



Agent Forum
Friday, July 21, 2023
Hawaii Convention Center

Today's Topics

Shoreline Setback

Real Property Assessments

BREAK

Member Poll Feedback

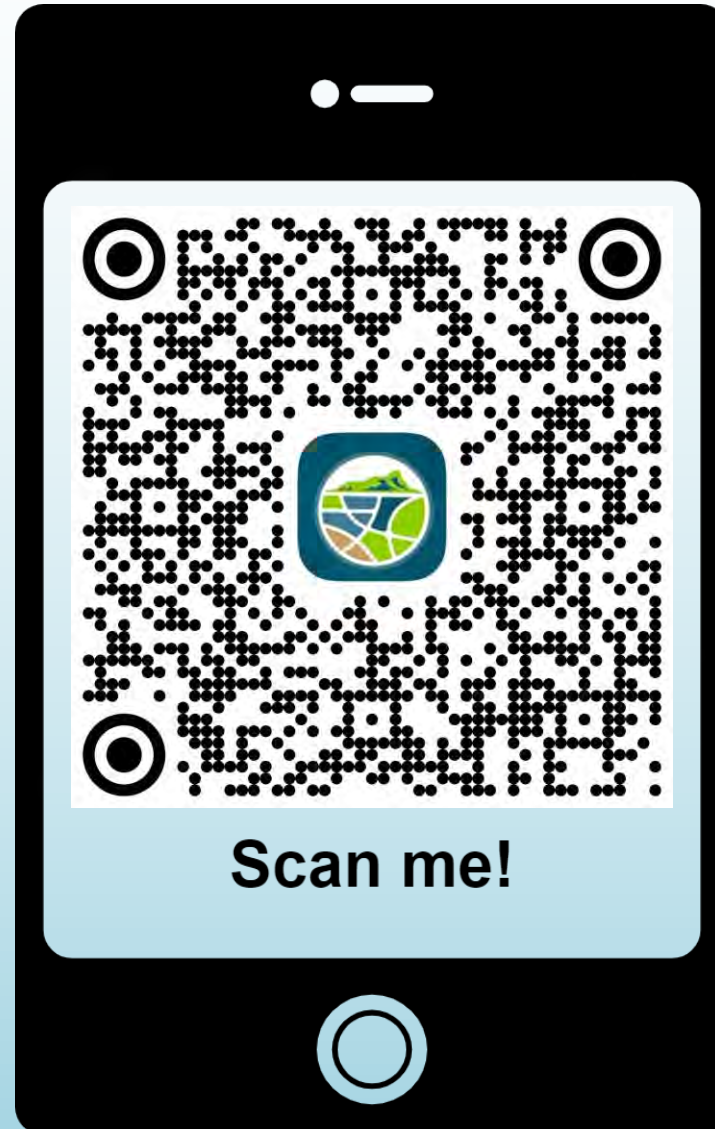
Short-Term Rental Update

Real Estate Cyberfraud Schemes

Closing Remarks/Announcements

Shoreline Setback

**Christi Keller, DPP, Shoreline Division
Ayako Ancheta and Richard DeGutis
City Affairs Committee**





HOME
Events & Contacts

PLANNING
Land Use & Policy

PERMITTING
& Enforcement

PUBLIC INPUT
Review & Comment

RESOURCES
Regulations, Maps, & Reports



HONOLULU
Planning & Permitting
Ka 'Oihana Ho'olālā a me nā Palapala 'Ae

Our Island, Our Future

Permitting » Coastal Area Permits

Coastal Area Permits

Most development in the Special Management Area (SMA) or shoreline setback area will require one or more of the following permits before receiving approval for a general building permit: [Click here to watch our public service announcements about how these regulations protect O'ahu's beaches and what you can do to help!](#)

Special Management Area



Minor SMA Permit

SMA development with a total valuation up to \$500,000



Major SMA Permit

SMA development with a total valuation of more than \$500,000.

Modifications to Major SMA Permits may be processed as [Minor Modifications](#)

What is the Special Management Area?

Shoreline Setback Area



Minor Shoreline Structure Permit

Minor structures within the shoreline setback area



Shoreline Setback Variance

Any other development within the shoreline setback area

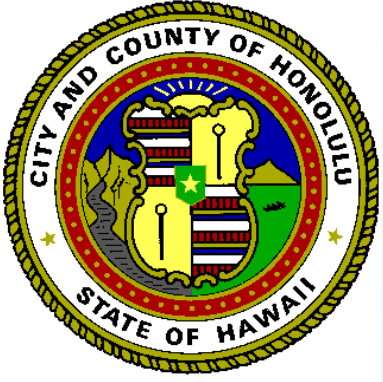
What is the shoreline setback area?



Mahalo!

Real Property Assessment

Stuart Peterson, Assistant Real Property Assessment Administrator
Dianne Willoughby, Chair
Jen Andrews, Vice Chair City Affairs Committee



**Real Property Assessment Division
Department of Budget and Fiscal Services
City and County of Honolulu**

**REAL PROPERTY
ASSESSMENT DIVISION
HBR Agent Forum
July 21, 2023**

REVISED ORDINANCES OF HONOLULU (ROH) CHAPTER 8

ROH Sec. 8-7.1(a) *The director of budget and fiscal services shall cause the fair market value of all taxable real property to be determined and annually assessed by the **market data and cost approaches** to value using appropriate systematic methods suitable for mass valuation of real property for taxation purposes, so selected and applied to obtain, as far as possible, uniform and equalized assessments throughout the county.*

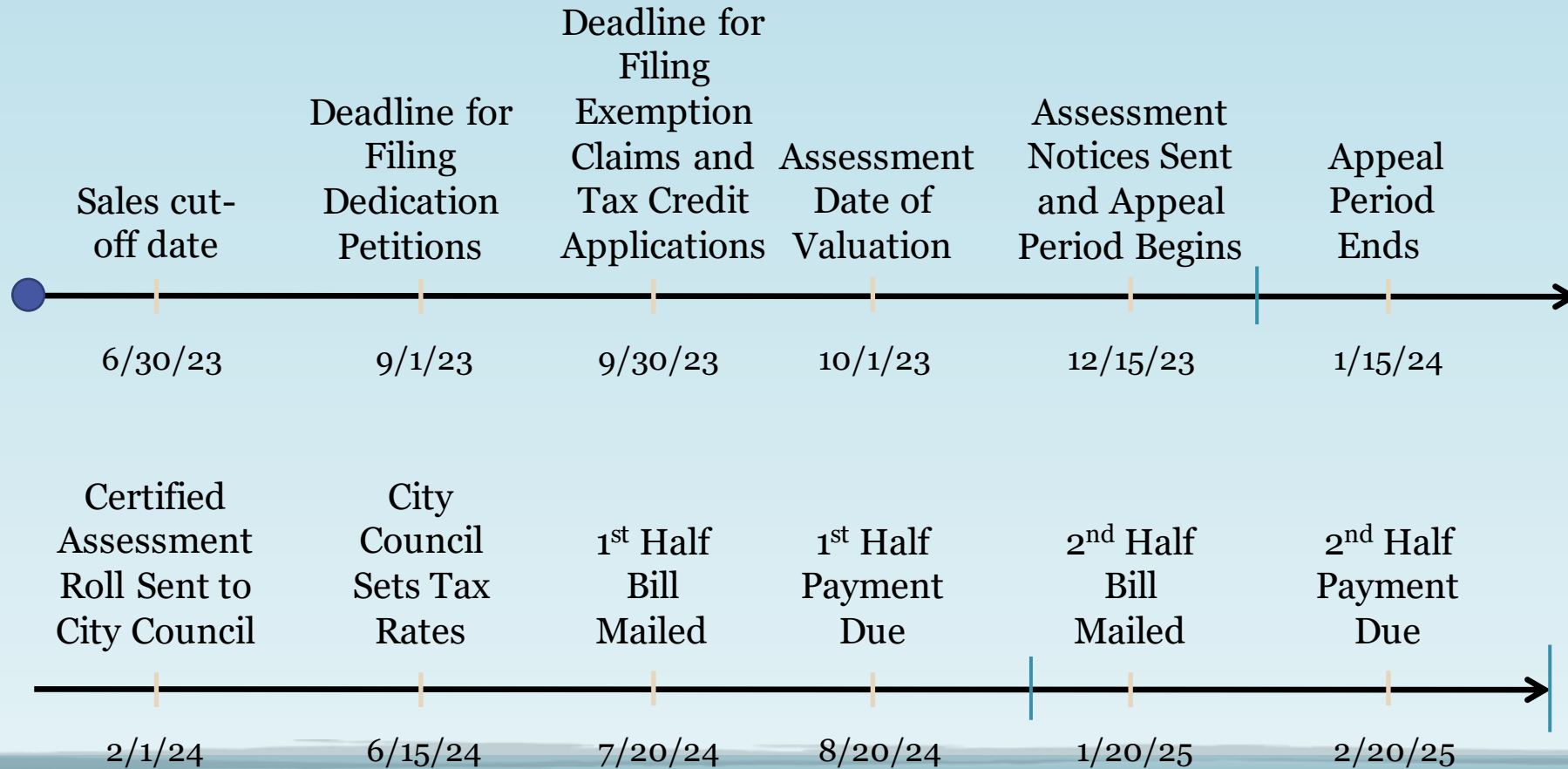
ROH Sec. 8-6.3 (a) *Real property shall be assessed in its **entirety** to the owner thereof,...to the lessee or the lessee's successor in interest holding the land..."*

www.realpropertyhonolulu.com

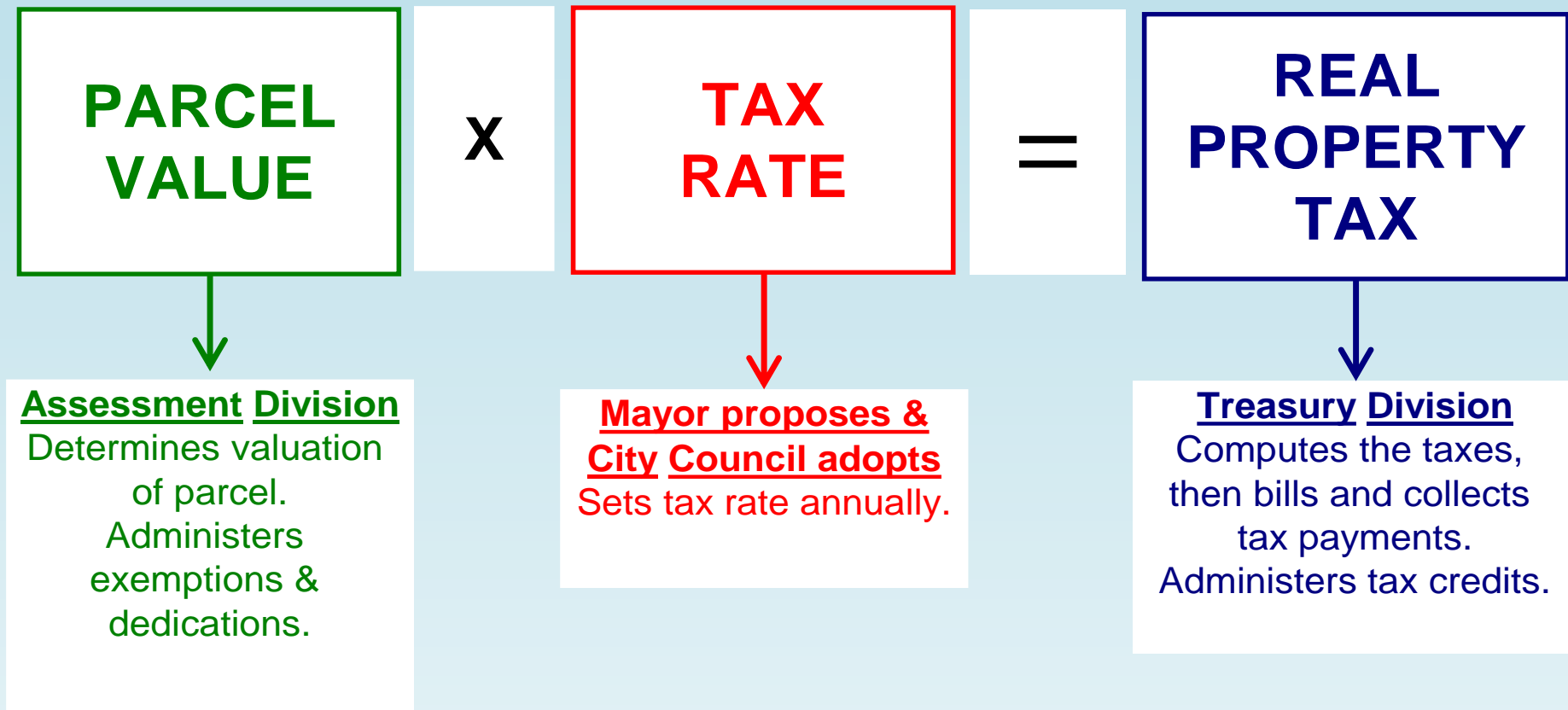


REAL PROPERTY TAX TIMELINE AND IMPORTANT DATES

For Tax Year from July 1, 2024 – June 30, 2025



DISTRIBUTION OF REAL PROPERTY TAX RESPONSIBILITIES



Tax Rates for Tax Year 2023-24

(July 1, 2023, to June 30, 2024)

applied to per \$1,000 of net taxable

Residential:	\$3.50	Hotel and Resort:	\$13.90
Residential A		Vacant Agricultural:	\$8.50
Tier 1 (up to \$1M):	\$4.00	Agricultural:	\$5.70
Tier 2 (> \$1M):	\$11.40	Preservation:	\$5.70
Commercial:	\$12.40	Public Service:	\$0.00
Industrial:	\$12.40		
B & B Home	\$6.50		

Changes approved by City Council via Resolution 23-33

REAL PROPERTY TAX CALCULATIONS

Example 1

Total Assessed Value: \$1,600,000
Home Exemption: **\$120,000**
Classification: Residential
Tax Rate: \$3.50 per \$1,000 net taxable

Total

Net

Value

Exemption

Taxable

$$\text{\$1,600,000} - \text{\$120,000} = \text{\$1,480,000}$$

$$\text{\$1,480,000} \div \text{\$1,000} = \text{\$1,480} \times \$3.50 = \text{\$5,180.00 Taxes}$$

Value of a Home Exemption

$$\text{\$120,000} \div \text{\$1,000} = \text{\$120} \times \$3.50 = \text{\$420.00}$$

$$\text{\$160,000} \div \text{\$1,000} = \text{\$160} \times \$3.50 = \text{\$560.00}$$

WHAT PUTS A PROPERTY INTO RESIDENTIAL A CLASSIFICATION?

- (4) “Residential A” means a parcel, or portion thereof, which:
 - (A) Is improved with no more than two single-family dwelling units; and
 - (i) Has an assessed value of \$1,000,000 or more;
 - (ii) Does not have a home exemption; and
 - (iii) Is zoned R-3.5, R-5, R-7.5, R-10, or R-20 or is dedicated for residential use;
 - (B) Is vacant land zoned R-3.5, R-5, R-7.5, R-10, or R-20 and has an assessed value of \$1,000,000 or more; or
 - (C) Is a condominium unit with an assessed valuation of \$1,000,000 or more and does not have a home exemption.

Residential A excludes any parcel, or portion thereof, improved with military housing located on or outside of a military base.

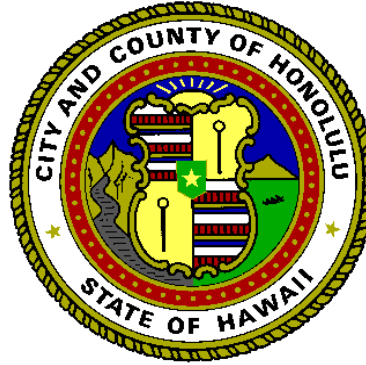
REAL PROPERTY TAX CALCULATIONS

Example 2

Total Assessed Value: \$1,600,000
Home Exemption: \$0
Classification: Residential A
Tax Rate
Tier 1 (up to \$1M): \$4.00 per \$1,000 net taxable
Tier 2 (> \$1M): \$11.40 per \$1,000 net taxable

<u>Total</u>		<u>Net</u>
<u>Value</u>	<u>Exemption</u>	<u>Taxable</u>
\$1,600,000	- \$0	= \$1,600,000
\$1,000,000 ÷ \$1,000	= \$1,000	x \$4.00 = \$4,000.00
\$600,000 ÷ \$1,000	= \$600	x \$11.40 = \$6,840.00
\$4,500.00 + \$6,840.00 = \$10,840.00 Taxes		

Mahalo



Questions

**Real Property Assessment Division
Department of Budget and Fiscal Services
City and County of Honolulu**

Contact Information

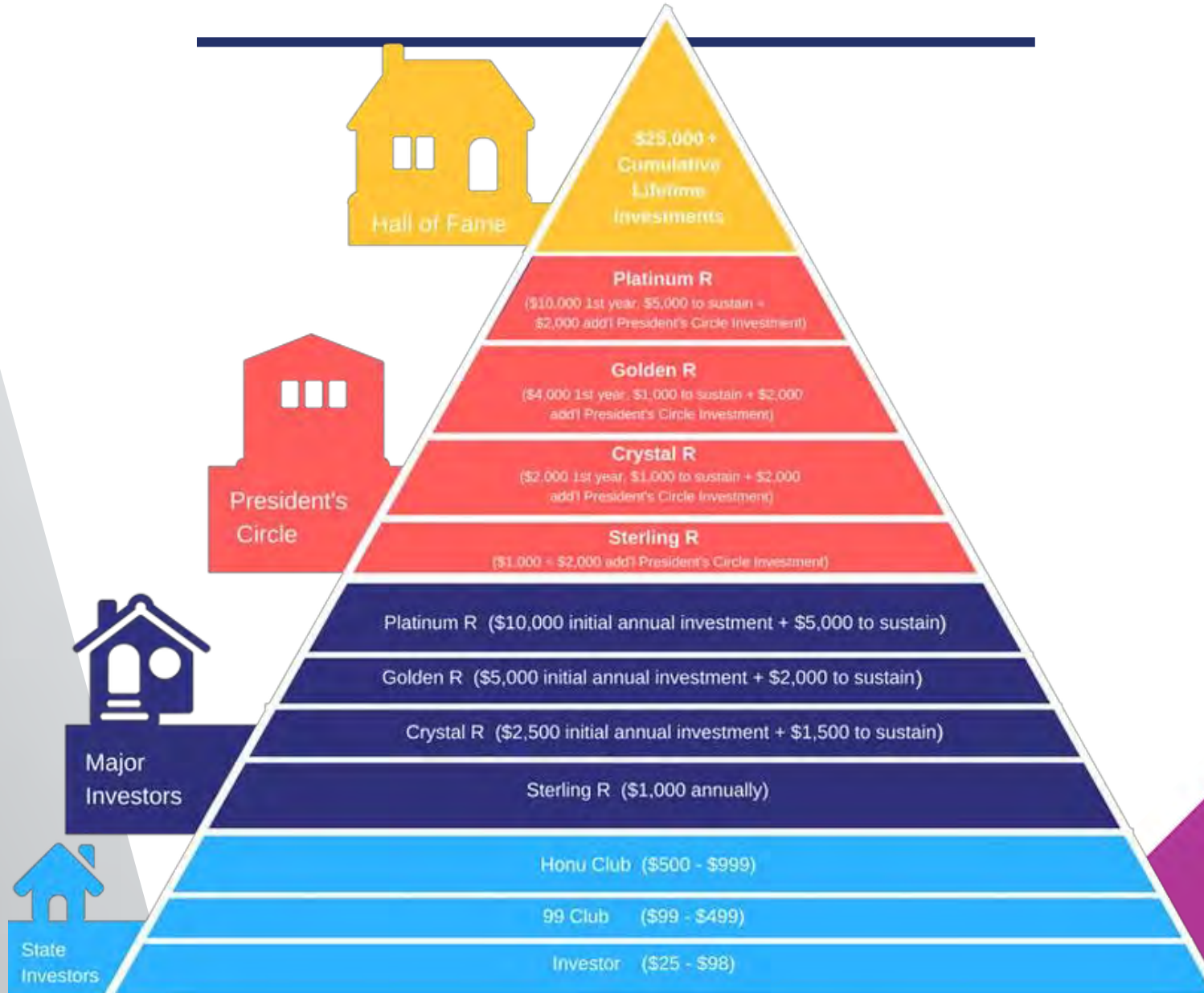
Phone: (808) 768-3799
email: bfsrpmailbox@honolulu.gov

Website

www.realpropertyhonolulu.com

INVEST

VOTE ACT INVEST



Invest in RPAC



www.hawaiiirealtors.com/rpac

Short-Term Rental Update

Fran Villarmia-Kahawai, HBR President
Nathan Aipa, HBR General Counsel

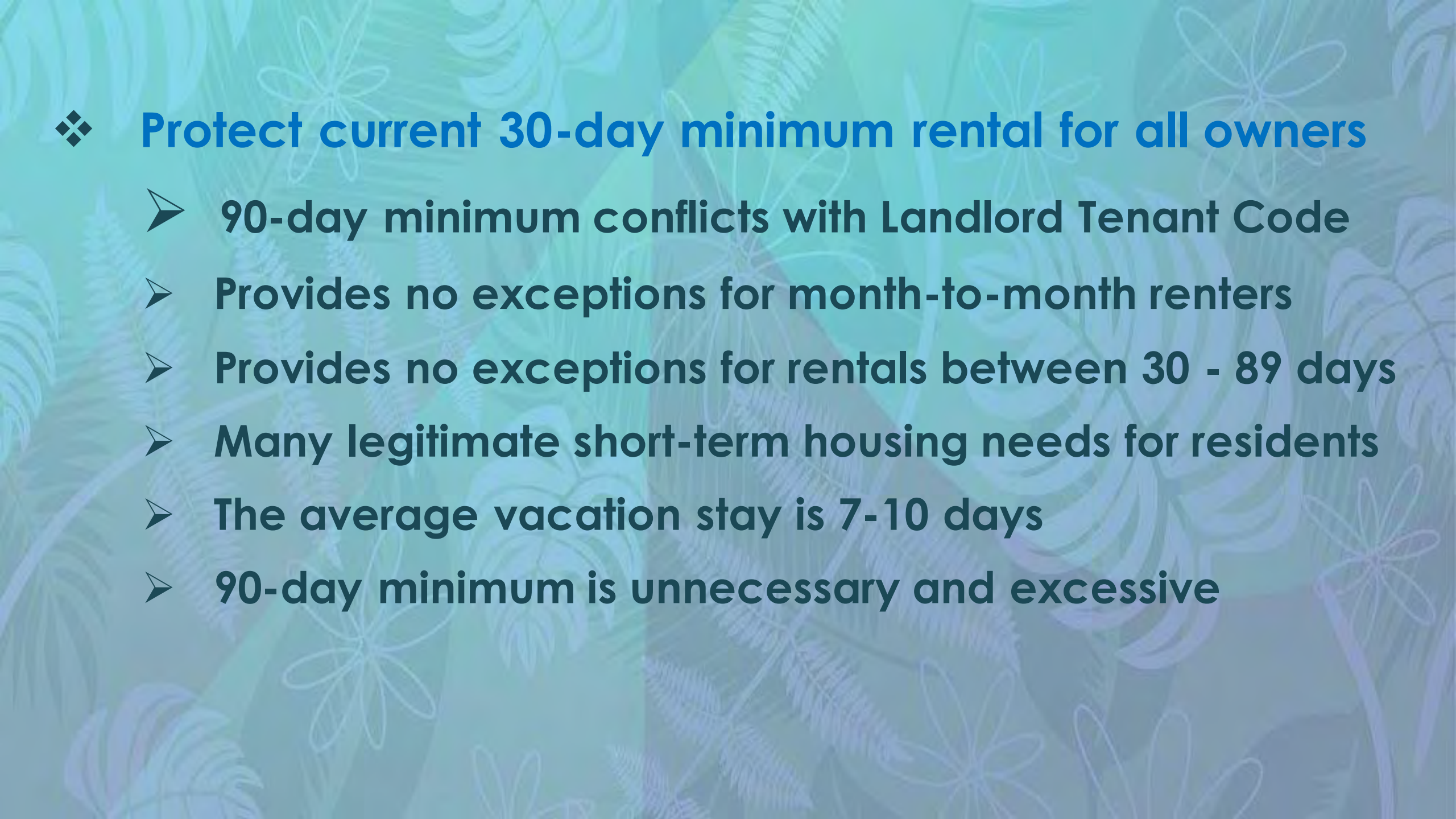
HBR Position on Short-Term Rentals

REALTORS® are:

Housing Advocates. Community Builders. Good Neighbors.

HBR supports the following:

- ❖ **Protect character of residential neighborhoods**
 - Strict enforcement against illegal short-term rentals

- 
- The background of the slide features a dense, light blue and green pattern of tropical plants, including various types of ferns and broad-leafed plants, creating a textured, naturalistic backdrop.
- ❖ **Protect current 30-day minimum rental for all owners**
 - **90-day minimum conflicts with Landlord Tenant Code**
 - **Provides no exceptions for month-to-month renters**
 - **Provides no exceptions for rentals between 30 - 89 days**
 - **Many legitimate short-term housing needs for residents**
 - **The average vacation stay is 7-10 days**
 - **90-day minimum is unnecessary and excessive**

❖ **Protect owner's vested property rights**

- **All Owners, for over 40 years, have had the legal right to do minimum 30 day rentals in residential neighborhoods**
- **Owners with NUC must be allowed to continue to rent less than 30 days**
- **Owners with NUC must be allowed to transfer NUC to new owner**



Real Estate Cyberfraud Schemes

**Michael Gee, US Secret Service
Technical Special Agent**



Hey, Excuse me, I stumbled across your number while sorting out my phone contacts, do we know each other?

12:40

Yes

Okay

No

Yes we do



Text message





+855 71 639 7458



Yesterday

Excuse me, is this Nana's phone number?

12:33

Real Estate Cyber Fraud Schemes

U.S. Secret Service

Honolulu Board of Realtors Forum
July 21, 2023

THE OVERALL CLASSIFICATION OF THIS PRESENTATION IS:
UNCLASSIFIED/FOR OFFICIAL USE ONLY(U/FOUO)

U.S. Secret Service

Mike Gee, Technical Special Agent

Hawai'i-Pacific Cyber Fraud Task Force Supervisor

U.S. Secret Service, Honolulu Field Office



U.S. Secret Service

One Integrated Mission



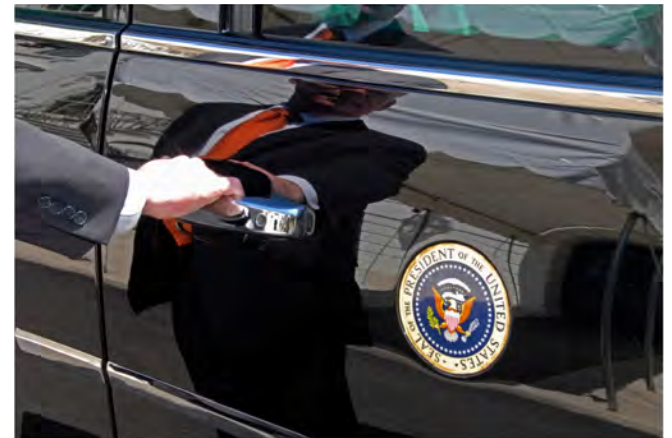
We protect our nation's highest elected leaders, visiting foreign heads of state, and national special security events; and safeguard the U.S. financial infrastructure and payment systems.



Investigations



Protection



WORTHY OF TRUST AND CONFIDENCE

U/FOUO

Agenda

- Cryptocurrency Investment Scams
 - aka Pig Butchering
- Real Estate Fraud
- Business Email Compromises

Social Engineering

Phishing

Pretexting

Credential Stuffing

Cryptocurrency Investment Scams



WORTHY OF TRUST AND CONFIDENCE

U/FOUO

Cryptocurrency Investment Scams

- Professional Networking
Online Dating
Social Media Platforms
- Can take weeks to develop
- Common interests
- No mention of money at first



Pretexting

- Fake scenario to build trust
- Romance
- Confidence
- Impersonation
- Extortion



Cryptocurrency Investment Scams



- Directed to specific website or app
 - Legitimate looking
 - Spoofed
- Presumed control of your money
- Appearance of high returns to encourage further investments




Cryptocurrency Investment Scams

Warning Signs

- Guaranteed or high ROI
- Use of specific apps or websites
- Allowing anyone else access to account
- Using crypto to pay taxes, government fines, etc



Real Estate Fraud



United States
Secret Service
Global Investigative
Operations Center

GIOC ALERT
23-003-I TLP GREEN

Real Estate Fraud and Vacant Properties

The United States Secret Service, Global Investigative Operations Center (GIOC), has observed a sharp increase in reports of real estate fraud associated with vacant and unencumbered property. Criminals are posing as real property owners and through a series of impersonations are negotiating the sale of properties which are vacant and/or lien free. Criminals are using similar techniques that continue to be deployed in real estate specific Business Email Compromise (BEC) schemes, to include open-source research. Visit the [Secret Service website for guides](#) on BECs and other cyber-enabled financial crimes.

Typical techniques and steps criminals use in this fraud scheme:

- The criminal searches public records to identify real estate that is free of mortgage or other liens and the identity of the property owner. These often include vacant lots or rental properties.
- The criminal poses as the property owner and contacts a real estate agent to list the targeted property for sale, and requests it being listed below current market value to generate immediate interest.
- The criminal posing as the property owner demonstrates preference for a cash buyer, and quickly accepts an offer.
- The criminal posing as the property owner refuses to sign closing documents in person, and requests a remote notary signing.
- The criminal (or co-conspirator) also impersonates the notary and provides falsified documents to title company or closing attorney.
- Title company or closing attorney unwittingly transfers the closing proceeds to criminal.
- All communication is electronic, not in person.

The fraud is often discovered when recording the transfer of documents with the relevant county. This scheme has particularly affected elderly and foreign real property owners, but it is not limited to these groups, because there are no means to automatically notify the legitimate owners. Therefore, the burden of verification is on the real estate and title companies.

Global Investigative Operations Center (GIOC)
www.secretservice.gov/investigation



Real Estate Fraud



Impersonation and Vacant Lots

- Target mortgage-free vacant lots or rental properties
- Pose as out-of-area seller, all contact is electronic
- Request below-market listing to generate immediate sale
- Refuse to sign documents in person, use their own notary



Real Estate Fraud

Mitigation and Prevention

- Independently search for identity of seller
- Request in-person or virtual meeting
- Look at government-issued identification
- Be alert for below market value cash offers
- Never allow seller arrange their own notary
- Use known and trusted title companies and attorneys



Business Email Compromise



WORTHY OF TRUST AND CONFIDENCE

U/FOUO

Business Email Compromise

Ka [REDACTED]

Please send us the revised invoice without retention with final lien release. So, we can pay it ASAP.

Best Regards,

D [REDACTED]

Project Director

Guam Cell: 671-[REDACTED]



Business Email Compromise

Good day [REDACTED]

Please HOLD PAYMENT With resent turn of event we wont be using our Fedral credit union account, for the main time

we would be using our international account nominated for your payment henceforth .

Kindly see attachement for revise invoice and on your confirmation of this mail I will share our new nominated account details

for your payment.

Thank you,

[REDACTED]



Business Email Compromise

Dear [REDACTED]

Kindly see below and attached bank details for your payment and persual .

BANK DETIALS.

Bank name: Chase bank

Acct name: [REDACTED] Environmental Group Guam

Routing number [REDACTED] 2387

Acct number: [REDACTED]

Address: [REDACTED] Roswell ga 30075

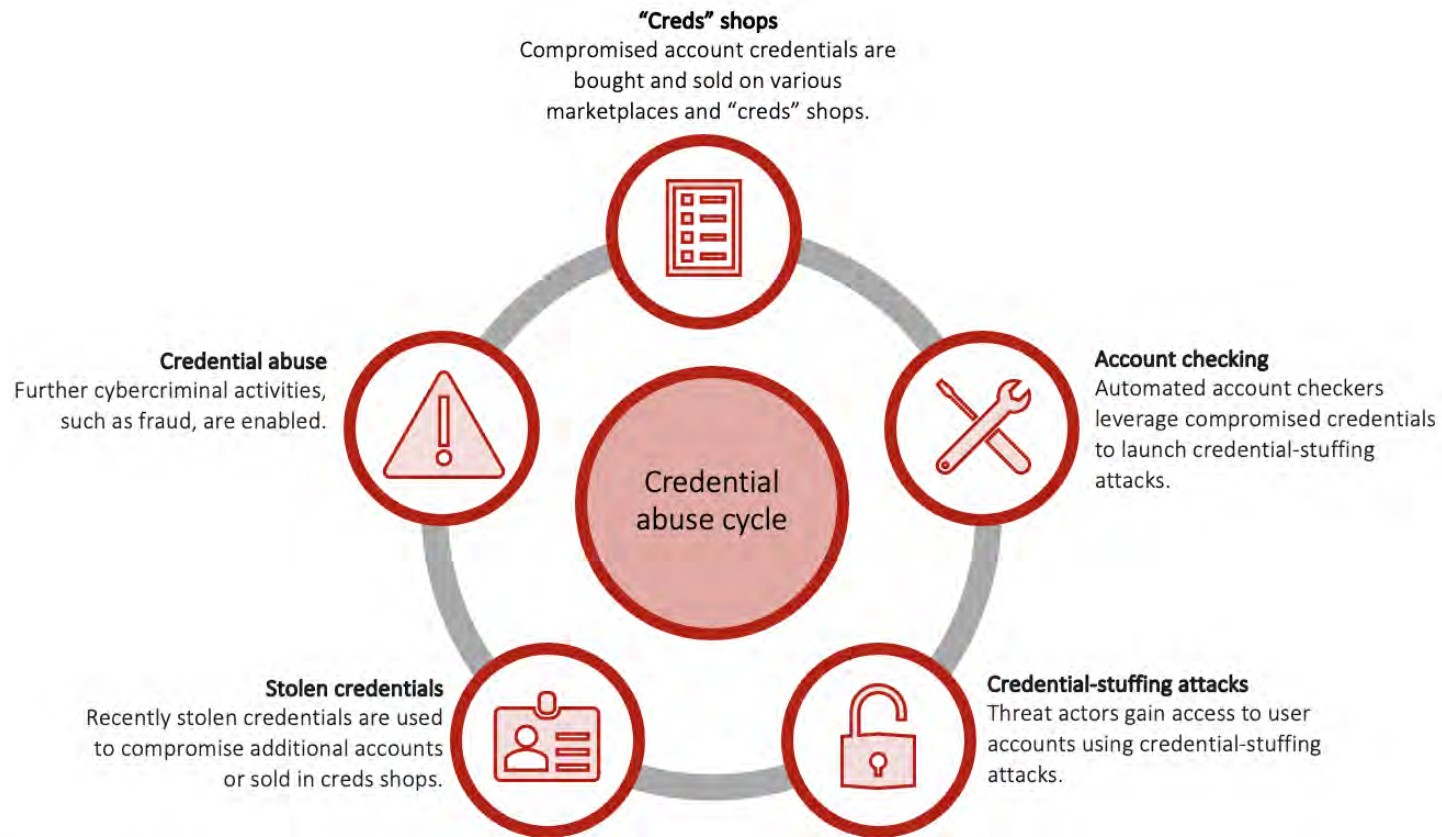
i await your payment slip so i'll make trace from my end .. if you have any question do not hesistate to contact me .

Thank you,

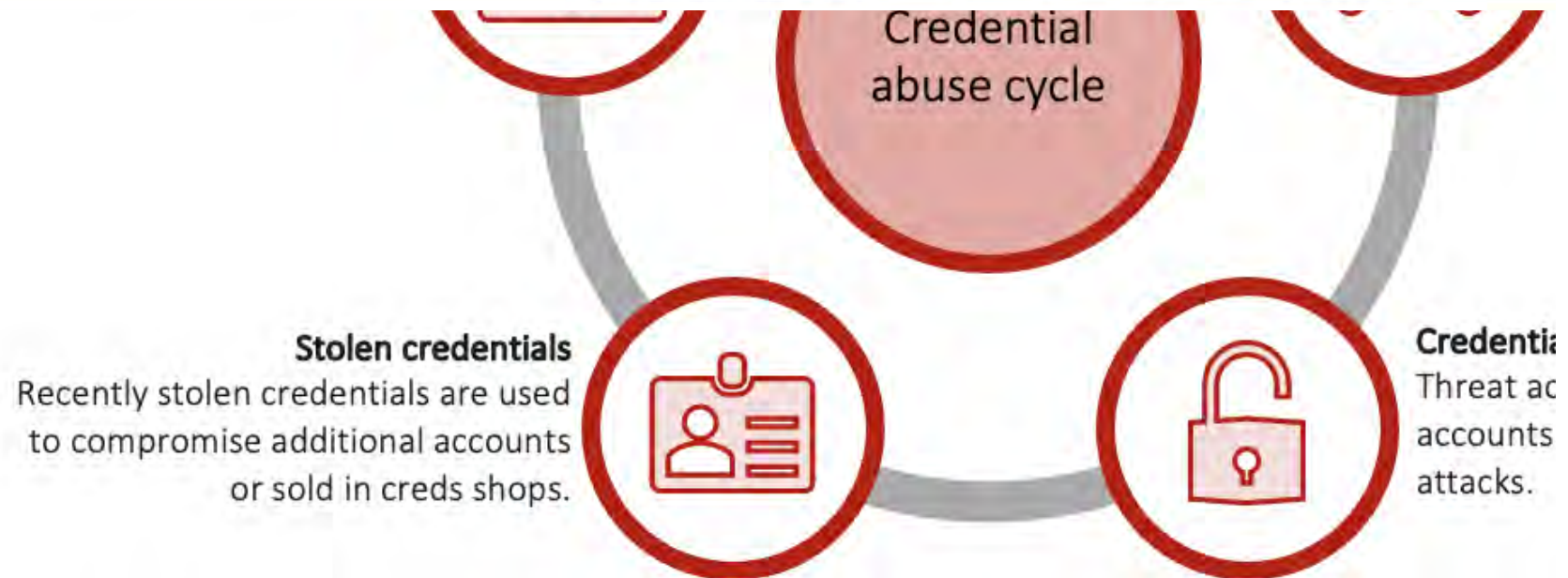
K: [REDACTED]



Credential Stuffing



Credential Stuffing



Credential Stuffing

"Creds" shops

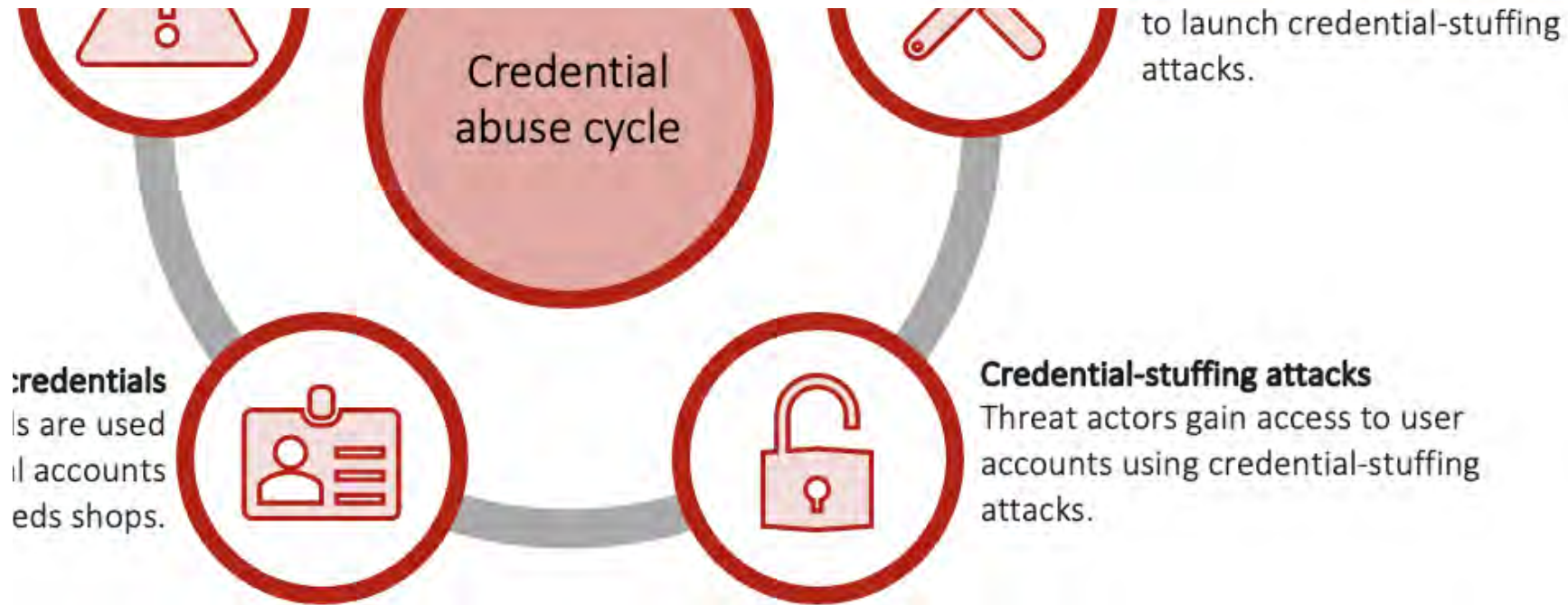
Compromised account credentials are bought and sold on various marketplaces and "creds" shops.

Credential abuse
Cybercriminal activities, such as fraud, are enabled

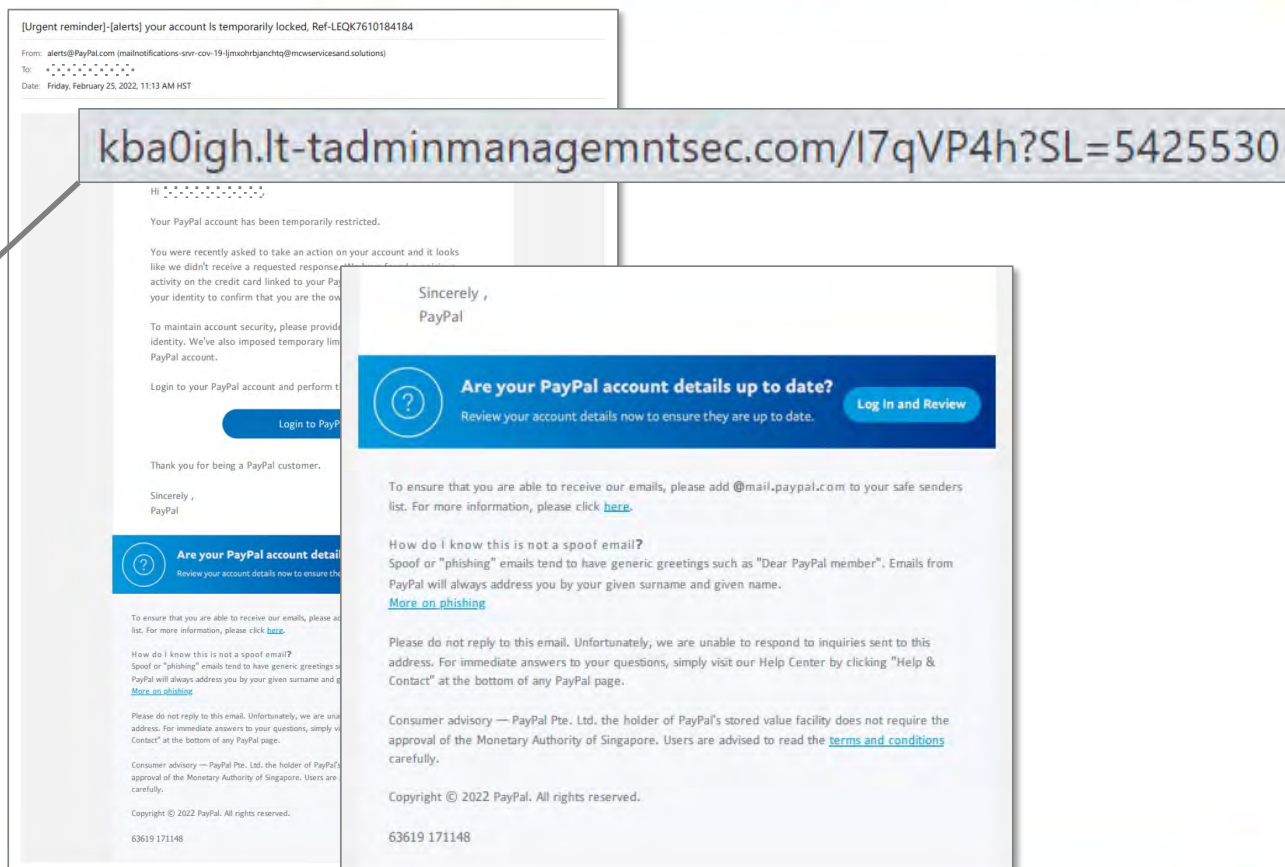
Account checking
Automated account checks leverage compromised



Credential Stuffing



Phishing



BEC Mitigation

PREVENT

Register all similar domain names that can be used for spoofing attacks.

Create rules that flag and delineate emails received from unknown domains.

Monitor and/or restrict the creation of new email rules within the email server environment.

Enable multi-factor authentication.

Conduct BEC drills, similar to anti-phishing exercises.

Educate employees, clients, and vendors to:

Authenticate all financial transactions through dual-factor authentication.

Confirm all payment method changes using trusted and authenticated information.

Learn the habits of those with whom they conduct financial transactions.

MAIL AUTO FORWARDING

A criminal logs in to a compromised email account just once to set up an auto forward inbox rule to forward emails to their own email address.

This rule will remain in effect even if a password is changed.



BEC Mitigation

WARNING SIGNS

Urgency of Request: A request to transfer funds is sent with a pronounced sense of urgency.

Different Domains: Email communication originates from unknown or spoofed domains.

Out of Contact: Requestor is unreachable, but insists on the urgency of the transfer.

Language and Grammar: Syntax is different or erroneous.

Multiple Emails: Multiple recipients receive emails requesting transfer of funds.

Incorrect Context: Emails are not in the standard context normally encountered or for alternate business purposes while requesting a transfer of funds.

Secrecy: Email sender requests that information about transfer be kept secret.

RESPOND

Time is money! An immediate response is crucial, funds are moved within minutes of a BEC incident.

Contact your **bank** to reverse the wire, for hold harmless and indemnification.

Contact **local law enforcement** to request a report, which is needed to reverse a wire.

Contact a **Secret Service** field office **Cyber Fraud Task Force**.

Law enforcement can work with **FinCEN** to initiate Financial Fraud Kill Chain.

File a complaint with the **Internet Crime Complaint Center** (IC3).

Review **email systems** for unauthorized access or rule creation.

Conduct a **cyber security analysis** on your systems.

Change all **login credentials**.



Rapid Response Program / Financial Fraud Kill Chain

- Reported to law enforcement within 72 hours
 - USSS Honolulu: 808-541-1912
 - www.ic3.gov
- International wire transfer of at least \$50,000
- SWIFT recall notice initiated



Contact Law Enforcement

Internet Crime Complaint Center – www.ic3.gov

US Secret Service – cryptofraud@secretsservice.gov

FBI – tips.fbi.gov

DHS ICE/HSI – ice.gov

DHS CISA – cisa.gov/report

Federal Trade Commission – reportfraud.ftc.gov



Publications

Cryptocurrency Investment Scams

The U.S. Secret Service continues to observe a significant increase in cryptocurrency and digital asset investment scams. These scams often target victims who use social media, online dating, or professional networking platforms.

The execution of these scams varies but typically involves a potential victim receiving a message from another registered user of these platforms. The message directs the potential victim to visit a website or to download a smartphone application supposedly associated with a cryptocurrency or digital asset investment opportunity. In some situations, the victim may also be enticed to make payments directly to the scammer in order for the latter to "manage" the investment in question. In reality, these alleged investment projects are scams designed to steal funds from the victim.

PIG BUTCHERING

One variation of these scams is known as "Pig Butchering" and occurs primarily on professional networking websites, through seemingly misdirected text messages, or online dating platforms. This begins with a message from a perceived professional contact, an individual sending a text in error, or an individual seeking a romantic relationship. The communication evolves into victims being convinced to make investments in cryptocurrency or digital asset projects. The victims make payments via traditional bank or wire transfers, bitcoin ATMs, or cryptocurrency transactions through smartphone applications or websites.

The victims in this situation are referred to as "pigs" by the scammers, because they use elaborate storylines to "fatten up" victims into believing they are in trusted partnerships. The scammers then refer to "butchering" or "slaughtering" the victims, after victim assets are stolen and ultimately causing victims financial and emotion ruin.

To learn more about digital assets, click here to visit the Secret Service Digital Assets page.

WARNING SIGNS:

- Receiving a solicitation on online dating, social media, or professional networking websites to invest in cryptocurrency or digital asset projects by either transferring funds directly to the individual or creating an account on a website or smartphone application.
- Receiving a request from a new contact to transfer funds via a Bitcoin ATM, bank or money remitting service, or smartphone application or website as an investment opportunity or to assist with a financial hardship.
- Receiving a communication promoting an online investment opportunity through a website which includes poor spelling or grammatical structure, dubious customer testimonials, or general amateurish web layouts.
- Receiving a request to create an account and share the account login credentials to assist with investment management.
- Receiving a message requesting to remotely connect to a computer and assist with creating an online account.
- Receiving a request to download software, plugins, or browser add-ons to use the processing power of a computer or smartphone for cryptocurrency mining or digital asset investment purposes.
- Receiving a request to pay taxes or fees to access the investment portfolio or release funds.

Version 1.1 www.secretservice.gov/contact/field-offices

GIOC ALERT

23-003-1 TLP GREEN

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Global Investigative Operations Center (GIOC)
www.secretservice.gov/investigation



Available at secretservice.gov



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Mike Gee, Technical Special Agent
US Secret Service Honolulu Field Office
(808) 541-1912

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