BILL029(25)
Testimony

MISC. COMM. 250

HOUSING, SUSTAINABILITY, ECONOMY & HEALTH (HSEH)

HOUSING, SUSTAINABILITY, ECONOMY & HEALTH (HSEH) Meeting

Meeting Date: Apr 29, 2025 @ 01:00 PM

Support: 5

Oppose: 0

I wish to comment: 0

Name:	Email:	Zip:
Jacob Wiencek	jacob.m.wiencek@pm.me	96815
Representing:	Position:	Submitted:
Self	Support	Apr 26, 2025 @ 06:51 PM

Testimony:

Aloha Committee Members,

I am very glad to see this bill continue to advance through our legislative process. We must take bold, proactive steps to address our housing crisis. We must invest in affordable housing to stem the outflow of hardworking middle- and working-class families from Honolulu. I believe this bill is part of the solution.

I urge this Committee to keep supporting this bill moving forward!

Name:	Email:	Zip:
Martin Nguyen	martin@centre-urban.com	90012
Representing:	Position:	Submitted:
Centre Urban Real Estate	Support	Apr 28, 2025 @ 06:52 AM

Name:	Email:	Zip:
Ted Kefalas	tkefalas@grassrootinstitute.org	96813
Representing:	Position:	Submitted:
Grassroot Institute of Hawaii	Support	Apr 28, 2025 @ 12:53 PM

Name:	Email:	Zip:
Stefanie Sakamoto	ssakamoto@imanaka-asato.com	96789
Representing:	Position:	Submitted:
BIA Hawaii	Support	Apr 29, 2025 @ 08:35 AM

Name:	Email:	Zip:
Geena Thielen	geena@ccs-hawaii.com	96734
Representing:	Position:	Submitted:
Self	Support	Apr 29, 2025 @ 08:44 AM

CENTRE URBAN
REAL ESTATE

Martin M. Q. Nguyen, MRED
Managing Principal
CA DRE #02074177
HI RB-24080

April 28, 2025

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

RE: TESTIMONY IN SUPPORT BILL 29 (2025) RELATING TO AFFORDABLE HOUSING

Aloha Chair Weyer, Vice Chair Cordero, and Committee Members,

I am submitting testimony in my capacity as principal of Centre Urban Real Estate in **SUPPORT** of Bill 29 (2025) relating to Affordable Housing. Centre Urban is a commercial real estate investment, development, and advisory firm active in Honolulu and Southern California, with a specific focus on impactful multifamily and mixed-use projects.

We are currently working on creating housing under City & County of Honolulu ROH Chapter 32, otherwise known as "Bill 7", which is a preeminent example of common-sense collaboration between the public and private sectors to solve one of the most pressing issues of our generation: creating more housing. Bill 29 (2025) makes an incredibly rational revision by lining up the waiver period with the project affordability period, further supporting the financial feasibility of Bill 7 projects.

If the Committee were open to considering, we would suggest the inclusion of an "option period" to add another 15 years to both the affordability and waiver periods. Our understanding is that HHFDC requires a prevailing wage project to have a minimum affordability period of 30 years to qualify for any GET waiver on construction costs. The GET waiver is a significant help to offset the increased cost of a prevailing wage project. By adding a 15-year option, this gets larger prevailing wage projects up to the HHFDC 30 year minimum while also leaving the option to stay at 15 years for smaller non-prevailing wage projects. Not to mention, this would allow for the potential to double the length of affordability for the community.

Thank you for the opportunity to contribute to this important dialogue. If there are any questions or concerns, please reach me at martin@centre-urban.com to discuss.

Sincerely,

Martin M. Q. Nguyen, MRED
Managing Principal
Centre Urban Real Estate Hawaii, LLC

GRASSROOT INSTITUTE OF HAWAII

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Removing barriers to Hawaii's prosperity

April 29, 2025, 1 p.m.
Honolulu Hale

To: Honolulu City Council Committee on Housing, Sustainability, Economy and Health
Matt Weyer, Chair
Radiant Cordero, Vice Chair

From: Grassroot Institute of Hawaii
Ted Kefalas, Director of Strategic Campaigns

RE: Bill 29 (2025) — RELATING TO AFFORDABLE HOUSING

Aloha Chair Weyer, Vice Chair Cordero and other members of the Committee,

The Grassroot Institute of Hawaii **supports** Bill 29 (2025), which would extend the property tax exemption for Bill 7 affordable housing projects from 10 years to 15 years.

Lengthening this waiver would help these affordable rental projects pencil out. For context, a small apartment project valued at $10 million could save as much as $142,600 a year in property taxes as a result of this waiver, depending on its tax classification.[1]

As other testifiers have pointed out, a longer waiver period could also assist homebuilders in obtaining financing for these projects.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

[1] This figure assumes the parcel is classified as Residential A. See "City and County of Honolulu Real Property Tax Valuation For Fiscal Year 2024 - 2025," Technical Branch, Real Property Assessment Division, Department of Budget and Fiscal Services, City and County of Honolulu, August 2024.

HONOLULU CITY COUNCIL
COMMITTEE ON HOUSING, SUSTAINABILITY, ECONOMY, & HEALTH
COUNCIL CHAMBERS
FEBRUARY 26, 2025
10:00 AM

Subject: Bill 19 - RELATING TO AFFORDABLE HOUSING

Chair Weyer, Vice Chair Cordero, and members of the Committee:

My name is Roseann Freitas, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii. Our members build the communities we all call home.

The Building Industry Association of Hawaii (BIA-Hawaii) appreciates the opportunity to provide testimony in support of Bill 29 (2025), which proposes amendments to Section 8-10.33 of the Revised Ordinances of Honolulu to clarify and align definitions related to affordable housing exemptions.

BIA-Hawaii supports Bill 29 (2025) as a necessary clarification extending the exemption period from 10 years to 15 years for clarity and consistency. We appreciate the Council's continued efforts to refine the legal framework that supports affordable housing.

Thank you for the opportunity to provide our comments on this matter, and look forward to working with the Council on this and other housing issues for our City.

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Honolulu City Council
Committee on Housing
City Council Chamber
Tuesday April 29, 2025
1:00 PM

RE: Bill 29 Relating to Affordable Housing

Chair Weyer, Vice Chair Cordero, and members of the Committee,

I am writing in **SUPPORT** of Bill 29 Relating to Affordable Housing. This bill specifically affects Bill 7 (Ordinance 19-8) affordable housing projects. Specifically it brings the Real Property Tax (RPT) exemption into compliance with the affordability requirement of 15 years. This helps Bill 7 projects get better financing terms making projects more viable.

Currently lenders will not extend loan terms beyond the expiration of the RPT exemption. This means the maximum loan term available for Bill 7 projects is 10 years. The reason lenders do this is because they do not know what rates or valuations will be after the RPT exemption and whether or not the project will remain economically viable upon expiration.

By extending loan terms to 15 years it allows more time for project principal to be paid down as well as capped rents to naturally escalate over-time. This helps with initial project financing as well as re-finance opportunity at the 15 year mark significantly easier to manage. For these reasons I ask for your support in passage of this important legislation.

Sincerely,

Geena Thielen
President/RME