

RES25-056
Testimony

MISC. COMM. 126

BUDGET (BUD)

BUDGET (BUD) Meeting

Meeting Date: Mar 4, 2025 @ 09:00 AM

Support: 1

Oppose: 0

I wish to comment: 1

Name: James Soong	Email: jaysoong@outlook.com	Zip: 96819
Representing: Self	Position: Support	Submitted: Mar 2, 2025 @ 10:26 AM

Testimony:

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

My name is James Soong, and I am honored to provide my testimony on the implementation of TIF (Tax Increment Financing) bonds and the establishment of TIF zoning in Honolulu. As someone deeply invested in the future of this city, I strongly believe that TIF bonds represent an invaluable tool for development, especially when approached with care and precision.

I initially brought the idea of TIF bonds to Councilmember Tyler Dos Santos-Tam because of their potential to benefit the city's long-term growth. My primary goal is to reduce the cost of living and lessen the individual tax burden — both progressive and regressive. TIF bonds, if implemented correctly, can help the city achieve these objectives while simultaneously revitalizing infrastructure and driving sustainable development.

There are several key reasons why I believe TIF bonds offer immense benefits for Honolulu. First, the recent approval of TIF funding by the State has created a unique opportunity to explore this method of financing. Second, with gentrification occurring along the rail line, it is imperative that we include community voices in the planning process. Third, as noted by the Governor, Hawaii is in urgent need of 40,000 more homes. Fourth, the State's 2024 bill allowing multiple homes on a single property without the required infrastructure upgrades could create more problems than it solves. It would force the city to reactively fix infrastructure rather than taking a proactive approach to modernize outdated systems. And finally, the question remains: Where will the city find the money to fund these projects? TIF bonds can provide the necessary funding, ensuring that infrastructure is upgraded efficiently and sustainably.

It is important to distinguish between the two types of TIF funding. The first type, which I did not propose, has ethical concerns due to its use for attracting large corporations and retail chains, often at the expense of local businesses. This approach can create economic harm and is perceived by the public as a form of kickbacks. For this reason, I strongly discourage its use.

The second type of TIF funding, which I have proposed, focuses on using future property tax revenue to fund infrastructure upgrades today. By targeting specific TIF zones, we can invest in infrastructure improvements that will last for generations, providing long-term benefits without raising taxes. This money should only be used for infrastructure, and the upgrades should be implemented gradually, ensuring that all areas of the city, not just the TIF zones, benefit from these improvements over time.

The process should begin with a comprehensive assessment of current infrastructure, evaluating whether systems like

water, sewer, electricity, and communications are capable of handling future growth. By working closely with developers and property owners within TIF zones, the city can ensure that each development is aligned with community interests and enhances the overall value of the area.

One of the most crucial aspects of this plan is the involvement of neighborhood boards. These boards are essential to ensuring that developments benefit the community and address local concerns. We must prioritize sustainable, pedestrian-friendly infrastructure and ensure that the needs of residents—whether it’s improved public transportation, better walking and biking paths, or enhanced goods movement—are met.

Mixed-use developments, which blend residential, commercial, and recreational spaces, are key to fostering vibrant communities. These developments can increase rent revenue, generate additional property tax income, and provide valuable spaces for socialization and community building. By transforming city-owned buildings into mixed-use spaces, we can offset maintenance costs while generating income that can be reinvested into other city needs.

The ultimate goal of TIF zones is to increase property values, reduce the individual property tax burden, and promote sustainable economic growth. By carefully planning and implementing these zones, we can create communities that are self-sustaining, resilient, and beneficial to current and future generations.

In conclusion, I strongly believe that TIF bonds and zoning have the potential to reshape Honolulu’s future for the better. By prioritizing thoughtful infrastructure upgrades and community engagement, we can foster growth while preserving the unique character of our city.

Mahalo for your time and consideration. I am confident that with careful planning and strategic investments, TIF zones can become a model for sustainable development in Honolulu.

Respectfully,

James Soong

Name: Natalie Iwasa	Email: iwasajunk@mail.com	Zip: 96825
Representing: Self	Position: I wish to comment	Submitted: Mar 3, 2025 @ 11:43 PM

TO: Members of the Budget Committee

FROM: Natalie Iwasa
808-395-3233

DATE: Tuesday, March 4, 2025

SUBJECT: Permitted Interaction Group for Tax Increment Financing – **COMMENTS**

Aloha Chair Dos Santos-Tam and Councilmembers,

Thank you for this opportunity to testify on Resolution 25-56, which would establish a permitted interaction group to discuss tax increment financing (TIF) in non-public meetings.

I appreciate this resolution and potential formation of a permitted interaction group. If you are going to follow through with a group, **please expand it to include other real property tax issues such as all exemptions and the Residential A classification.**

Also note concerns I have related to TIF, i.e., it's possible underlying properties may not be as high as projected, resulting in the inability for the tax from benefitting properties to pay the debt. Another outcome may be that the city would be incentivized to assess values higher than they otherwise would be.