

VOTER'S GUIDE 2016

 Honolulu Board
of REALTORS®
The source for Hawaii's real estate

VOTE

• NOV. 8, 2016 •
GENERAL ELECTION

City & County of Honolulu

Each election year, the Honolulu Board of REALTORS® asks candidates for county races key questions about issues important to our members and the real estate industry.

Candidates are allowed up to 100 words to answer each question (HBR does not edit responses, other than for length). Candidates interested in receiving campaign contributions from the REALTORS® Political Action Committee

(RPAC) will be evaluated on their responses to these questions, as well as other evaluation criteria, such as electability, viability, political influence and demonstrated leadership.

This November, elections will be held for Honolulu City and County Mayor and Honolulu City Council Districts 5, 7 and 9. Please use this Voter's Guide to help you get to know your candidates for county offices.

CANDIDATES IN THE NOVEMBER GENERAL ELECTION

2016 MAYORAL CANDIDATES

Kirk Caldwell, *incumbent* • Charles K. Djou

2016 CITY COUNCIL CANDIDATES

District 5: Kimberly S. Case* • Ann H. Koayashi, *incumbent* — Kaimuki, Palolo Valley, St. Louis Heights, Manoa, Moiliili, McCully, and portions of Ala Moana, Kakaako, Makiki

District 7: Joey Manahan, *incumbent* • Chace K.M. Shigemasa* — Kalihi, Iwilei, Kalihi Kai, Mapunapuna, Salt Lake, Aliamanu, Hickam, Foster Village, Ford Island, Sand Island

District 9: Ron Menor, *incumbent* • Emil Svrčina — Waikēle, Village Park, Royal Kunia, Mililani Town, West Loch, Iroquois Point, portions of Ewa Villages, Ewa Beach

CITY COUNCIL MEMBERS **NOT** UP FOR RE-ELECTION

District 2: Ernest Y. Martin — Mililani Mauka, Wahiawa, Moku-leia, Waialua, Haleiwa, Pupukea, Sunset Beach, Kahuku, Laie, Hauula, Punaluu, Kahana, Kaaawa, Kualoa, Waiahole, Kahaluu

District 4: Trevor Ozawa — Hawaii Kai, Kuliouou, Niu Valley, Aina Haina, Wailupe, Waialae-Iki, Kalani Valley, Kahala, Wilhemina Rise, Kaimuki, portions of Kapahulu, Diamond Head, Black Point, Waikiki, Ala Moana Beach Park

District 6: Carol Fukunaga — Portions of Makiki, Downtown Honolulu, Punchbowl, Pauoa Valley, Nuuanu, Alewa Heights, Papakōlea, Fort Shafter, Moanalua, Halawa, Aiea, Kalihi Valley, portions of Liliha and Kalihi

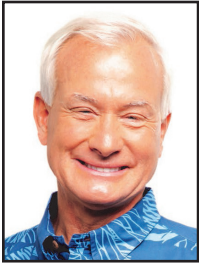
District 8: Brandon Elefante — Lower Aiea, Pearlridge, Waimalu, Newtown, Pearl City, Seaview, Crestview, Waipio Gentry, Waipahu

*Indicates candidate chose not to respond to our questionnaire.

CANDIDATE PROFILES



MAYORAL



Kirk Caldwell

Years Lived in District: 15 years in Manoa, 36 years in Honolulu; **Current Position/Occupation:** Mayor, City and County of Honolulu; **Previous Public Offices/Appointments Held:** Acting Mayor, City and County of Honolulu; Managing Director, City and County of Honolulu; Representative District 24, Hawaii House of Representatives; member Neighborhood Board; **Current & Previous Community, Civic or Political Involvement:** Legislative Assistant to U.S. Sen. Daniel K. Inouye; served on many community boards.



Charles Djou

Years lived in District: 42; **Current Position/Occupation:** Attorney; US Army Reserve soldier; Professor, Political Science, HPU; **Previous Public Office:** US Representative, City Councilmember, State Representative; **Current and Previous Community, Civic, or Political Involvement:** Candidate for Mayor of Honolulu

CANDIDATE PROFILES CONT.



DISTRICT V



Ann H. Kobayashi

Years lived in District: 49; **Current Position/Occupation:** City Councilmember, District 5; **Previous Public Office:** Honolulu Police Commission, Manoa Neighborhood Board Member, Hawaii State Senator, Councilmember for District 5

DISTRICT VII



Joey Manahan

Years lived in District: 11; **Current Position/Occupation:** Honolulu City Councilmember; **Previous Public Office:** Hawaii State Representative; **Current and Previous Community, Civic, or Political Involvement:** Member of the Hawaii State Democratic Party

DISTRICT IX



Ron Menor

Years Lived in the District: 60 years; **Current Position/Occupation:** City Councilmember, District 9, Private Attorney; **Previous Public Office:** State Senator; State Representative; **Current and Previous Community, Civic or Political Involvement:** Past president and current member of the Mililani Lions Club



Emil Svrčina

Years Lived in the District: 18; **Current Position/Occupation:** Computer Specialist, analyst in UH Cancer Centre; **Previous Public Office:** Neighborhood board #25 member; **Current and Previous Community, Civic or Political Involvement:** 2016 - Candidate for Honolulu City Council District 9, Vice President HIRA, HD37 Republican District Chair, 2008- Candidate for City Council, 2012-2014 Republican Candidate for HD37

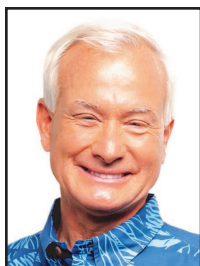


RAIL AND TRANSIT-ORIENTED DEVELOPMENT

With Hawaii's affordable housing shortage and finite amount of land, high-density, mixed-use, transit-oriented developments (TODs) that are pedestrian-friendly and located close to the proposed rail transit line presents a tremendous opportunity for our island. But ongoing economic uncertainties continue to challenge Oahu's new rail transit system despite increasing surcharge collections, an extension of the rail tax, and support by President Obama and our congressional delegation. Our elected officials continue to face the many difficult decisions associated with balancing the budget and providing services, including public transportation to residents. HBR supports adopting TOD policies along the rail line that enable the island to grow appropriately, but competing priorities will challenge efforts to move forward.

Q. *What do you anticipate to be the greatest challenge facing rail transit and TOD development? How would you address that issue?*

MAYORAL



Kirk Caldwell

Finding the money to build the full rail system is our greatest challenge. We need to assure the FTA that we have a plan to build rail with known funds so that the FTA honors its \$1.55 billion commitment. Building to Middle Street with the funds we have is realistic but I am working with stakeholders to secure funding to build rail to Ala Moana. TOD implementation will continue unabated if I am re-elected mayor. My TOD subcabinet remains focused on developing catalytic projects and improving infrastructure around transit stations to stimulate developer investment in affordable housing and improving neighborhoods.



Charles Djou

Fixing the City's mess with the over-budget, behind schedule rail project will be the single biggest challenge for the next mayor. Charles opposes any further tax increases for rail and will not fund any more cost overruns beyond the \$7 billion in funds already allocated for this project. Charles supports the use of TOD, but wants to find ways to incorporate TOD into private-public partnerships to help offset some of the cost of the rail system with private development. Private partnerships, however, will realistically only comprise a tiny fraction of any offset of rail construction costs overruns.



RAIL AND TRANSIT-ORIENTED DEVELOPMENT CONT.

DISTRICT V



Ann H. Kobayashi

Uncertainty with regard to funding is the greatest challenge I see facing the rail project. By increasing private-public partnerships to promote transit oriented development in the area surrounding the planned transit stations will ease the taxpayer burden and spur economic growth.

DISTRICT VII



Joey Manahan

If rail stops at Middle Street, it will kill TOD. Keeping our commitment to rail and the fixed guideway through to Ala Moana and UH Manoa is essential for Oahu to be able to manage traffic and growth well into the future. With 9 of the 21 stations (Stadium to Iwilei) located in District 7, we have a majority of transit-oriented development (TOD) at stake, and we can not afford to miss out on the opportunity to meaningfully address our housing crisis by building affordable workforce housing in the Kalihi corridor.

DISTRICT IX



Ron Menor

In terms of rail, the greatest challenge is funding the completion of the project. In this regard, City officials need to work closely with the Federal and State governments and the private sector to explore financing options that will not increase taxes on residents and businesses (e.g. public-private partnerships; the availability of additional federal dollars; and halting the skimming of ten percent of excise tax surcharge revenue collections by the state.)



Emil Svrčina

The greatest challenge to transit oriented development is completing the Rail within its budget and providing services that meets the needs of the ridership at a reasonable price. I will work to ensure there are no property tax increases to meet this goal even if it takes conversion to more affordable system - BRT. Talking to Realtors I will point out that TOD can continue around major bus stations/hubs as well.

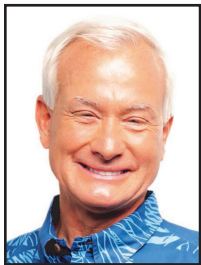


PRIVATE PROPERTY RIGHTS

The right to own private property is the cornerstone of the real estate industry. As the leading advocate for private property rights, HBR works to ensure that government does not arbitrarily violate an individual's opportunity to possess, develop and transfer real property as supported by the Fifth and Fourteenth Amendments to the U.S. Constitution. Laws and regulations must balance environmental protection with the right to own and develop land. We also believe that local governments should justify their condemnation action by proving that real and substantial community benefits can accrue from the taking of private property. In the past couple of years, the City came under fire for what some consider to be an irresponsible use of the process and a lack of transparency.

Q. *With the city's power of condemnation and anticipating additional challenges along the rail transit route, how would you propose protecting private property rights?*

MAYORAL



Kirk Caldwell

Condemnation should be the action of last resort, taken only after negotiations fail on the property interest to be acquired and a fair price. But first, every effort should be made to determine whether the particular property sought is vital to the rail route. Unfortunately, displacement of property owners is a reality that occurs when any major transportation or infrastructure project is built to meet the needs of the public. Ultimately, properties that surround the rail stations have been shown to increase in value and present exciting new development opportunities.



Charles Djou

Charles supports limited use of the government condemnation power. His record as an elected official reflects Charles' strong support of private property rights and firm opposition to expansive government. Charles believes the Supreme Court decision, *Kelo v. City of New London*, allowing government condemnation for "economic development" was an error. As mayor Charles will support legislation establishing a reasonable curb on such powers as municipalities in 44 states have already done.

PRIVATE PROPERTY RIGHTS CONT.



DISTRICT V



Ann H. Kobayashi

I have spoken with many property owners along the proposed rail route regarding the City's condemnation process. When the City decides to condemn a certain property, the property owner is entitled to challenge the proposed compensation, to ensure that they receive a fair amount for their property. I have urged the administration to work with property owners in the downtown and Kaka'ako area to remain in place until such time as the rail project gets closer to construction in those areas.

DISTRICT VII



Joey Manahan

Seeing rail through to Ala Moana ensures that the City keeps its commitment to those whose lands have already been acquired. The Council needs to ensure that we have a viable financial plan to see rail construction through the urban core beyond Middle Street into Ala Moana and UH Manoa. A functional rail system is essential for Oahu to be able to manage traffic and growth well into the future. With 9 or the 21 stations (Stadium to Iwilei) located in District 7, we have a majority of transit-oriented development (TOD) at stake.

DISTRICT IX



Ron Menor

I agree that land use policies and regulations should take into account the rights of landowners to develop their properties to their highest and best use. This is a key reason why in spite of community opposition, I supported major developments in my district-the Koa Ridge and Hoopili projects. Moreover, as a City Councilmember, I have taken the position that the City should not be initiating condemnation actions in a manner that arbitrarily and unduly impinges upon the rights of property owners. This is of particular concern with respect to condemnation proceedings that have been initiated by HART.



Emil Svrčina

I will protect our residents constitutional property rights. Having lived for half of my life under an oppressive communist tyranny I will adamantly oppose all irresponsible use of condemnation actions against property owners in America.

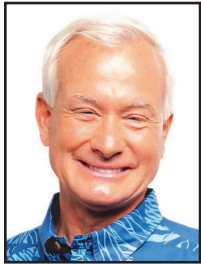
HOUSING AFFORDABILITY /HOMELESSNESS



Housing affordability continues to reflect an increasing gap between housing prices and wages, which affects both renters and homeowners. Rental housing island-wide is out of reach of most low-wage earners, which many blame as the reason for the growth in Oahu's homeless population. Studies show that the lack of affordability is affecting more moderate-income families than ever before, including school teachers, nurses, firefighters and police officers. Unfortunately, the result is that families can't live where they grew up, and they can't live where they work. Developers are typically required to provide a certain percentage of affordable units in a housing project when land is re-zoned to permit the residential community, but some affordable-housing advocates don't believe that the city is doing enough.

Q. *What other policy solutions would you propose to increase housing affordability and address homelessness?*

MAYORAL



Kirk Caldwell

My affordable housing strategy balances a set aside requirement with the right mix of financial (fee waivers, tax credits etc.) and development (zoning, increased density, code waivers, etc.) incentives and funding for private developers to build workforce housing for the greatest need, households with less than 80% AMI. As for homelessness, increasing housing inventory is only part of the solution. My policy of compassionate disruption combines enforcement of public walkways with permanent supportive housing (Housing First). Efforts by the entire community – government resources are not enough – are needed to turn from crisis intervention to prevention of homelessness, the ultimate solution.



Charles Djou

Homelessness has exploded into a crisis on Oahu over the past four years. This homeless crisis is a human tragedy, a community concern and an economic disaster for our city. The current administration has let this crisis fester for too long through a lack of strong leadership and planning. Charles fully supports public housing programs and the expansion of low-income housing. Still, it's important that we recognize that these programs alone are simply not enough to fix homelessness in Honolulu.

HOUSING AFFORDABILITY /HOMELESSNESS

CONT.



DISTRICT V



Ann H. Kobayashi

Improvements to City owned lands and infrastructure, along with development of affordable and low-income housing is key to addressing both our housing shortage and homelessness concerns. Improvements to sewer and water infrastructure will spur developers to invest in construction projects that will improve our housing outlook.

DISTRICT VII



Joey Manahan

We need to centralize the City's affordable housing funds within the HPHA in order to be able to leverage them with other means of financing from federal and state resources such as CDBG, low-income housing tax credits, housing first monies, section 8, and even state and county lands for housing developers and service providers to access through a formal RFP. By leveraging all our resources we can create more low-income housing developments more consistently and on a regular basis. Working with HPHA also eliminates the need for the creation of a new department in the City to implement and manage these projects.

DISTRICT IX



Ron Menor

In regards to the affordable housing issue, I believe the following actions should be taken: *Continue implementation of the Accessory Dwelling Unit (ADU) program which I helped to establish. *Create incentives for the development of affordable housing (e.g. under the Land Use Ordinance (LUO), streamline the permitting process and provide waivers on density, height restrictions, fees and other bonuses for affordable projects). *Expand the use of public-private partnerships, utilizing the expertise of non-profit affordable housing developers. *Work with State government to facilitate the financing of affordable rentals (e.g. providing low income housing tax credits, funds from Rental Housing Trust Fund).



Emil Svrčina

- a. Increase the percent of land in the urban development zone from the current 5% of land available. A small change could make a difference for many families.
- b. Discourage the State from driving up the price of land by buying up land they aren't going to use. This practice makes land less affordable to our residents.
- c. Allow zoning for privately owned modular/trailer homes and mobile home parks.
- e. Encourage the building of large rental complexes of different unit sizes. Create a business environment that makes it profitable for the developer and affordable for the renter.

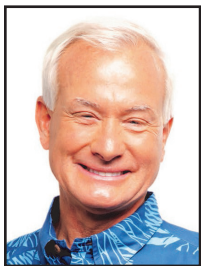
BALANCED BUDGET



Every year, the City Council and administration tackle the unpopular burden of balancing the budget and avoiding increases in the property tax rates. With rampant homelessness, under-funded repair and maintenance of roads and sewers, parks and public facilities in need of fixes, and manpower shortages, the administration has recommended a number of creative strategies. From public/private partnerships to advertising on buses, finding a better balance between spending and public services is an art for any new or even veteran lawmaker.

Q. *What would you propose as your top three revenue-generating and top three cost-cutting measures?*

MAYORAL



Kirk Caldwell

Revenue generating, subject to public discussion:

- fees for trash and bulky pick up collection (every other city does this);
- fees for commercial businesses operating on city parks and facilities;
- highest and best use of city-owned property is an untapped source of revenue. We need to identify city properties for development, sale, or fair market leases and develop an action plan that provides a reliable revenue stream through public-private partnerships.

Cost cutting:

- Energy cost savings through conservation and efficiency;
- Technology to reduce personnel costs;
- Reduce city subsidy for providing State services, such as driver's licensing state ID/motor vehicle, ambulance services, traffic enforcement.



Charles Djou

As an elected official, Charles has never voted for a tax increase and will veto any tax increase as mayor. Nevertheless, he welcomes the opportunity to expand the use of privatization, increase public-private partnerships, and expand the use of on-line services. The biggest cost Charles will reduce is the massive cost overruns on the City rail project. He will not authorize any payments for the project above the \$7 billion already allocated and will block all efforts to take rail spending to \$11 billion.



BALANCED BUDGET CONT.

DISTRICT V



Ann H. Kobayashi

Revenue Generating:

1. Amending property classifications, such as the Residential A classification has generated significant revenues for the City.
2. Improving and expediting the City's permitting processing will allow developers to move forward with projects and ultimately increase City tax revenues.
3. Working with developers large and small to move projects forward will promote increased development, and City tax revenues with it.

Cost Cutting:

1. More efficient use of Government funds through a variety of means will reduce the City's need for funds.
2. Reducing the annual electrical bill for City facilities will produce a meaningful reduction in the City's budget...

DISTRICT VII



Joey Manahan

The City collects approximately \$3 billion a year in revenues from property taxes and spends about \$2B on its budget, thus I have not supported any revenue enhancements or tax increases in my term on the City Council. If we had to raise revenues, to balance the budget, I would look at cutting historical property tax credits/exemptions first to see if there is a way to make the property tax system more equitable. Second I would take a tiered approach towards residential A and tax a higher threshold of \$2M and higher.

DISTRICT IX



Ron Menor

I have supported the following measures to generate revenue: *Continue to promote economic growth including support for our real estate and construction industries. *Increase the county share of transient accommodation tax revenue collections by the state. *Explore additional federal sources of funding. I have supported the following cost cutting measures: *Eliminate unnecessary City positions. *Prioritize and reallocate funds and resources to important programs within the City budget. *Public/private partnerships (e.g. facilitate adopt-a-park programs to encourage volunteer community groups to partner with the City to refurbish our public parks).



Emil Svrčina

- a. Consider high rise developments that increase the tax base of the amount of land used.
- b. Improve the business climate to make more jobs available. The more jobs, the more funds enter the economy, the more money to purchase homes.
- c. Identify more areas for vacation rentals. The quick turnover allows a greater revenue.

- a. Hold the Rail accountable for staying on budget or cut excess costs by converting it into BRT.
- b. Stop all the programs that are meaningless and lose money
- c. Help the homeless get off the street. The continual clean-up of tent encampments is costly.

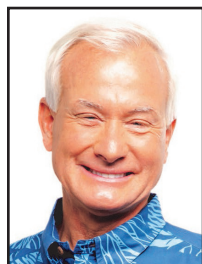


RESIDENTIAL A PROPERTY TAX CLASSIFICATION

In 2013, Honolulu City Council established the new “Residential A” property tax classification for homes valued over \$1 million and not occupied by the homeowner – an attempt to tax investor owners. The Honolulu Board of REALTORS® believes that the new classification is wrought with problems because it 1) negatively impacts rental housing for moderate middle income families, 2) does not address local families who purchase a home after the deadline for the homeowner exemption, and 3) establishes a \$1 million threshold instead of the higher more industry-accepted real estate average of \$2 million for luxury homes.

Q. *Would you support revisiting the Residential A classification? What changes would you recommend to ensure a more fair and equitable property tax system?*

MAYORAL



Kirk Caldwell

I support revisiting the Residential A classification to ensure continuing fairness to homeowners. I initially proposed this classification as a means to balance the budget with the least impact on most homeowners. Since its adoption, changes to protect the owner occupied homeowner from loss of the homeowner’s exemption have been enacted. As property values increase and more properties are developed at the higher end, I would consider raising the threshold value of the homes affected, provided tax revenues from Residential A properties are not reduced and any change does not put a higher tax burden on owner occupied residences.



Charles Djou

A simple and fair tax code is a far better system of taxation than a complex tax code riddled with exceptions and loopholes. As a City Councilmember, one of Charles’ most significant achievements was to work with then Mayor Jeremy Harris to dramatically simplify Honolulu’s tax code and reduce all tax classifications to only two categories – residential and commercial. He is disappointed the City has moved away from this simplified system over the past decade. As mayor, Charles will oppose the “Residential A” classification and will work to reform the City tax code.

RESIDENTIAL A PROPERTY TAX CLASSIFICATION CONT.



DISTRICT V



Ann H. Kobayashi

The Residential A classification required modification by the Council to address negative impacts to homeowners who were incorrectly reclassified. As Budget Chair, I have worked on several amendments to the Residential A classification that provided relief to property owners through a variety of means, and I have worked to assist homeowners whose homes were incorrectly reclassified as Residential A.

DISTRICT VII



Joey Manahan

I would support a higher threshold beyond \$1M dollars for taxing residential-A properties. If the goal is to capture the out-of-state high luxury investor, then we should raise the threshold of Residential-A above \$1M to at least \$1.5M. It is also time to re-examine our policies towards historical residential properties.

DISTRICT IX



Ron Menor

As I have stated previously to several officers and board members of the Honolulu Board of Realtors, I am open to increasing the \$1 million threshold because of my recognition of the negative impacts resulting from the current threshold as well as rising property values on this island.



Emil Svrčina

With the average home sale price over \$700,000 on Oahu, a \$1M threshold is unreasonable. I would agree to a \$2M threshold but in general I prefer to treat everyone equally.

HONOLULU BOARD OF REALTORS® 2016 CITY AFFAIRS COMMITTEE

COMMITTEE PURPOSE: To advocate for issues important to the Honolulu Board of REALTORS® and influence legislative and regulatory policies that protect private property rights, which impact the real estate industry on Oahu.

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JENNIFER ANDREWS, R, COLDWELL BANKER PACIFIC PROPERTIES
BOB CENCE, R, COLDWELL BANKER PACIFIC PROPERTIES
RILEY HAKODA, R, PIER MANAGEMENT-HAWAII LLC
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CALL FOR GRASSROOTS HUI MEMBERS!

Help us capitalize on our grassroots strength by joining the City Affairs Committee's "Grassroots Hui." Together, we'll advocate on issues that help the industry and stop those that would hurt your business or the consumers you serve. You'll receive breaking news on emerging issues, stay up to date on legislation that impacts the real estate industry, read about the important local issues being debated at Honolulu Hale, and take action by contacting council members and other elected officials.

NAME _____

HOME ADDRESS _____

CITY/ZIP _____

PHONE (H) _____ (C) _____ (W) _____

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☐ **I'm also interested in becoming a member of HBR's City Affairs Committee. Please call me.**

Fax form to 732-8732 ATTN: NELSON HIGA or email your information to nelson.higa@hicentral.com. Mahalo!