dedicated to supporting bold and effective solutions for Hawai‘i's housing crisis. We urge your thoughtful consideration on this bill, and thank you for the opportunity to testify.

Mahalo,

Damien Waikoloa

Chapter Lead, Hawai‘i YIMBY

Written Testimony:

Hello, my name is Maile Skinner. I was born and raised on Oahu's 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 generations.

As a young local person living in Hawaii who is part of the middle class, I've seen how difficult it is for people my age to imagine a future of being able to buy a home in Oahu. At this point, owning a home in Oahu feels like an unattainable dream; we don't even stand a chance. You have to have millions of dollars to buy a home in Oahu. Many of my friends talk about how difficult it is to afford monthly rent, and many feel forced to move away. I've had numerous young friends, both locals and Native Hawaiians, who faced or were forced to relocate to Vegas or Arizona due to unattainable rents and housing prices. One of my closest high school best friends, Kaiaka Bajo, had to move because of the housing prices and the lack of available and cost-friendly units. Born and raised on the North Shore, Kaiaka Bajo, a native and local, found herself priced out of paradise. Immediately after graduating from high school, Kaiaka Bajo fled to Vegas due to the inability to afford rent in her hometown. She had to leave her family and Oahu behind for the sake of her survival and well-being.

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. Our housing markets are extremely inflated. Despite the fact that this is our home, we desire to remain in our birthplace and maintain our familial ties and cultural lineage. The cost of housing appears to be driving away more and more locals. And personally, based on what I've seen, it seems like everything (housing, rent prices, basic necessities, etc.) 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 vacant units on Oahu remain occupied by absentee owners, the majority of whom 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, and causing prices to rise. We young locals and students 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. Like many other kids my age, I personally aspire to own my own home in Hawaii in the future. 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. The thought of potentially having to leave my home one day due to the exorbitant costs of housing brings me immense sadness. I've had the experience of being homeless and living in my car for one month a few years ago.

This tax money could significantly contribute to affordable housing for the middle class. We could set the tax rate at 1% for the first year, 2% for the second year, and 3% for the subsequent years. Hawai‘i Appleseed recommends a flat tax of 3–5 percent on empty homes. The potential revenue from this tax could range from $183.40 million to $305.67 million annually, providing funding for affordable housing and addressing 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. Using empty property would also be cost-efficient and environmentally friendly, as it would eliminate the need for 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 young locals, students, and Native Hawaiians get pushed out due to the housing crisis? 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 faraway dream for me. The same is true for numerous individuals in my generation. Should Bill 46 come into effect, I will ensure the reelection of legislators who uphold the values of supporting younger generations and preserving their presence 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. It enables us to stay in our home, rather than to face expulsion. Thank you.

Spoken Testimony:

Hello, my name is Maile Skinner. I was born and raised on the North Shore of Waialua from a Puerto Rican family, here for generations since the importation of sugar plantation workers in the 1800-1900s. I come here today as a spokesperson for my generation, the younger generation of locals, students and Native Hawaiians, in full support of Bill 46. With 34,000 vacant units on Oahu—mostly owned by foreign investors—young people like me face an unattainable housing market that drives up prices and pushes locals off the island.. In Waialua, throughout elementary and high school, I've had MANY homeless friends (students), who lived in cars as children…. Houseless. They struggled without a roof over their head. After my high school graduation, many of my local/Native Hawaiians friends were PUSHED off the island due to EXORBITANT costs of housing, driven by competitive foreign investors. I can name at least 4-5 friends (or more), they all moved to Vegas and Arizona to simply survive. They were pushed out of their homelands.

WHY should we feel bad for wealthy outsiders who own multiple homes, while young Native Hawaiian students and locals struggle to pay rent or even dream of buying a home? According to the 2021 Annual Homelessness Assessment Report, “Native Hawaiians with very low incomes had the highest rates of severe rent burden by race in 2019”. Bill 46 could make $305 million annually, allocated towards housing. It’s time we start prioritizing Native Hawaiians and local residents. Hawaii is unique, with a history unlike any other state, marked by an illegal

annexation and ongoing displacement of Native Hawaiians… Imagine a future, where our younger generations of locals and native Hawaiians are pushed out? Hawaii will no longer be hawaii. This bill gives us a future where locals can stay rooted in their home affordably. Thank you!

Citations:

Annual Homelessness Assessment Report (AHAR) Part 2

HOMES WITHOUT RESIDENTS

Annual Homelessness Assessment Report

NAIOP
COMMERCIAL REAL ESTATE DEVELOPMENT ASSOCIATION
HAWAII CHAPTER

November 20, 2024

Councilmember Radiant Cordero, Chair
Councilmember Matt Weyer, Vice Chair
Committee on Budget

RE: **Bill 46 - Relating to Real Property Taxation**
Hearing date: Thursday, November 21, 2024 at 1:00PM

Aloha Chair Cordero, and members of the Committee,

Mahalo for the opportunity to submit testimony on behalf of NAIOP Hawaii in **OPPOSITION TO BILL 46 CD1 RELATING TO PROPERTY TAXATION**. 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 a taking, potentially entitling an owner to compensation. The substantive rules are based upon and embody the general principle **that any enactment affecting private property rights must bear a substantial relation to the public health, safety, or general welfare**. 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 with the implementation of the tax as the details have not been articulated and the practical validity of the proposal cannot be assessed. For example, the imposition of the supplemental tax against a particular group of property owners could subsequently increase in the future. Additionally, the terms and provisions relating to all aspects of the envisioned use of the EHT, including administration, imposition, compliance, and enforcement remain unclear and should be fully vetted by the public. Should there be generated revenue, we would encourage it be deposited into the Affordable Housing Fund.

Moreover, Bill 46 CD1 may deter further property investment and negatively impact the housing 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.

Lastly, Bill 46 CD1 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,

Reyn Tanaka, President
NAIOP Hawaii

Testimony Opposing Oahu Bill 46 - Empty Homes Tax

Aloha Chair Waters and Honolulu City Council Members,

I strongly oppose Bill 46, which proposes an empty homes tax. This measure unfairly penalizes property owners without adequately addressing the root causes of our housing challenges.

Second homes are typically higher-end properties, unsuitable for affordable housing solutions. Their owners contribute significantly to Oahu's economy by supporting local businesses and services, including jobs in cleaning, landscaping, catering, and hospitality. Many owners temporarily leave their homes vacant for legitimate reasons, such as extended travel, work assignments, or family care. Punishing these individuals with a blanket tax disregards their personal circumstances and property rights.

Moreover, the implementation of this measure raises serious concerns. How are you planning to track this fairly? Determining which homes are "empty" and for how long is complex and prone to errors. It risks creating an unnecessary administrative burden and potential disputes between property owners and the government.

Additionally, one of the primary causes of housing delays is the permitting process, which often takes more than a year. These delays significantly hinder new development and the creation of affordable housing. Rather than imposing this tax, the state should focus on streamlining permitting processes and redeveloping areas like Makiki and Moiliili, which are better suited for affordable housing projects.

Thank you for the opportunity to share my perspective.

Mahalo,

Nancy Chen

I am writing in opposition to Bill 46 CD1, which seeks to establish a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties.
Reasons I am opposed to Bill 46
1. The bill restricts private property rights by coercing property owners to use their property in a manner that is preferred by the government. This is likely to spark lawsuits like the one that was just decided in San Francisco in favor of the plaintiff homeowners.
2. The scope and impact of the bill is unknown. How many properties will be deemed "vacant"? How much revenue will the supplemental tax collect? What is the cost of administrating the assessment and collection? Where are the vacant properties located? The City Council should wait for the Ernst and Young report before passing a law based on so many unknowns.
3. The bill in its current form has too many exemptions that create confusion. This confusion may encourage property owners to skirt the rules to avoid punitive supplemental tax bills.
4. I urge City Council to complete the survey from Ernst & Young to build policy on factual data pertinent to Honolulu.
Thank you for your time.

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Testimony by Suzanne Young, CEO
Honolulu Board of REALTORS®

Bill 46 (2024), CD1 & Subsequent CD2s
Relating to Real Property Taxation

Committee on Budget
Radiant Cordero, Chair

City Council Chamber
Thursday, November 21, 2024
1:00 PM

Aloha Chair Cordero, Vice Chair Weyer, and members of Budget Committee:

The Honolulu Board of REALTORS® (HBR) representing over 6,700 members is in **STRONG OPPOSITION** to Bill 46, (2024), CD1, which establishes a new supplemental tax of up to 3% on the tax-assessed value of vacant residential properties and Proposed CD2-TW1, establishing a new residential E real property tax classification.

While HBR wholeheartedly supports exploring measures to increase our critically needed housing supply, and to create more pathways for our residents to become homeowners, it would be unwise to advance Bill 46 at this time. Our Real Property Tax structure should be rooted in sound economic principles, emphasizing fairness, equity, and the diverse needs of property owners. Bill 46, as written, is not yet based on accurate data, fair and equitable, nor reflective of the diverse needs of property owners. It's a punitive tax that is complex and would be challenging to administer and enforce, and the council must consider the unintended legal implications.

1. **The City should table the proposed Bill 46 until it receives the empty homes tax implementation report from consultant Ernst & Young.**

According to an August 20th letter to the Committee on Housing, Sustainability and Health, the city's Department of Budget and Fiscal Services Department issued an RFP "to engage the services of a consultant to determine best practices in formulating/guiding the policies, organizational structure and staffing, systems, equipment, operating budget, target property listing and operating procedures for an effective empty homes program." It did this because of its concerns about staffing, resources, and other implementation issues raised by a possible empty homes tax. The letter further states that a consultant had been selected and "will provide guidance on *if, how and when* the city should pursue an empty homes tax program."

The city is paying its consultant (Ernst & Young) nearly $500,000 for that "guidance." Given the staffing, resources and implementation concerns raised by the city officials who would be responsible for administering and collecting an empty homes tax, as well as the financial investment the city has already made in hiring a consultant for guidance, it would be **imprudent and premature** for the Budget Committee to pass Bill 46 at this time.

2. **Bill 46 and may be drastically overestimating how many dwelling units would be considered "empty homes".**

Section 1 (Purpose) of Bill 46 states that according to the 2020 U.S. Census, the City had a "housing vacancy rate of 9.2%, with 34,253 housing units unoccupied." A September 2024 report by the Hawaii Appleseed Center for Law & Economic Justice (the "Appleseed Report") similarly estimated that about "35,000 units are currently sitting empty" in Honolulu. These estimates, however, may be drastically overestimating the number of dwelling units that would be considered "empty homes" subject to the proposed empty homes tax. Notably, both figures are based on the number of homes that were counted as "vacant" during the 2020 census. The Appleseed Report, for example, states that it defines empty homes "in alignment with the U.S. Census definition of 'vacant,' which includes housing units held for seasonal, recreational, occasional use (short-term), or completely vacant." But a home that the Census Bureau considers "vacant" may not be considered an "empty home" under Bill 46.

According to a report by the Lincoln Institute of Land Policy, the Census Bureau categorizes and counts as vacant, housing units that are:

- Vacant for rent
- Rented, but not yet occupied
- Vacant for sale
- Sold, but not yet occupied
- Maintained for seasonal, recreational, and occasional use
- Maintained for migrant workers
- Other vacant.

By contrast, the Bill 46 contains 15 categories of exempt properties that would be excluded from the definition of "empty home," including several that are closely aligned with these categories of "vacant housing units."

Simply put, when the housing units that are exempt under Section .4 of Bill 46 are excluded, the number of "empty homes" that would be subject to the proposed empty homes tax will be far lower than the figures used by the Appleseed Report and Bill 46 itself in support of the proposed empty homes tax.

The consultant's report presumably will provide the city with a more detailed estimate of the number of dwelling units that would be considered "empty homes" under Bill 46 and projections regarding the financial aspects of the proposal (i.e., estimated revenue generated vs. administration and enforcement costs). The city council should **wait for that report** and take it into account before moving ahead with Bill 46.

3. **October 2024; California superior court struck down similar empty homes tax**

In 2022, San Francisco voters approved a ballot initiative establishing an empty homes tax that would charge between $2,500 and $5,000 a year for dwelling units that were vacant for six months or longer.

In February 2023 numerous organizations challenged the tax alleging, among other things, that San Francisco's empty homes tax violated the Takings Clause of the U.S. Constitution and also challenged the tax on Substantive Due Process and Equal Protection grounds.

Just last month, a California trial court granted the plaintiffs' motion for summary judgment and ruled in favor of the plaintiffs "on all causes of action, finding that the vacancy tax violated the Constitution as an unlawful affront to the Takings Clause, Substantive Due Process and Equal Protection."

While that decision is not binding upon Hawaii courts, we note that the Hawai'i Supreme Court has recognized, addressed and discussed regulatory takings, substantive due process, and equal protection (as provided in the U.S. Constitution and the Hawai'i Constitution), and the right to privacy (as articulated in the Hawai'i Constitution), in various other contexts. See, e.g. Leone v. County of Maui, 141 Hawai'i 68, 404 P.23d 1257 (2017) (recognizing and analyzing a regulatory takings claim under the Fifth Amendment to the U.S. Constitution, and recognizing the takings clause in Art. 1, § 20 of the Hawai'i Constitution for county land use regulation); DW Aina Lea Development, LLC v. Bridge Aina Lea, LLC, 134 Hawai'i 187, 339 P.3d 685 (2014) (recognizing and analyzing substantive due process and equal protection claims pursuant to the United States Constitution and Hawai'i Constitution relating to land use reclassification); Chung v. McCabe Hamilton & Renny Co., Ltd., 109 Hawai'i 520, 128 P.3d 833 (2006) (discussing right to privacy pursuant to Art. 1, § 6 of the Hawai'i Constitution in context of false light invasion of privacy claim).

Accordingly, we believe that the constitutional arguments raised in the California litigation justifies a review by the city's Corporation Counsel as to the applicability of Bill 46 and whether it would be vulnerable to similar claims brought by affected Honolulu property owners. Keep in mind that the empty homes tax proposed in San Francisco was a flat rate ranging from $2,500 to $5,000 a year while Bill 46 proposes a significantly higher amount creating greater justification for potential litigation from Hawaii residents.

4. **Right to inspect residential properties under Section .5(e) of Bill 46 implicate rights under the Fourth Amendment to the U.S. Constitution.**

Section .5(e) of Bill 46 states: "Upon advance written notice to the owner of the residential property, *the city may conduct inspections of the residential property* for the purpose of determining the accuracy of the information provided about the property or dwelling unit and whether the property or dwelling unit is subject to the empty homes tax." It is unclear from the text of this provision what the scope of these inspections would be. Would City inspectors enter upon the property to look for evidence of occupancy? Would the inspection be limited to the exterior of the home?

While Section .5(e) would require that owners be given "advance written notice of an inspection," it does not require that the City have a warrant to inspect a property if the owner or occupant does not consent to the inspection. This may make Bill 46 vulnerable to challenge under the Fourth Amendment, which safeguards the "right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures.

The Hawai'i Supreme Court has observed:

> Like the fourth amendment to the United States Constitution, article I, section 7 of the Hawaii State Constitution protects people from unreasonable government intrusions into their legitimate expectations of privacy. The basic purpose of these constitutional provisions is to safeguard the privacy and security of individuals against arbitrary invasions by government officials. [citing Camara v. Municipal Court of City & Cty. Of San Francisco, 387 U.S. 523, 528 (1967)]. The constitutional proscription that the person and effects of individuals are considered to be sacrosanct and may not be the object of unreasonable searches draws no distinction in its application between an individual suspected of criminal activity and one who is not. Thus, article I, section 7 of the Hawaii Constitution was designed to protect the individual from arbitrary, oppressive, and harassing conduct on the part of government officials.
>
> It is well settled that an area in which an individual has a reasonable expectation of privacy is protected by article I, section 7 of the Hawaii Constitution and cannot be searched without a warrant. That being the case, any warrantless search of a constitutionally protected area is presumptively unreasonable unless there is both probable cause and a legally recognized exception to the warrant requirement.

Given Camara's binding authority on the Hawai'i appellate courts (for purposes of the Fourth Amendment to the U.S. Constitution), Bill 46 may make the bill vulnerable to challenge under the Fourth Amendment of the U.S. Constitution. Has the City Corporation Counsel provided an opinion on this provision in Bill 46? Once again, because of the significant supplemental tax being proposed, this creates potential for litigation from Hawaii residents and believe that Bill 46 should be tabled.

5. **Bill 46 purports to help address the city's dual crises of homelessness and lack of affordable housing, but a significant portion of the revenue generated by the empty homes tax would be going to the general fund.**

Section 1 (Purpose) of Bill 46 states that the proposed empty homes tax is "intended to help address the City's dual crises of homelessness and a lack of affordable housing that arise from inadequate housing supply and inadequate funding to address these problems."

As drafted in CD1 and the proposed CD2s, Bill 46 would allow the City to divert 50% *or more* of the total revenue generated by the empty homes tax to the general fund for spending in ways that have absolutely nothing to do with creating affordable housing or combatting homelessness. If the true purpose is to "help address the City's dual crises of homelessness and a lack of affordable housing," then all of the revenue generated by the bill should be earmarked for those purposes, minus 5% for the cost of administering and enforcing the program if the city so chooses. As the Appleseed Report points out, Vancouver's empty homes tax program takes this approach, with all of its revenue (after annual and upfront administration costs) going toward "developing affordable housing."

If the City wants to help more of our local residents to stay in Hawaii and become homeowners, they should strategically allocate resources to develop a robust and effective downpayment assistance program. Besides a lack of inventory, downpayment is a significant barrier to making the transition from renter to homeowner. This initiative should be supported by dedicated city funding to ensure its sustainability and impact. By doing so, the program can provide substantial support not only to low-income individuals but also to the gap group—those who earn too much to qualify for traditional assistance yet still struggle with affordability—and working professionals.

6. **Finally, Bill 46 would impact local families that own non-exempt "empty homes" not just the wealthy.**

Some supporters of Bill 46 seem to suggest that it mostly targets wealthy foreign investors in Honolulu real estate. The opening passage of the Appleseed Report, for example, states that the "entire island of Oʻahu, is facing a severe housing crisis – one that has grown worse, in part, because wealthy investors purchase homes as investment properties. By doing this, these investors leave homes empty instead of renting them out for people to live in." But that perspective seems to ignore or discount the impact that it would have on local individuals and families that own a second home or a multi-unit property with one or more units that would be subject to the proposed empty home tax. According to the Appleseed Report, 13% of all housing units in the City are owned by people who do not live in Hawaii, meaning 87% of the units are owned by people who do live in Hawaii.

Even if a higher percentage of homes that would qualify as "empty homes" are owned by foreign investors, this suggests that a substantial percentage of the property owners who would be burdened by the empty homes tax are locals. This might include, for example, a family that owns a two-family home and resides in one unit, but does not want to have anyone living in the second unit, perhaps to keep it available for family members or guests who visit periodically, or because they want to save it for a child who is working or attending school elsewhere but intends to return to Honolulu. It might also include a local "mom & pop" landlord who chooses not to rent out their property for a period of time, greater than six months, e.g. due to health or other reasons. While Bill 46 includes an exemption for an owner or renter who is unable to reside in their own home due to medical reasons, it does not apply to a landlord who decides not to be an active landlord for a period of time due to poor health.

Councilmembers have consistently stated that it was not their intent to have Bill 46 negatively impact our local residents. Yet given the data, that is exactly who will be impacted by this Bill.

Summation: HBR understands the desire of the Council to address Honolulu's affordable housing crisis and agrees that actions need to be taken. Our REALTORS® are on the front lines every day helping local families navigate the home buying and renting process given our challenging market conditions. But Bill 46 in its current form is not the solution.

It's important to call attention to revenue that has been generated from real property taxes, both Residential and Residential A properties, in the last couple of years. In 2022-2023, the City received an **additional $111,104,000** in revenue compared to the previous year. In 2023-2024, the City received

another additional $142,312,000 in revenue. This totals **$253 million in additional revenue** over two years. Refer to Exhibit A: Residential and Residential A tax revenue collected from 2017-2024 for details.

The City is already receiving hundreds of millions of additional dollars from O'ahu residential property owners and how has that money been used to address our affordable housing and homelessness issues? And now the Council wants to create an empty homes tax to collect even more revenue, without adequate allocations to truly address these issues, and you haven't yet received the empty homes tax implementation report from the City's consultant who is being paid nearly $500,000? This is why we believe the Budget Committee should table a decision on Bill 46 at this time, wait for the report to be received, and consider other alternatives.

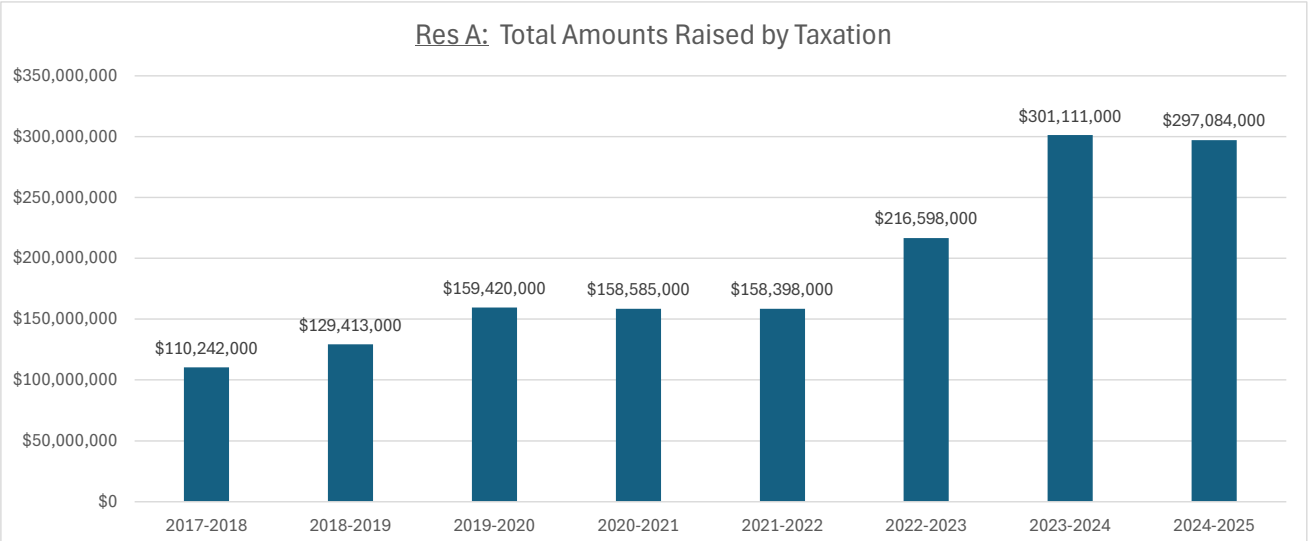
HBR has consistently supported a simpler approach to address the vacant homes owned by wealthy investors as noted in the Appleseed Report using the existing Residential A property tax classification. Residential A properties can be used with a tiered system to place higher taxes on wealthy owners of second homes, priced at $3 million and above, and is a compelling alternative that would be straightforward to implement, reduce the costs to administer and enforce, and not have a negative impact on our local residents.

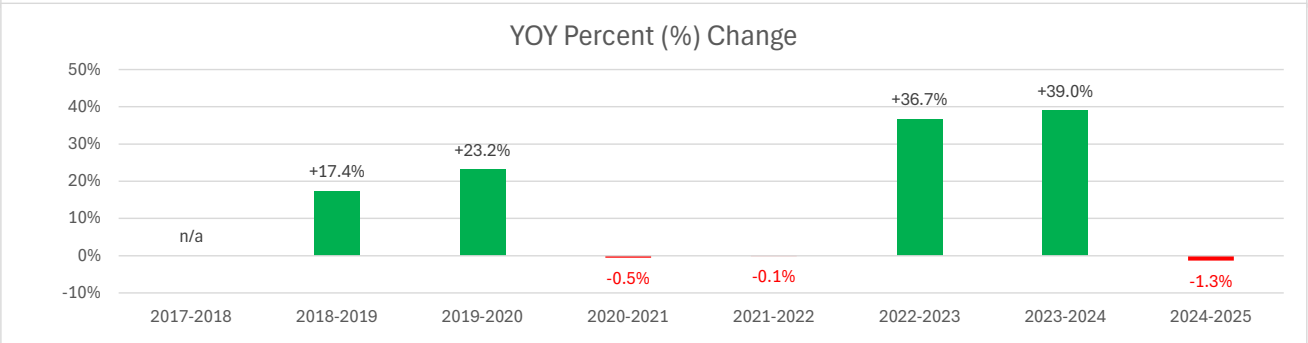
While HBR is opposed to Bill 46 in its current form and subsequent CD2s, we support the Council's desire to address the issues raised in Bill 46. We encourage the Council to be prudent in your approach; allow for simpler, less costly and less harmful approaches; and wait for the guidance that you requested and are paying for from your consultant before passing Bill 46.

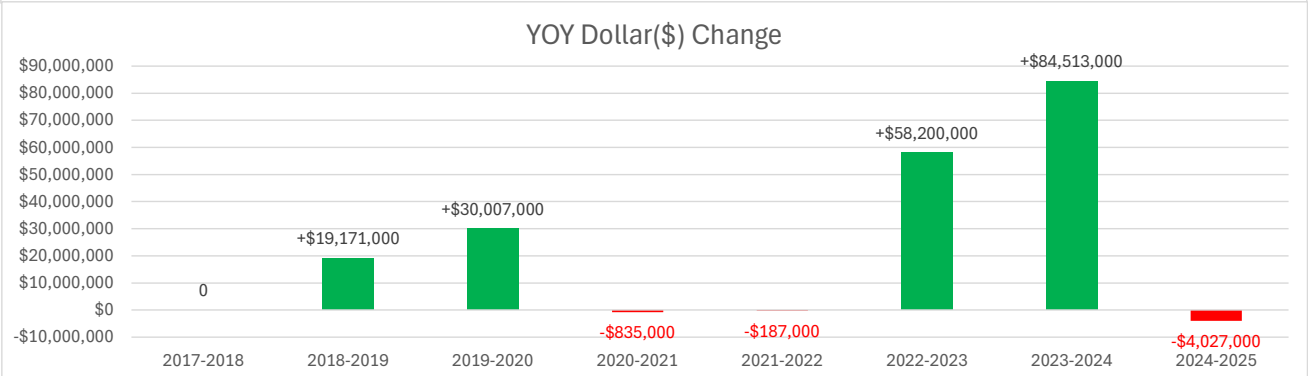
Thank you for allowing us to provide testimony on this important issue that impacts all our communities.

Attachment

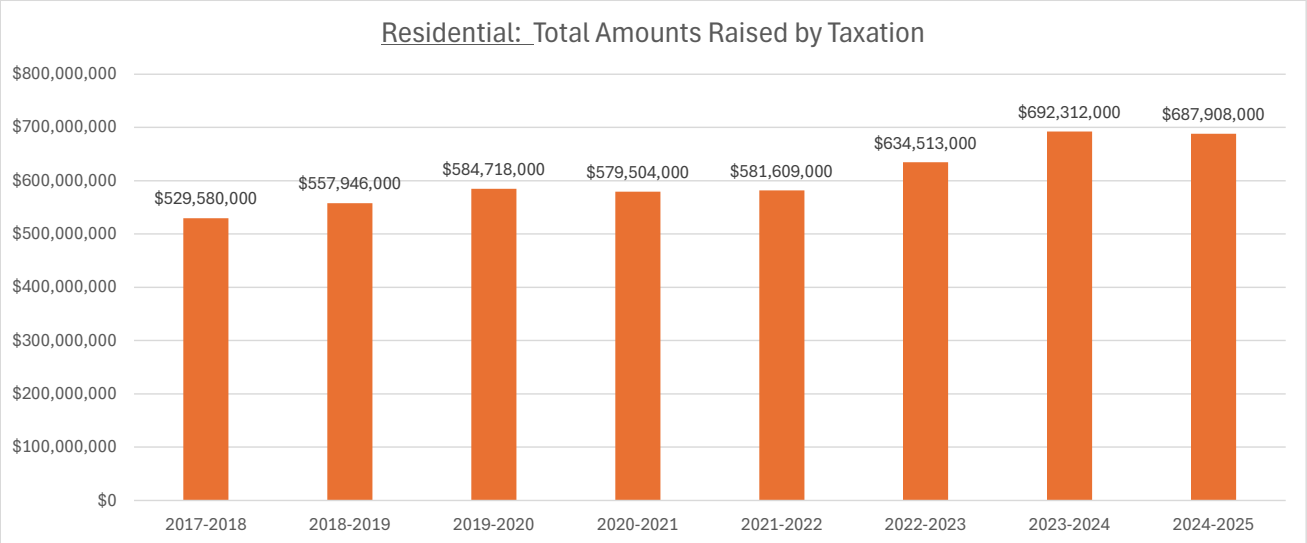
Rate	Fiscal Year	Res A Total Amt Raised by Taxation	YOY %chg	YOY $chg	Res A Total Valuation for Tax Rate	YOY %chg	YOY $chg
$4.50 / $9.00	2017-2018	**$110,242,000**	--	--	*$17,461,143,000*	--	--
$4.50 / $9.00	2018-2019	**$129,413,000**	17.4%	$19,171,000	*$20,335,095,000*	*16.5%*	*$2,873,952,000*
$4.50 / $10.50	2019-2020	**$159,420,000**	23.2%	$30,007,000	*$22,944,887,000*	*12.8%*	*$2,609,792,000*
$4.50 / $10.50	2020-2021	**$158,585,000**	-0.5%	-$835,000	*$23,090,727,000*	*0.6%*	*$145,840,000*
$4.50 / $10.50	2021-2022	**$158,398,000**	-0.1%	-$187,000	*$23,115,423,000*	*0.1%*	*$24,696,000*
$4.50 / $10.50	2022-2023	**$216,598,000**	36.7%	$58,200,000	*$32,181,518,000*	*39.2%*	*$9,066,095,000*
$4.00 / $11.40	2023-2024	**$301,111,000**	39.0%	$84,513,000	*$45,383,186,000*	*41.0%*	*$13,201,668,000*
$4.00 / $11.40	2024-2025	**$297,084,000**	-1.3%	-$4,027,000	*$43,860,020,000*	*-3.4%*	*-$1,523,166,000*

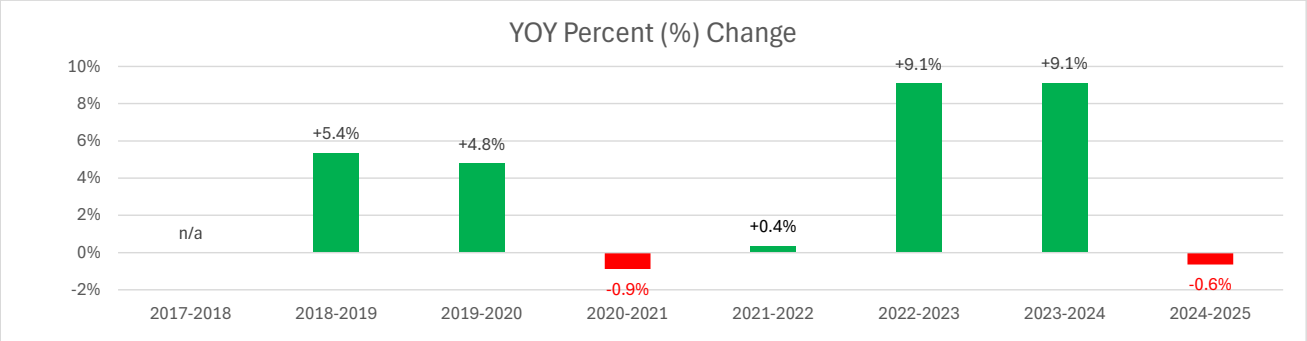


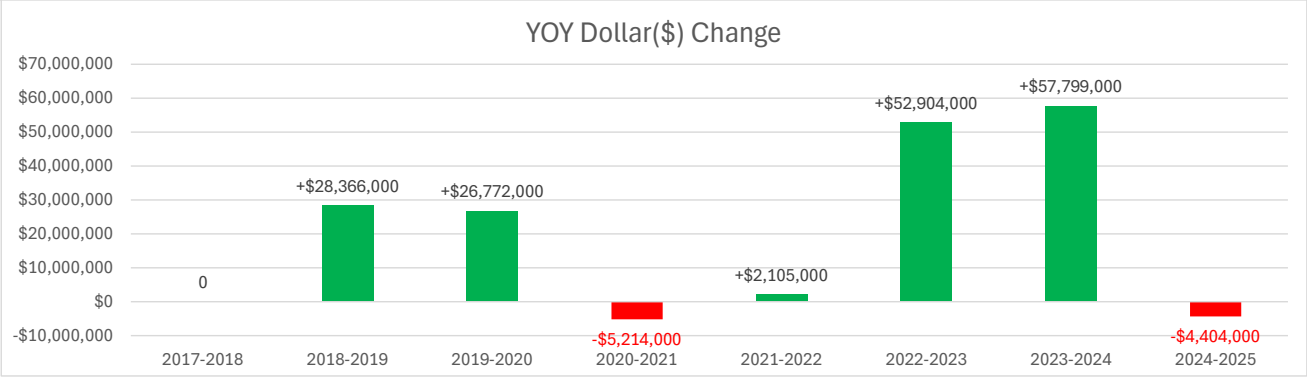




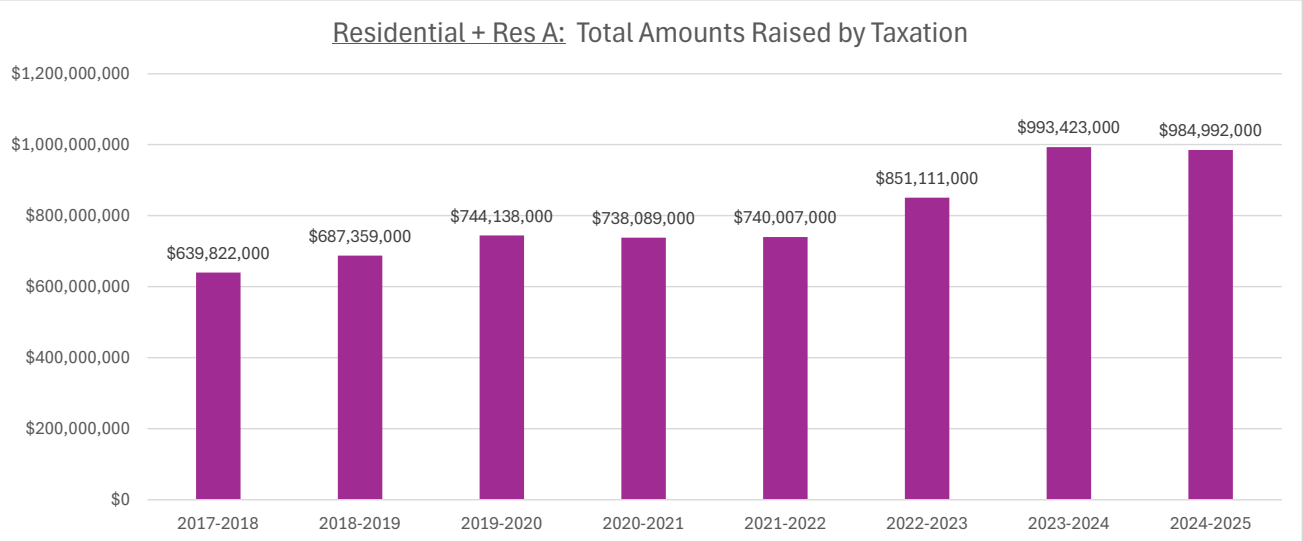
Rate	Fiscal Year	Residential Total Amt Raised by Taxation	YOY %chg	YOY $chg	*Residential Valuation for Tax Rate*	*YOY %chg*	*YOY $chg*
$3.50	2017-2018	**$529,580,000**	--	--	*$151,308,633,000*	--	--
$3.50	2018-2019	**$557,946,000**	5.4%	$28,366,000	*$159,413,159,000*	*5.4%*	*$8,104,526,000*
$3.50	2019-2020	**$584,718,000**	4.8%	$26,772,000	*$167,062,408,000*	*4.8%*	*$7,649,249,000*
$3.50	2020-2021	**$579,504,000**	-0.9%	-$5,214,000	*$165,572,576,000*	*-0.9%*	*-$1,489,832,000*
$3.50	2021-2022	**$581,609,000**	0.4%	$2,105,000	*$166,173,890,000*	*0.4%*	*$601,314,000*
$3.50	2022-2023	**$634,513,000**	9.1%	$52,904,000	*$181,289,316,000*	*9.1%*	*$15,115,426,000*
$3.50	2023-2024	**$692,312,000**	9.1%	$57,799,000	*$197,803,526,000*	*9.1%*	*$16,514,210,000*
$3.50	2024-2025	**$687,908,000**	-0.6%	-$4,404,000	*$196,545,261,000*	*-0.6%*	*-$1,258,265,000*

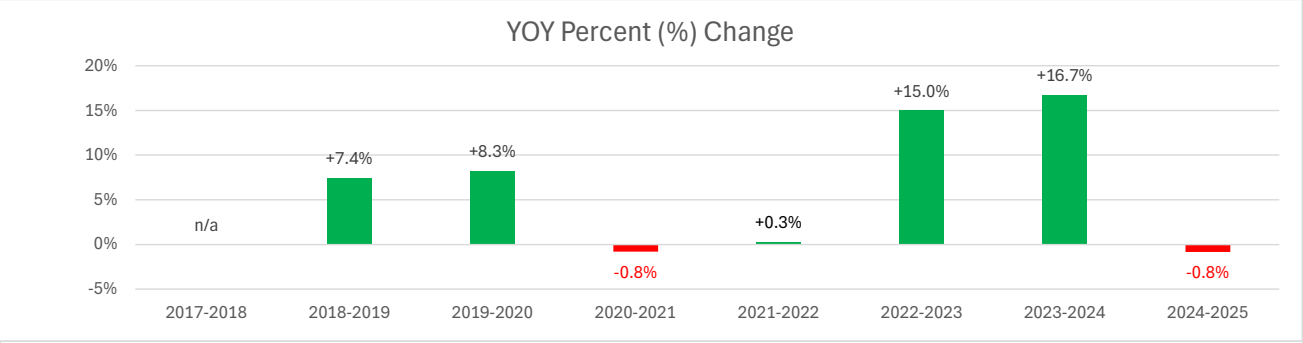


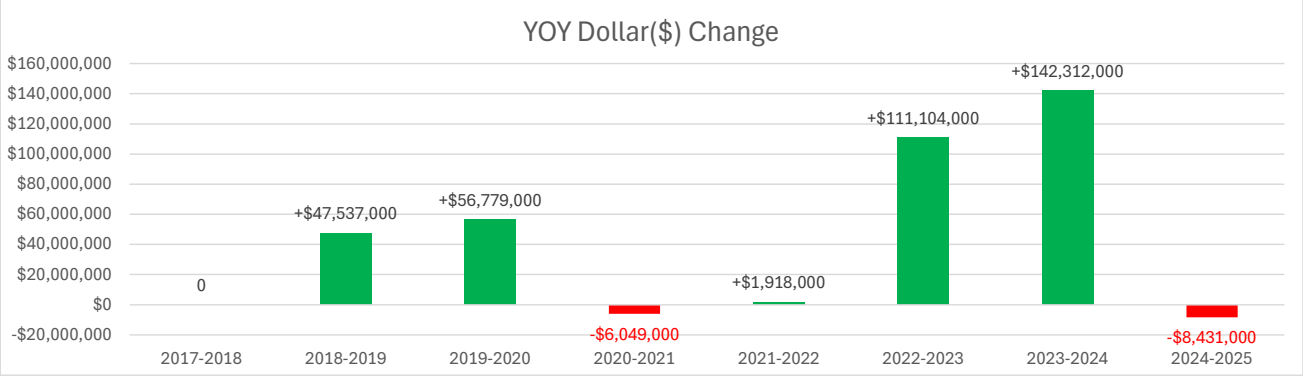




Rate Res; Res A	Fiscal Year	Res+Res A Total Amt Raised by Taxation	YOY %chg	YOY $chg	*Total Res+ResA Valuation for Tax Rate*	*YOY %chg*	*YOY $chg*
$3.50; $4.50 / $9.00	2017-2018	**$639,822,000**	--	--	*$168,769,776,000*	--	--
$3.50; $4.50 / $9.00	2018-2019	**$687,359,000**	7.4%	$47,537,000	*$179,748,254,000*	*6.5%*	*$10,978,478,000*
$3.50; $4.50 / $10.50	2019-2020	**$744,138,000**	8.3%	$56,779,000	*$190,007,295,000*	*5.7%*	*$10,259,041,000*
$3.50; $4.50 / $10.50	2020-2021	**$738,089,000**	-0.8%	-$6,049,000	*$188,663,303,000*	*-0.7%*	*-$1,343,992,000*
$3.50; $4.50 / $10.50	2021-2022	**$740,007,000**	0.3%	$1,918,000	*$189,289,313,000*	*0.3%*	*$626,010,000*
$3.50; $4.50 / $10.50	2022-2023	**$851,111,000**	15.0%	$111,104,000	*$213,470,834,000*	*12.8%*	*$24,181,521,000*
$3.50; $4.00 / $11.40	2023-2024	**$993,423,000**	16.7%	$142,312,000	*$243,186,712,000*	*13.9%*	*$29,715,878,000*
$3.50; $4.00 / $11.40	2024-2025	**$984,992,000**	-0.8%	-$8,431,000	*$240,405,281,000*	*-1.1%*	*-$2,781,431,000*







11/21/24

My clients bought their unit nearly 20 years ago at Hawaiki tower. Before they were able to take occupancy, the husband passed away tragically and unexpectedly. The boys were young and it became too traumatic for them to spend time here. They kept the unit vacant and continue to keep it vacant. To expect them to pay more property tax when they have paid 20 years of it already is adding insult to their injury and furthermore it's changing the rules and amounts to misrepresentation of my professional license and reputation. I do not understand how any lawmaker can change the paramount right to private property on a seeming whim to address a pervasive problem that all islanders face. I do not understand how investors could be the target of such a specific problem that we should all bear the burden of much like rapid transit. I will never use the transit or the schools but I pay my property and state taxes as my fair share of the burden.

I would much rather the city find efficiencies within their own budget than impose all the city's homeless problems on good honest tax paying individuals that are investors.

Thanks for your consideration and attention to this matter and thank you for your service.

Sincerely,

Allison Lum

Plum Associates, Inc.

808-593-8899

1314 S. King Street #1463

Hon HI 96814

November 21, 2024

Committee on the Budget - Special Meeting
Honolulu City Council

Bill 46 (24) Relating to Real Property Taxation
Hearing: Thursday, Nov 21, 2024 (1:00 pm)

Bill Tam Testimony
STRONG SUPPORT for 100% Funding

The primary issue today is whether this initiative will be fully funded.

O'ahu's expanding rental housing shortage cannot withstand half solutions. Local families cannot afford, and cannot find, a place to live. The housing hurricane is here.

The urgent need to address both homelessness and the Affordability of long term housing will not be addressed if the Council guts the funding

If Bill 46 is not going to be a show and tell story, a bait and switch sales gimmick, all the new revenue must be dedicated to the task. It can not be siphoned away. If so, the project will fail.

100% of the revenue must be committed to affordable housing and homelessness. Do not make funding discretionary. Concentrate on the task at hand. For if not now, when?

Mahalo,
Bill Tam
46-270 Nahewai St.
Kaneohe, Hawaii 96744

HAWAII APPLESEED
CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai‘i Appleseed Center for Law and Economic Justice
Support with Amendments for Bill 046(24) CD1 – Empty Homes Tax
Committee on Budget
Thursday, November 21, 2024, at 1:00PM

Aloha Chair Cordero, Vice Chair Weyer, and members of the committee:

Thank you for the opportunity to express our **SUPPORT WITH AMENDMENTS for Bill 46(24) CD1**, which would impose an Empty Homes Tax (EHT) of 3% on properties that are vacant 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. According to UHERO, nearly 60 percent of Honolulu renters are cost-burdened, spending at least 30 percent of their income on housing. By 2023, only 20 percent of local households could afford a mortgage on a median-priced single-family home and in 2022 over 11,000 more Hawaii residents left for other states than moved in. Too many families, kupuna, and young people are being pushed to the brink—living paycheck to paycheck, unable to afford rent, or being forced to leave Hawaii altogether.

Our current property tax policies fail to prioritize housing for Hawaii’s residents. Bill 46 CD1 is a step towards fixing this issue, generating revenue to increase the supply of available housing to better meet local demand and discouraging property owners from underutilization of housing for non-long term housing purposes.

Hawai‘i Appleseed urges you to support Bill 46 (2024) CD1, while **keeping the legislation effective.** We are concerned that the proposed amendments in the various CD2s will render it ineffective. Effectiveness in addressing our community’s housing needs would be to increase the development of homes that are *targeted to demand* and housing assistance to individuals.

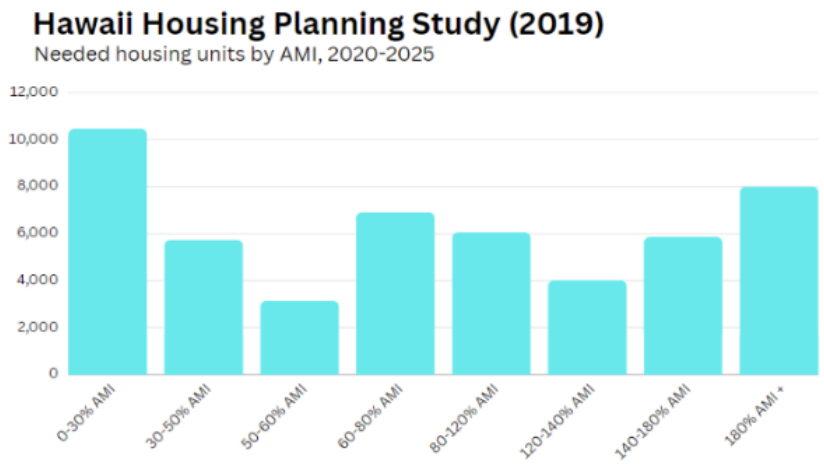
We recommend the following amendment to Bill 46(24) CD1:

- 100% revenue allocation to (1) the Affordable Housing Fund, (2) initiatives that increase the city’s supply of affordable housing for persons earning 140% AMI or less, (3) direct housing assistance and (4) addressing homelessness.

Outside investors, due to favorable wages that outpace Hawaii residents, have increased their purchasing power, taking advantage of Hawaii's low property tax rates to invest in the housing market here leaving many high valued homes empty for a large part of the year. In 2018, these purchases were 46.6 percent higher than units sold to residents. While Bill 46 may increase available housing supply by encouraging owners to rent or sell vacant units, there's no guarantee these units will meet diverse housing needs, as their prices often exceed what the average resident can afford. These effects will be minimal compared to what the revenue can do to develop housing supply targeted to demand, specifically meeting our community's actual needs and price points.

HAWAII APPLESEED
CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai‘i Appleseed Center for Law and Economic Justice
Support with Amendments for Bill 046(24) CD1 – Empty Homes Tax
Committee on Budget
Thursday, November 21, 2024, at 1:00PM



Our community faces a severe shortage of affordable housing across multiple income levels. Across the state, we currently need an estimated 20,000 units for households earning below 60% of Area Median Income (AMI) - which in 2024 translates to $58,500 for a single person or $83,520 for a family of four. The Affordable Housing Fund has demonstrated success in addressing this need. Since 2007, it has awarded over $76 million to develop more than 2,000 units of housing for households at or below 60% AMI, maintaining affordability for 60 years and serving our most vulnerable residents. Additional investment in this fund would substantially expand housing access for these households.

The need extends beyond our lowest-income residents - we also need 20,000 units for households earning between 60% and 140% AMI. By allocating funds specifically for development in this income range and providing direct support through rent subsidies or down payment assistance, we can help these households successfully enter the private housing market.

Based on Hawaii Appleseed analysis, Bill 46 could generate an estimated $183 million annually in tax revenue from empty homes. This projection is calculated using a 3% tax rate on approximately 11,000 units on Oahu that remain vacant for more than six months of the year (out of 34,000 total vacant units). The estimate assumes a 50% capture rate and uses a weighted average of property values based on a realistic mix of 60% single-family homes and 40% condominiums. However, the various amendments proposed in CD2s would severely undermine this revenue-generating potential, compromising the bill's ability to effectively address our community's most urgent housing needs.

We oppose any CD2 amendments that would weaken Bill 46's effectiveness by reducing housing initiative allocations or shrinking the tax base through reduced tax liability or broad exemptions, particularly those exempting second homes. We believe this tax must be applied uniformly to all property owners, regardless of when they purchased their property or where they live or work. The determining factor

Testimony of the Hawai‘i Appleseed Center for Law and Economic Justice
Support with Amendments for Bill 046(24) CD1 – Empty Homes Tax
Committee on Budget
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should be how the property is used, not the status of the owner. An analysis of our specific concerns regarding each CD2 version follows:

- CS1 CD2 introduces an unspecified tax cap, changes property classifications for Residential A properties, and creates broad exemptions for Hawaii resident-owned properties. This would create a regressive tax system benefiting wealthy property owners and undermining the tax's deterrent effect.
- MW1 CD2 expands the definition of Principal Residence to include properties rented to traveling nurses and active military personnel. Outside of the substantial size of Hawaii's active duty military personnel who receive housing allowances and can choose to declare residency but don't (thus evading local income taxes), this change erodes the fundamental definition to "principal residence" and would best be applied as an exemption.
- EK1 CD2 reduces the revenue allocation for affordable housing from 50% to 20% (without securing dedicated use of these funds through the Affordable Housing Fund), creates exemptions for part-time residents who occupy units for 6+ months, and introduces new exemptions for second homes owned by residents with home exemptions, largely affecting the tax base.
- TM1 CD2 presents the most substantial changes by:
    - Removing implementation, enforcement, penalties, and appeals provisions
    - Restructuring the tax as an alternative "Residential E" classification instead of a supplemental tax
    - Leaving the tax rate undefined and subject to annual determinations
    - Creating multiple new exemptions, including:
        - Properties with active sales/rental listings without time limits; Properties owned by individuals receiving majority income from Honolulu; Properties owned by descendants of long-term owners; Properties under existing lease agreements
        - Properties jointly owned by multiple families

With the removal of the council's role in shaping the legislation, all assurances made into the rules to prevent evasion and ensure effectiveness will be removed, leaving complete uncertainty in basic operable structure. Additionally, the numerous new exemptions would significantly reduce the tax base. For example, unlimited-duration sales or rental listing exemptions could enable owners to list properties at exorbitant rates, effectively keeping them vacant indefinitely. These modifications would substantially reduce the tax's revenue potential and undermine its core purpose of addressing the housing crisis.

I urge you to reconsider these amendments to ensure Bill 46(24) CD1 remains an effective tool for addressing our housing crisis.

Mahalo for the opportunity to testify.