BILL055(25)
Testimony

MISC. COMM. 399

COUNCIL

COUNCIL Meeting

Meeting Date: Aug 6, 2025 @ 10:00 AM

Support: 0

Oppose: 2

I wish to comment: 0

Name:	Email:	Zip:
Brett Kulbis	brett.kulbis@use.startmail.com	96706
Representing:	Position:	Submitted:
Self	Oppose	Aug 3, 2025 @ 10:28 AM
Name:	Email:	Zip:
Brett Kulbis	brett.kulbis@use.startmail.com	96706
Representing:	Position:	Submitted:
Self	Oppose	Aug 5, 2025 @ 09:56 AM

Testimony in Opposition to Bill 55(2025) - First Reading

Chair Waters, Vice Chair Tupola, and Councilmembers,

I am submitting testimony in strong opposition to Bill 55 (2025), relating to the Multi-Family Rental Housing Program fees. While I understand this is only the bill's first reading and passage is typically procedural at this stage, I urge the Council and upcoming committee(s) to address significant concerns and consider targeted amendments before final enactment.

1. Excessive Fees Inhibit Affordable Housing Development - The proposed ordinance imposes several steep fees on applicants seeking to use the City's rental housing program:

- $5,000 nonrefundable application fee, and $5,000 for each extension or major modification (which is not described in Bill 55 or other County ordinances, therefore making it very subjective terminology).
- Administration and processing fee of 0.5% of the requested loan (minimum $50,000, maximum $100,000).
- Annual fee of 0.125% of the loaned amount.
- $35 per unit, per year, compliance monitoring fee (excluding only manager units).

Such substantial upfront and annual costs will deter smaller, local, and nonprofit developers that are essential in building much-needed affordable rental housing. These fees risk reducing program participation and limiting new projects, which runs counter to our urgent housing needs.

2. Risk of Cost Pass-Through to Tenants - By dramatically raising the cost of accessing this program, Bill 55 will likely force developers to pass these fees onto tenants in the form of higher rents. This contradicts the program's basic intent: providing affordable housing options for Honolulu families.

3. Bureaucratic Burden and Lack of Flexibility - Multiple layered fees and required payments increase red tape, making a complex process even more burdensome. There is insufficient language in the bill providing for fee waivers, reductions for smaller projects, or flexibility for nonprofit or deeply affordable initiatives.

4. Retroactive Application Raises Fairness Concerns - The bill's fees are retroactive to the enabling date of the underlying administrative rules. This creates uncertainty and confusion for applicants already in process—possibly upending project budgets mid-development.

As this bill advances to committee, I respectfully urge the following amendments:

- Reduce or cap application and administration fees for smaller projects and nonprofit developers.

- Define “major modification” to provide clarity for developers as well as the Department of Planning and Permitting.
- Exempt or substantially lower annual and per-unit compliance fees for affordable or deeply subsidized properties.
- Add clear procedures for fee waivers or reductions in hardship cases.
- Clarify that retroactivity does not negatively impact projects already underway or previously budgeted.
- Consider a sunset or review provision for these fees so the Council can revisit them after assessing impact on housing supply and affordability outcomes.

Bill 55, as currently written, will do more to restrict than encourage affordable rental housing construction. I urge you not to simply advance this bill as a formality, but to ensure robust revisions at the committee stage to align it with Honolulu’s pressing housing needs and equity goals.

Mahalo for your attention and commitment to improving this ordinance.

Brett Kulbis
U.S. Navy Veteran
Ewa Beach

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