

## PUBLIC HEARING

JULY 20, 2022

A public hearing of the Council of the County of Kaua'i was called to order by Luke A. Evslin, Chair, Finance & Economic Development Committee, on Wednesday, July 20, 2022, at 9:16 a.m., at the Council Chambers, 4396 Rice Street, Suite 201, Historic County Building, Līhu'e, and the presence of the following was noted:

Honorable Bernard P. Carvalho, Jr.  
Honorable Mason K. Chock (*via remote technology*)  
Honorable Felicia Cowden (*via remote technology*)  
Honorable Bill DeCosta  
Honorable Luke A. Evslin (*via remote technology*)  
Honorable KipuKai Kuali'i (*via remote technology*)  
Honorable Arryl Kaneshiro

The Clerk read the notice of the public hearing on the following:

“Bill No. 2872 – A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO REAL PROPERTY TAX (*Tiered Residential Investor & Vacation Rental Tax Classifications*),”

which was passed on first reading and ordered to print by the Council of the County of Kaua'i on June 15, 2022, and published in The Garden Island newspaper on June 22, 2022.

The following communications were received for the record:

1. Burris, Jodee, dated June 23, 2022
2. Feinblum, Barney, dated July 11, 2022
3. Luck, Alice, dated July 19, 2022
4. Markowitz, Hannah, dated July 11, 2022
5. May, Rae-Marie, dated June 29, 2022

Committee Evslin: We received written testimony on this item and we do have a number of speakers registered on Zoom. We will start with Kyle Kettle. All Zoom speakers you will have six (6) minutes straight through. If you could please state your name for the record before you begin.

KYLE KETTLE (*via remote technology*): I just wanted to testify on Bill No. 2872. Previously you had mentioned problems with the County possibly having insolvency issues and looking for money for affordable housing and things like that. I just wanted to say that high-end vacation rentals should be taxed at a much higher rate than residential housing. This is an easy source of income.

Committee Chair Evslin: Kyle, you were breaking up there in the beginning. If you could start over, state your name, and begin your testimony over again.

Council Chair Kaneshiro: Councilmember Evslin, we could hear him clearly on our end. I will let him go and if we cannot hear him clearly then I will let him know to restate what he had to say. We can hear him clearly on our end.

Committee Chair Evslin: Okay, thank you.

Mr. Kettle: I just want to say that I am in favor of taxing these high-end vacation rentals at a higher rate. I think it is an easy source of money. They could be used for things like creating affordable housing projects and things like that. That is definitely a big problem not just on Kaua'i, but on all of the islands. I do not think that you should be giving these developers of these high-end vacation rentals favorable tax rates. If they are not able to do their projects without a favorable tax rate on their property, then it is just not needed or necessary for your County. It is taking away land in areas that could be used to create those affordable housing projects. I think it is just something that should be looked at by the Council and the Residential tax rate should just be the start for them. There should be additional taxes levied on them for creating high-end rental housing that is going to generate a lot of income for them. That is all I wanted to say on that.

Committee Chair Evslin: Okay, thank you, Kyle for your testimony. Next up we have Kiara Lorenzo-Rodrigues.

KIARA LORENZO-RODRIGUES (*via remote technology*): Hello, can you hear me?

Council Chair Kaneshiro: We can hear you.

Ms. Lorenzo-Rodrigues: Today I am testifying against approving high-end valued vacation rentals to be in the same tax bracket as residential. I do not believe this is a real solution for the housing crisis, especially on Kaua'i. We want to make sure that these residential units are the people who are actually living in their homes. If you look at the definition of "residential" it is used as a place where one actually lives. These vacation rentals do not have people who actually live there. They are just profiting so much more. I cannot allow that to happen, especially to local families who are trying so hard just to stay there. I also believe that they should be taxed higher, just like the gentleman before me stated. We could make more money on them. We should honestly...they should have an impact fee on what they are doing to impact the local communities, especially with these agricultural zones then turned commercial. There should be some type of moneys that go into creating new gardens or food production. We know we are in a food shortage and ninety-three percent (93%) of our food is shipped in. That is a problem. Then they want to talk about how to stop...and this money could go into hunters to help with the pig problems that they are having, especially in these high tourism industry private

properties. Those are just a few kind of things that I see. These are real strategies that will benefit the people of Kaua'i. *Mahalo.*

Committee Chair Evslin: Thank you, Kiara for your testimony. Just to clarify, I am Councilmember Evslin who is the Committee Chair for the Finance & Economic Development Committee. The Bill does not do as you stated. It does not change the definition of the Vacation Rental tax class. It just creates three (3) separate tiers so that higher valued vacation rentals and Residential Investor homes, which are vacant homes, could be taxed at theoretically higher rates. It does not change how we define a Vacation Rental.

Ms. Lorenzo-Rodrigues: Okay, thank you.

Committee Chair Evslin: The next registered speaker is Tara Rojas.

TARA ROJAS (*via remote technology*): *Aloha.* I am all for taxing these vacation rentals at a higher rate. However, I do have the issue with the fact that these vacation rentals are even allowed to...if I am mistaken, you can clarify...that vacation rentals are considered residential by definition or classification. My issue again is, the five thousand (5,000) vacant properties, right there that is an issue. You have to look at that further at how this came about. Why is it that there is so much housing being sold, who in the first place are these people that can invest in a vacation rental? That is part of this tying in to the other Resolution and the other housing issues. Have you thought of tackling that as well? For example, stopping these luxury developments that are contributing to this, including the desecration of the 'āina and the *na wai*. It is all tied in. This whole housing issue is tied in. When will you all be able to stop, relook at the history, and find a way to basically, whether it is through increases to vacation rentals, but the fact that there are so many vacation rentals and empty houses there in the first place, and look at where we are at now? There is going to be more than what is there now through development. Again, affordable housing, housing being available for local *kama'āina* and *Kānaka Maoli*, and also the issues involving so many vacation rentals, developers coming in, luxury houses, and empty houses there. You have to take account and take a look at all of that. I am not a money person, but just know that what you all decide has an effect and has had an effect through all of these years. Please do what is *pono* and please do what is right for those who are from this 'āina. *Mahalo.*

Committee Chair Evslin: Thank you for your testimony. Our next registered speaker is someone on an iPad with an unknown name. If you could state your name for the record and you will have six (6) minutes.

Council Chair Kaneshiro: They may not be there, Councilmember Evslin or they might just be watching. We can move on and maybe come back to them.

Committee Chair Evslin: Whoever is on the iPad, if you come back, let us know later and we can get you testifying at the end here. The next registered speaker is Alfred Medeiros.

ALFRED MEDEIROS (*via remote technology*): *Aloha mai kakou.* I am against the proposed amendment of Bill No. 2872. It sounds like rezoning to me. That is what it sound like. It sounds like a process that will give them a way to rezone in certain areas as well. We need to start taxing like how many other people said. We need to start taxing the hotels and tourism industry. They have been taxing us as *Kānaka Maoli*, as Hawaiians, and as local people in many different ways. They have been taking land for them that is not for them, basically. This is kind of like...I do not know what you call a "Residential Investor?" It sounds crazy because you have one of the biggest residential investors that owns a majority of the island in Mark Zuckerberg. What does not stop him from doing a lot of other things with this type of proposal. It gives him an advantage instead of prohibiting the change that is happening in Hawai'i. The reason why we are going through a housing crisis and going through these processes with people homeless and people moving, is because we are letting the outside come in and dictate the way we live in Hawai'i now. We are giving them the open market where these guys do not even live here. There needs to be more laws that need to be implemented or changed in that way, to stop people from coming over and buying up the land and the homes. We cannot even afford it as *Kānaka Maoli* and as Hawaiians. What makes it right for outside people to come in and change the way we live over here for their own personal residence. They are just residents. A majority of these residential investors, they are not even residents on a yearly basis. They come one (1) time a year during the summer time and they do not live here anymore. The real residents are the people of Hawai'i, Kaua'i, Maui, O'ahu, *Moku o Keawe*, Moloka'i, and Lāna'i. That is the truth of it right there. We have to move away from trying to help out the tourism industry and these investors. It seems like we give them the "green light" to do things as they wish. Look at Kōloa for example. Department of Permitting and Planning (DPP) messed up. State Historic Preservation Division (SHPD) messed up. Who do we blame? In the end the County gets blamed for this kind of stuff. The County Council and the members on the boards get blamed for this, because we do not know who to turn to. Whom gets to point the finger at whom? Do you know what I mean? This is the kind of stuff that happens when we start giving handouts to those on the outside. "Here you, go here, *mahalo.*" For what? What are they doing for us? They are not doing anything for the local people besides pushing us away. We have to keep things local and keep it Hawai'i for Hawaiians, and keep Hawai'i for the people of Hawai'i. The way we are going to do that, you have to start taxing them way more. Do not take away from them or give them a little bit change in their tax bracket. They do not care. They do not care about anything or the people of Hawai'i. They only care about the money. I hope you are listening to the people and the concerns. The people have been listening, watching, and they are paying attention. I know you see that the Federal Bureau of Investigation (FBI) is paying attention too. The corruption is going to die in Hawai'i little by little and people are getting caught for their crooked ways. We just need to make sure that everything is *pono* and properly for the people of Hawai'i. To the "braddah" that made a comment to me on the first public hearing, I appreciate you

talking about that, sir, I agree with you completely on what you are saying. *Mahalo* for your time. I appreciate you doing this for us and giving us a chance to speak up. I am not too sure if we are speaking upon deaf ears, but at least we get to speak up. *Mahalo. Aloha.*

Committee Chair Evslin: Thank you, Alfred for your testimony. Just again to clarify, the Bill does not actually rezone anything. It just creates the possibility of different rates for higher valued vacation rentals and residential investor properties. Our next testifier is Shy Olores.

SHY OLORES (*via remote technology*): *Aloha*, can everyone here me?

Council Chair Kaneshiro: Yes.

Ms. Olores: *Aloha 'oukou, aloha o ko'u Pu'uwai o ko'u inoa, no Kaua'i mai au, noho au mai Kalāheo.* I am here today to testify against this Bill. Honestly, I am just here because I saw it on Instagram and I was like, "Damn, this is a part of where I live," and I want to have a say in this and I want to hear what other people say too. Everyday as a single parent, I work two (2) jobs to try to support my household of two (2). I struggle to go to work in Kapa'a from Kalāheo just to make ends meet. Every day I pass the on the highway going to the County building and I see so many homeless people in the bushes. I know that is our people. Those are grandmas, uncles, aunties, that do not have the money to pay the rent. It is just like, "Damn, we are here talking about possibly raising the rent for people that do not live here and own vacation rentals." Or raising taxes for people that do not live here. It is a no-brainer. Obviously, we need to do this. We are in a crisis. We are in a housing crisis. I am thirty (30) years old. How am I ever going to be able to buy a home in Hawai'i on Kaua'i, here where we have the oldest island and we have people like Mark Zuckerberg and other billionaires...we have thirty (30) billionaires here scooping up our land and eating up our *āina*, leaving nothing for our generation, my generation, and the generation under me, my *keiki*. What are we going to have if we do not start to look at these issues? This tax should be super high for the people who do not live here. It should be very high. It should be high enough that we can create a *pu'u honua* for these homeless *Kānaka Maoli* and all of the *kama'āina* that cannot afford housing here anymore. This is getting more prevalent. You turn on the radio and there is rent help offerings. You look everywhere and there are homeless people everywhere. Then you go down to Kōloa and they continue to bomb our burial caves and desecrate our *āina* for greed. It is all for greed and it is very heartbreaking as a *Kānaka Maoli*, to see this as a *wahine*, and as someone who stands for our *āina*. It is heartbreaking. I hope they raise the taxes exponentially for these non-residents and visitors in all aspects, not just for housing. All visitors should have a higher tax for everything that they purchase on our *āina* and not just for their home, but for everything. They should be taxed more than us. How are we ever going to make it? How can we ever survive? How can we ever be on our *āina*? How can we ever be *Kānaka Maoli* if we allow these foreigners or these *malihini* to come here and dictate how we live? They will dictate if we will be servants for the rest of our lives, be servants to tourism, and be servants to foreigners in our own homelands. We are

being kicked out of our ways. We are being shunned and looked down upon because we have to live in the bushes. We have no other choice. We cannot afford. The land is being scooped up left and right. It is just very heartbreaking, and I am just thankful to have this opportunity to speak on this. I feel in my *na'au* that we are making a change even though we have just this small platform, and it might fall on deaf ears, I feel lucky to stand up for my future generations and my past generations as well. I can give my *mana'o*, input, and put my feelings out here. Everyone should. Everyone is affected by this. Everyone is affected by outside influences. If you have gone to the Līhu'e Airport, you have seen the many, probably about twenty (20) to fifty (50) signs advertising Kauanoē o Kōloa, which we have a court date today and time at 1:00 p.m. at the Līhu'e Courthouse if anyone wants to come. This is a huge issue. We are continuing to displace *Kānaka Maoli* by building more for foreign investment and not for our own people. This displaces so many and continues to. We need to stop this and this is only the first step in doing so. Thank you to the County of Kaua'i for listening to our concerns and I really hope that you...I do not see any person in the County that is my age and that is scary to me. I feel like people that are there now, the generations are going to be different. Are these people really look at future generations? Please do look at the future generations and look at how we are already currently affected. There are so many youth and so many young people literally suicidal killing themselves that is going unreported because of this and these issues. We have no place. We have no place to call home. We are killing ourselves because of this. This is a real issue. Raising the taxes for foreigners, that is just one (1) small piece. Please do that and use that money for creating a *pu'u honua* and creating rehabilitation centers or spaces for displaced *Kānaka Maoli*. There should be no homeless *Kānaka Maoli* in Hawai'i. This is our home. We need to take it back. *Mahalo* for your time. *Aloha*.

Council Chair Kaneshiro: That is your six (6) minutes. Thank you.

Mr. Medeiros: There you go *tita*.

Committee Chair Evslin: Thank you, Shy for your testimony. Our last online registered speaker is the unknown iPad owner. Please state your name for the record and you will have six (6) minutes.

Council Chair Kaneshiro: You can begin. Just state your name for the record. The person on the iPad, you can state your name for the record and begin your testimony. You are on mute right now. You have to unmute yourself.

CALVIN STANTON, JR. (*via remote technology*): I am from the island of O'ahu. There is too much desecration going on. There are too many people going back and forth with each other. We need to come together and do the right things for the people and not for the people who do not live here. We should tax them like everyone else is saying. You taxing us is retarded. You should be taxing those people. Our gas prices are going crazy and going higher to the sky. The food is retarded. I work two (2) jobs at 7-11 there is not even bottled water on the shelf. They want to poison our waters. I am going off the subject. It is like you are poisoning us and our

minds. You are poisoning our flow. You are taking everything away from us and giving us nothing back. When are we going to start getting stuff back? Can you answer that question? No. You know why? You are not doing anything to give us anything back. You have to step up to the table. I see Billy DeCosta there on your Council. I talk to him once in a while on these issues. He gives me the *mana* to come on here. Him, "Braddah" Al, Jared, Tara, et cetera. They give me the *mana* to come and talk on here. I do not know a lot about all this stuff. It is too heartbreaking to hear all of this. It gets to me and upsets me. It upsets a lot of people in the community on all the islands. We as *Kānaka Maoli* are being left behind. It is time for you to do something for the *Kānaka Maoli* and not with the outsiders. You keep supporting them and you do not support the *Kānaka Maoli*. That is why there are people leaving the island and they do not feel wanted anymore. We have to work to afford to live. It should be this way on this island, Moloka'i, Lāna'i, Kaua'i, et cetera.

Committee Chair Evslin: You have a few more seconds. Please wrap up your testimony.

Mr. Stanton: For the good...right now it is not for the good. You have to start doing good and doing better for our *keiki*. My voice is for the *keiki*. I do not speak for myself. I speak for the *keiki* who does not have a voice and cannot speak for themselves. That is why us *kupuna*, *anakalas*, and *anakes* are here speaking up today. My heart is sore. When are we going to make things right? When I hear kids feeling sorry, I understand. I know exactly what she was talking about, Shy Girl. I was one of them before. I was like that. I wanted to hurt myself sometimes because I could not do anything to help my people. It hurt me so bad. Thank goodness for *Ke Akua*, he kept me here. That is the only reason why I am still alive. With that being said, you have a blessed day. God bless you all. Be *pono*. *Aloha*.

Committee Chair Evslin: Thank you for your testimony. Looks like we have another registered speaker online. Jerrick Medeiros-Garcia.

JERRICK MEDEIROS-GARCIA (*via remote technology*): *Mahalo* everybody. First of all, Council, thank you for your time and thank for giving us the opportunity to voice our concerns. I come from *Moku o Keawe*, the Big Island. I am very aware of what is going on around my *'āina*, *wai*, and my people. I just wanted to share some *mana'o* with you. Right now, everyone is up for their seats here on the Big Island. I have been making moves here to make sure that we replace the County Council Members who are not being *pono* and not listening to the people. I know you are in a hard place at times, but just look at what is really happening around us. This last week we had waves hitting buildings on the shoreline of the Big Island, covering these condominiums. It is not the Hawaiian's ones. It is the outside investors who own these. As the County Council, you can make big moves. I know for a fact, because I have been paying attention here on the Big Island and watching how people vote. They are putting whatever they want in the budget. For example, on the Big Island we have twenty-five (25) miles of roads that the County can redo. They are doing trades behind closed doors. We have people in there watching how these people are

doing things. They give two and a half (2.5) miles for their votes. Look at what is happening now. We have things being damaged and people's lives are being crushed. Weddings are being damaged. Why? It is too close to the *wai* and too close to the ocean, the *makai*. The thing is all of our voices...we have to remember...majority rules first and foremost. You have these landowners that are coming in to Hawai'i, the people's voice, if we come together, we only have twelve (12) people versus the developer. That is the majority. The people represent the majority. We are watching. Now, I am so glad that the majority of the people on this line today, they are activated. They are activated so now their *kuleana* is to watch how you vote. Your hearts might be in the right place, and you might be thinking you are doing the right thing, but majority rules. I am not trying to take anything away from you. I just want to let you know that we are watching. Everyone now is trying to get activated. You will notice that there are more people in your meetings. They are watching you. If you enjoy your job and you think that you are doing what is *pono*, then these people that are giving you feedback, they are going to tell you that you are doing a good job. If you are doing it for private interests, you might want to think about listening to the people. You talk about taxing these homeowners, I have ideas and solutions on what we can do. These people that move here to the islands, they are welcomed into our communities. We welcome them with open arms. When they start making moves like building a three-million-dollar home in a place where the home around them is worth two hundred fifty thousand dollars (\$250,000), then guess what, why not have them pay for everyone's land tax and make them know that if they want to build a three-million-dollar house, that it is their decision. When it is time to sell it, then they cannot sell it for more than their neighbor's house is worth. Keep things fair for the people of Hawai'i. We are not here to push our people. These are your supporters when you do right. When you do wrong, please listen. I talk upon deaf ears at the Hawai'i County Council. Why? Because I come forward with the truth. My tongue is a double-blade sword and I cut them up with the truth. They do not like to hear the truth. That is my *kuleana*. I did not look for this *kuleana*, this *kuleana* found me. I appreciate your time. There are a lot of solutions to moving forward with outside entities or outside interests coming into your county. Kaua'i is only so small. Love the land. Love the people even more. There are options. I am more than happy to sit with you and share my *na'au*. We all should be at the table to share our feedback or solutions that we have for our counties. I appreciate you. Thank you for giving me the time to speak. I *mahalo* all of you. Please move forward with *pono* hearts, minds, and ears. Listen to the people. We all love you. Here in Hawai'i, when you start talking about sustainability, it is not self-sustainability, we need to encourage community sustainability and the fact that here in Hawai'i we think about the next person. Thank you for your time. You have a blessed day. *A hui hou, mālama pono.*

Committee Chair Evslin: Thank you, Jerrick for your testimony. Our next speaker is Lillian Sarmiento.

LILLIAN SARMIENTO (*via remote technology*): *Aloha. Mahalo. Ka'e ko'u inoa*, is Lillian. I would like to give my gratitude and thankfulness to be speaking here to have my voice be the due diligence here. I would like to speak on Bill No. 2872. I do not which section it is. Part (h), where it states about the owner of vacation



rentals being in the next tax bracket for residential, and for Kaua'i, it is very much where we are geared...everyone is hearing that we need to be self-sustainability and self-sufficient, and in 2020, I finally graduated from the United States Department of Housing & Urban Development (HUD). In 2020 during the pandemic, I graduated in finally being family self-sufficient. 2020, right? How am I supposed to use that money that I worked five (5) years for? My goal was to be a homeowner. That was my top goal. I have two (2) kids. My husband works in the tourism industry. We set our goals high. We said we would be full-time workers. I am a homemaker now. I have to take care of my kids, because there is no daycare or maternity leave. Yet, you want to put these tax brackets and change that. We had to drive from Waimea. We used to live in Waimea in the district of Kona. It was seventeen (17) miles away from my husband's job every day. We got taxed on gas, food, car, because obviously we have to pay for the road infrastructure, and then now with this...our main focus, my goal was to be a homeowner. With our income with all of this...now I am hearing about this new tax bracket from vacation rental to residential, that is not fair. That is not self-sufficient. I would like to give my *mahalo* to one (1) who opposed this Bill which is Councilmember Bill DeCosta. *Mahalo*. You have my vote. I *mahalo* you because you heard our voice, and you opposed this kind of thing. You were not going to continue the displacement and the further pushout of us. There are many of us that are like this. Generations who are still on HUD or looking for help. We are trying to set goals and move away from that, because we do not want to be overlooked and we want to have self-sufficiency. Our kids are going to hear that we are more self-sufficient and independent. We are going to start growing our own food. We are going to start not seeking all these handouts. We are not here for handouts anymore. We are here to do the work. That is what I did for five (5) years. *Mahalo*.

Committee Chair Evslin: Thank you for your testimony. We have Leomana Turalde as our next testifier.

RON IOANE LEOMANA TURALDE (*via remote technology*): *Aloha*, I am a current commissioner here on the Big Island. My family is a long-time resident, one thousand five hundred (1,500) years on Kaua'i. My uncle is the *kahuna* of the navigational *heiau* out there. I just wanted to jump in here and give my support. I wanted to speak my mind. The land that we have down there on Kaua'i is very sacred and we are doing the same thing over here on the Big Island with lava tubes and trying to deal with these people coming in and building resorts on our beaches. I understand that the tourism is Hawai'i's cash crop right now. In Hilo, we are trying to transition into a different style of tourism where we give them more responsibility and *kuleana*. I just wanted to bring that up and let you know that I know tourists they cause a lot of problems here. I do not know what to do, but one thing that we are doing in Hawai'i County is to implement new tourism ways. When the tourists come, we give them responsibility and we make them get involved and work for our community. That might be something you can look into on Kaua'i. Hopefully that can help. I do not know how to help the situation over there. It seems like everyone is crooked. The State is selling out. It hurts my feelings to see all of us hurting, even you folks. I just wanted to give my opinion. I hope everything is okay, that the community is safe, and that you all have unity in the value of *'ohana*. *Mahalo* for letting me speak. *Aloha*.

Committee Chair Evslin: Thank you, Leomana for your testimony. The next speaker is Travis.

TRAVIS MORI (*via remote technology*): I just wanted to share, I live on O'ahu, but I do not know exactly what is going, but it seems like you have a Bill or are trying to tax the land. I am not for the building, but if you are building tax as much as possible like the other sisters said to help the *Kānaka Maoli*, the Hawaiians, or even just the people living here to be able to afford a house or rent. Give us a shot first before we let other people in. Even on O'ahu, it is already crowded with all the traffic. Do whatever you can do that is best for the people that are suffering. I know just trust in Jesus and God and we trust you all to make the right decisions and whatever is best for the people. We thank you all for what you are doing. In Jesus' name, be blessed.

Committee Chair Evslin: Thank you Travis for your testimony. Our next speaker is Amber.

AMBER THRONAS (*via remote technology*): *Aloha*. I was just interested in hearing from Councilmember DeCosta and his position, being that he was the only one against this Bill and to hear a little more on that. I will yield my time for him to speak if that is possible.

Committee Chair Evslin: Thank you, Amber. This is a public hearing so there is no Council deliberation today. We will be deliberating at the next meeting in Committee on this.

Ms. Thronas: When will that be just for clarification and for general knowledge for everyone listening?

Council Chair Kaneshiro: August 3, 2022.

Committee Chair Evslin: Sorry, did you hear that? It will be back up on August 3, 2022.

Ms. Thronas: Yes, I heard that. Thank you.

Committee Chair Evslin: Thank you. Are there anymore online speakers on Zoom wishing to testify? Is there anyone else in the audience wishing to testify?

Council Chair Kaneshiro: Lonnie.

Committee Chair Evslin: Lonnie.


LONNIE SYKOS: It is my great pleasure to agree with Councilmember DeCosta if I can say that in my objection to this. My objection is based on the term "Residential Investor." I am a homeowner. Something like

ninety-eight percent (98%) of all homeowners, the largest investment of my life is the equity in my house. I am an investor. As a statement of reality and as intended. I bought a house because I want to equity and not my landlord if I rent. I am a residential investor. The terms like...it is like camouflage. The structures you are talking about is not a residence if you use Webster's definition of a residence. They are temporary accommodations like a hotel, which means they are a business activity. In Hawai'i, because of the tourists coming in by ship and by airplane, we ended up with a differentiation somehow between a regular 7-11 business activity and all the tourism activities that are equally simply business activities. This whole phrasing or wording of "Residential Investor" implies that this thing is actually a house to be used as a residence, which it is not. It is a motel that people drive up to stay a few days, get in their car, and drive away from. It is literally a motel. If you go to the mainland where they have motels and they have motel zoning. These places are motels, and they should be taxed as businesses and not as residences. Tax the hell out of them, is what I say. Make the taxation competitive with the west coast. How many people here on island that I know, are residents elsewhere, because they would get hammered by their taxes and the taxes are cheap here relative to being out of state. That all needs to be addressed. You need to address the language in this so that these units are not discussed as housing. Thank you.

Committee Chair Evslin: Thank you, Lonnie. Is there anyone else wishing to provide testimony? I just want to provide one last time some clarification on the Bill, as I think there is some confusion. There is no up-zoning with the Bill itself. It simple creates three (3) tiers for Residential and the Vacation Rental property tax rates. At those tax rates, homes valued at one million dollars (\$1,000,000) and three million dollars (\$3,000,000) can be taxed at higher property tax rates. The intention of the Bill as stated in the findings is to incentivize long-term rentals and shift some of the financial burden of funding government services to those more capable of paying. That is all it does. It does not re-zone or lump in residential properties with these other things. It just creates three (3) tiers within these existing property tax rates. Again, we will have a lot of deliberation at the August 3<sup>rd</sup> Committee Meeting, and we will speak more to it at that point. Are there any other speakers online or anyone in the audience wishing to testify? Seeing none, this public hearing is now adjourned.

There being no further testimony on this matter, the public hearing adjourned at 10:02 a.m.

Respectfully submitted,



JADE K. FOUNTAIN-TANIGAWA  
County Clerk

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