

**DEPARTMENT OF BUDGET AND FISCAL SERVICES**  
**KA 'OIHANA MĀLAMA MO'OHĒLU A KĀLĀ**  
**CITY AND COUNTY OF HONOLULU**

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March 31, 2025

The Honorable Matt Weyer, Chair  
and Members  
Committee on Housing, Sustainability, Economy & Health  
Honolulu City Council  
530 South King Street, Room 202  
Honolulu, Hawaii 96813

Dear Chair Weyer and Councilmembers:

SUBJECT: Testimony on Bill 29 (2025) - Extending the Exemption Period for Affordable Housing from 10 years to 15 years  
Meeting: April 1, 2025 at 1:00 p.m.

The Department of Budget and Fiscal Services ("BFS") is not opposed to Bill 29 (2025), which proposes to extend the exemption period of the existing Affordable Housing exemption program under ROH § 8-10.33 from 10 years to 15 years.

Real property taxes remain a vital revenue source for our city. However, the foregone revenue from this program aligns with the much greater need to further incentivize property owners to create more affordable housing options for our community.

There are seven (7) housing projects under this exemption program for the upcoming tax year of 2025-2026 with a projected aggregate real property tax relief of approximately \$215,000. According to records maintained by the Department of Planning and Permitting, there has been an increase in interest and building permit filings related to this exemption program. Without other reliable projections and information about this program, BFS is unable to estimate the fiscal impact of Bill 29 (2025) at this time.

If you have any questions, please feel free to call me at (808) 768-3901.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew T. Kawano".

Andrew T. Kawano  
Director

APPROVED:

A handwritten signature in black ink, appearing to read "Michael D. Formby".

Michael D. Formby, Managing Director  
Office of the Managing Director