

CITY AFFAIRS UPDATE

KEEPING HONOLULU REALTORS® INFORMED & INVOLVED IN HBR'S PUBLIC POLICY AGENDA



A Look Back at 2007

PROPERTY TAXES

Property taxes continue to be a legislative priority. The City Council responded by lowering residential property taxes rates to \$3.29, providing an instant \$200 homeowner credit, increasing the basic homeowner's exemption to \$80,000, and strengthening the "circuit breaker" so that homeowners with incomes of \$50,000 and below will not pay more than 4 percent of their income for real property taxes (which drops to 3 percent for those over 75 years old). Property owners delinquent on their taxes will no longer incur an automatic 10 percent fine on those taxes. Instead, fines will accrue at 2 percent for each month of the infraction with a maximum penalty of 10 percent. The penalty will be levied on delinquent property taxes only.

GOVERNMENT EFFICIENCY

A new policy was created to allocate tax revenues between residential and non-residential properties and allow the City to adjust tax rates annually and account for market valuation swings. This ensures a focus on controlling costs instead of focusing on the amount of revenue the City has to spend. In addition, the City now has the ability to send electronic property tax notices, allow property owners the option of filing property tax appeals electronically, and allow the Budget Director to settle property tax appeals more expeditiously – with board of appeal approval.

MASS TRANSIT

Although Honolulu Board of REALTORS® opposed the 0.5 percent increase in the general excise tax because of its burden to homeowners (passed in 2005), we agreed with the Mayor and most kama'aina that traffic is the biggest challenge to our quality of life. A fixed guideway system is not only a critical aspect of traffic relief on Oahu, but it offers the most efficient way to accommodate growth and meet future transportation needs on our island.

February Council and Committee Meetings

Tuesday, February 5 & 26

- 9:00 a.m.** Committee on Zoning
Chair: Rod Tam
- 1:00 p.m.** Committee on Planning and Sustainability
Chair: Gary Okino

Wednesday, February 6 & 27

- 9:00 a.m.** Committee on Budget
Chair: Todd Apo
- 1:00 p.m.** Committee on Executive Matters
Chair: Ann Kobayashi
- 3:00 p.m.** Committee on Affordable Housing and Economic Development
Chair: Romy Cachola

Thursday, February 7 & 28

- 9:30 a.m.** Committee on Transportation and Public Works
Chair: Nestor Garcia
- 1:00 p.m.** Committee on Intergovernmental Affairs
Chair: Charles Djou
- 2:30 p.m.** Committee on Public Health, Safety and Welfare
Chair: Donovan Dela Cruz

Wednesday, February 20

- 10:00 a.m.** City Council – Morning Session
- 2:00 p.m.** City Council – Afternoon Session

In December 2006, the City Council approved development of a full mass transit route from West Oahu to Honolulu. In February 2007, they approved the Minimum Operable Segment (MOS), which is the first 20-mile phase of the entire route line. The approved MOS will start in East Kapolei, at the site of the future UH West Oahu campus, and extend to Ala Moana Shopping Center.

Continues on back.

In July, the City hosted a Transit-Oriented Development Conference to bring together landowners, residents, developers and community groups to discuss how the new transit system and stations will impact the surrounding neighborhoods. It was an important opportunity for local stakeholders – including REALTORS®, to see and hear presentations from other cities with successful Transit-Oriented Development communities. In addition, the City reached out to West Oahu residents to gather their input and vision for development around two stations located in Waipahu. Members of the City Affairs Committee continue to participate in the City's planning efforts for mass transit.

Mayor Hannemann has also called for a panel of national experts to decide which technology is best for Honolulu. Although the Mayor has long favored an elevated rail transit system on steel tracks, other options include a monorail on rubber tires or a train that glides on a cushion of magnetic levitation. Some Council members continue to advocate for a buslike system, but the council agreed in 2006 to plan a “fixed guideway” system that calls for some form of train, rejecting a “managed lane” alternative that could accommodate buses. A firm decision on the technology must be made before an environmental impact statement can be completed, which would then allow construction to begin in 2009. For more information and updates on the fixed guideway system, go to the Honolulu High-Capacity Transit Corridor Project at www.honolulutransit.org.

CITY RECYCLING

The City continues to be challenged by the need to locate a site for a new landfill, but cries from NIMBYs (not in my back yard) have resulted in a stalemate of securing a replacement for the overflowing Waimanalo Gulch Landfill. But the real solution to waste is to use better ways to dispose of it instead of moving it to somewhere else. On an island with finite resources, voters saw the need for a city-wide recycling program and passed a charter amendment tasking the City to implement it. Mililani and Hawaii were selected as the first communities to pilot the new curbside recycling program that picks up recycling products once a week in lieu of a second trash pick up per week. Residents requiring a second pick up of trash per week are charged \$10 per month. For more information on recycling, waste disposal or pending legislation related to Honolulu's waste, please go to www.opala.org.



Bills and Resolutions

REAL PROPERTY ASSESSMENT APPEALS

Bill 92 (2007) would return monies deposited by a taxpayer on appeal to the board of review if the appeal is sustained as to any amount of the valuation in dispute. The bill passed out of the budget committee and was referred to full council for second reading on February 20.

A GREENER TAX CREDIT

Donovan Dela Cruz has set the “sustainability” tone for 2008 by introducing the first bill of the new year. Bill 1 would provide a real property tax credit to landowners that install and maintain green roofs. A “green roof” is comprised of multiple layers of waterproofing, drainage, and living, growing plant material that forms a permanent vegetative layer over a roof deck. The roof becomes a stable, living ecosystem that emulates natural processes and is comprised of plant material indigenous to the Hawaiian islands. Owners could earn a one-time tax credit up to 40 percent of the total cost of the green roof installation.

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