

CITY CLERK
HONOLULU, HAWAII

FEB 15 2 15 PM '06

RECEIVED

RECEIVED

2006 FEB 15 P 2:11

CITY COUNCIL
HONOLULU, HAWAII

From: Mulbretep@aol.com
Sent: Tuesday, February 14, 2006 10:41 PM
To: Dela Cruz, Donovan M
Subject: property tax increase

Dear Councilmember Dela Cruz,

Many local families are facing burdensome rent hikes as a result of the proposed increases in their landlords' property taxes. Kindly read the following two letters I submitted to the Honolulu Advertiser and try to fashion a fair solution that includes some relief for the poorer half of your constituents: the renters.

letter #1:

We've been renting the upstairs of a duplex in Makiki since 05/01/75. For more than 30 years now we've been unable to afford to buy any housing that meets our needs. On 12/16/05, we were notified by our landlord of an \$80./mo rent increase effective 02/01/06. This amount is our share of a \$7288./yr increase in our landlord's property taxes, effective 07/01/06. According to City Hall, in the past year our landlord's property has appreciated 69% in value: \$4,765,400. vs. \$2,821,900. The appraiser in charge of our area (Anne at 527-5544) said that her appraisal was based on recent home sales prices ("Makiki, Manoa, Tantalus -- way up"). If housing prices keep skyrocketing, and the city continues its current property tax-assessment strategy, many of us renters will soon be moving to a location that affords a fabulous view of Diamond Head: Kapiolani Park.

letter#2:

Decisions, decisions. Hamlet never had it so hard.

What to do about my \$80./month rent increase, triggered by my landlord's 69% rise in property tax payments? Live leaner and a little meaner -- oatmeal and raisins, but skip the banana? Hunt down empty cans and bottles? Rig up an outdoor clothesline? Screw in energy-saving light bulbs? Check out our local open market? Move to an oceanside location with a Diamond Head view -- say, Kapiolani Park? Auwe! Our neighbor, faced with a \$1060. property tax increase, is also a bit perplexed. Should she raise her two cats' rent, and risk their moving out to Makiki Park? Should she trade in her grass shack for an igloo in Alaska? Does the sudden \$250,000. paper increase in her property's value make her richer? Or is she really just \$1060. poorer?

Perhaps the City's property tax assessment policy could stand some tweaking. When tax increases are tied to a handful of recent sales prices, aren't the winners mostly short-term speculators out for a fast buck, along with wealthy nonresident buyers able to drop their tax burden on renters? Aren't the losers mostly long-term owners and renters who have little to show for their steadfastness except higher taxes and rents? Aren't the new revenues generated by Oahu's recent building boom enough to keep taxes at a more manageable level? Isn't it advisable to place some sort of cap (well below 69%!) on year-to-year tax increases? Isn't it possible to lower the tax rate while maintaining the new "feel-rich" property valuations?

Questions, questions.

Hope the above letters shed some light on the situation from a renter's perspective.

Mahalo for your time and attention to this matter.

Aloha, Peter Blum

1840-2 Makiki Street Honolulu, HI 96822 391-6365 mulbretep@aol.com

Misc. Com. No. 0503

PH