

Local Hawaiian families are being forced to face an increasing housing shortage on the island of Oahu. The cost of real estate in Hawaii has risen dramatically each year creating a shortage of affordable housing. Local families are being forced to pay increasingly higher rent and homeownership for many is becoming only a dream. With so many cranes towering over Honolulu building new residences why is Oahu experiencing a housing shortage? The demand for residential property on Oahu is exceeding the supply of available housing and spiking real estate prices to record levels.

With the average price of medium housing reaching well over half a million dollars on Oahu, many local families are being priced out of paradise. The State of Hawaii has failed to require developers to allocate more housing to low to moderate, income families. Developers are granted permits to build multi-million dollar high-rise apartments with as little as ten per cent of the building providing housing for low to moderate income families. Other state and city governments across the USA with urban housing issues, worked with developers of residential construction building projects to increase the percentage of affordable housing in new projects up to twenty five percent of the building. With so many new buildings in urban Honolulu an increase of low to moderate income, housing should become available to families requiring affordable housing but this is not the case. Many of those cranes are building luxury apartments with little vision of housing for low to moderate, income families.

If the future of Oahu is to continue to be that of luxury housing for the wealthy and investment property for off shore investors, then the state government has no choice but to establish a non-resident property tax that is higher than Hawaiian residents pay across the island chain. A non-resident would pay a significantly higher property tax than a primary housing resident owning only one home. Many non-residents own homes on the mainland and offshore. Make the non-residents home property tax more costly across the island chain.

In Florida the cost of paradise is calculated for non-Florida homeowners (which make up over one third of homeowners) to pay an increased property tax to that of full time Florida residents. Keeping the price of paradise affordable for families in Florida who live in the state the entire year. Many non-resident homeowners own second homes in Florida and live in another state most of the year. In Florida real estate taxation makes up the largest part of the state budget, as Florida has no state income tax. Non-resident Florida homeowners willingly pay the added property taxation affording to own a second home in paradise.

Using the Florida model for increasing non-resident property taxes in Hawaii could prove to be a significant increase in the Hawaiian State budget. The increase in taxation of non-resident property owners would generate the income needed to support public housing in the state government budget and begin to address the shortage of affordable housing for Hawaiian residents vs. non-residents.

The Clarence T. C. Ching Foundation was established as a result of Mr. Ching's vision to develop low to moderate-income housing. Provided housing to all levels of Hawaiian families, not just those who are fortunate. Honolulu must provide housing to all economic levels of families in our society. It is our Ohana who must be affordably housed first before those from elsewhere take our place and our way of life is lost to others. The Clarence T.C. Ching Foundation has funded so many community buildings representing the foundation's commitment to education and Ohana in Hawaii.

Without low to moderate income affordable housing Hawaii will see an increase in families who become homeless, forced out of paradise and replaced by non-residents. Our tourism will suffer as others replace Hawaiian families displaced by an increasingly unaffordable living standard. The future must be planned and prepared to ensure the longevity of affordable housing in the State of Hawaii. Affordable housing is an essential element of a successful urban city such as Honolulu. We are fortunate to live in paradise, those who want to join us as non-resident homeowners and offshore investors are also welcome with Aloha. However in the future, state property taxation of (non-resident) paradise homeownership should reflect the needs of the Hawaiian people who require housing to remain accessible to all, not just the wealthy.