

BILL004(26)
Testimony

MISC. COMM. 21

COUNCIL

COUNCIL Meeting

Meeting Date: Jan 28, 2026 @ 10:00 AM

Support: 10

Oppose: 1

I wish to comment: 1

Name: Jacob Wiencek	Email: jacob.m.wiencek@pm.me	Zip: 96815
Representing: Self	Position: Support	Submitted: Jan 22, 2026 @ 08:47 PM
Testimony: Aloha Councilmembers, Honolulu continues to face an intensifying affordability crisis. Housing costs continue to pressure working- and middle-class families in our city. So many are having to make the crushing decision to leave Honolulu to find more opportunity and reduced costs. Councilmembers Weyer and Okimoto present a sensible proposal to help alleviate that burden. I strongly urge the Council to SUPPORT this bill!		
Name: Tyler Yamashita	Email: makakilohawaii@gmail.com	Zip: 96826
Representing: Self	Position: Support	Submitted: Jan 27, 2026 @ 08:34 AM
Name: Derek Lock	Email: dlock@hnldev.com	Zip: 96828
Representing: HNL Development LLC	Position: Support	Submitted: Jan 27, 2026 @ 12:21 PM
Name: Cheyenne Martinez-Boyette	Email: cmartinezboyette@asbhawaii.com	Zip: 96817
Representing: Self	Position: Support	Submitted: Jan 27, 2026 @ 02:36 PM
Name: Michael Pacheco	Email: michael@ibew116.org	Zip: 96819
Representing: IBEW Local 1186	Position: Support	Submitted: Jan 27, 2026 @ 02:37 PM
Name: Geena Thielen	Email: geena@ccs-hawaii.com	Zip: 96734
Representing: Self	Position: Support	Submitted: Jan 27, 2026 @ 05:03 PM
Name: Stefanie Sakamoto	Email: ssakamoto@imanaka-asato.com	Zip: 96789

Representing: BIA Hawaii	Position: Support	Submitted: Jan 27, 2026 @ 07:39 PM
Name: Martin Nguyen	Email: martin@centre-urban.com	Zip: 96815
Representing: Centre Urban Real Estate	Position: Oppose	Submitted: Jan 27, 2026 @ 08:15 PM
Name: Martin Nguyen	Email: martin@centre-urban.com	Zip: 96815
Representing: Centre Urban Real Estate	Position: Support	Submitted: Jan 27, 2026 @ 08:45 PM
Name: Shelby Pikachu Billionaire	Email: presidentbillionaire@gmail.com	Zip: 96792
Representing: www.ohanaunityparty.com	Position: Support	Submitted: Jan 28, 2026 @ 06:28 AM

Testimony:

Pros and Cons Analysis of Bill [Document ID 26873] (2026) – Relating to Incentives for Affordable Rental Housing

Based on legislative summaries from the Honolulu City Council website, document ID 26873 corresponds to a 2026 bill that amends Revised Ordinances of Honolulu (ROH) Chapter 32, Articles 4 and 5. It revises the post-construction grant and pre-construction subsidy amounts that an owner may receive for affordable rental housing projects. This update aims to make the incentives more effective in promoting the development of rental units for low- and moderate-income households (e.g., those at 80% or less of area median income).

The analysis is informed by the bill's summary, O'ahu's housing challenges (e.g., over 20,000 unit shortage, high rents), and comparisons to similar incentive programs.

Pros:

- **Promotes Affordable Housing Development**: Revising subsidy and grant amounts (likely to increase attractiveness) encourages more projects, helping to address the severe shortage of affordable rentals and stabilize costs for vulnerable families.
- **Economic and Community Benefits**: Enhanced incentives can generate jobs in construction, reduce homelessness-related expenses (e.g., \$20,000+ per person annually per HUD estimates), and support long-term housing stability.
- **Program Optimization**: Focuses on key phases (pre- and post-construction) to ensure projects are viable and maintained as affordable, building on Chapter 32's framework without major overhauls.
- **Alignment with City Goals**: Complements the Consolidated Plan 2026–2030 for housing equity, with low additional administrative costs.

Cons:

- **Potential Increased Costs to City**: Higher subsidy levels could elevate overall program expenses, straining budgets amid competing needs like infrastructure.
- **Risk of Limited Impact**: If revisions favor certain developers, smaller entities might not benefit, and without complementary reforms (e.g., zoning), it may not fully resolve root causes.
- **Dependency on Incentives**: Could foster reliance on public funds rather than market-driven solutions.

Overall, the pros outweigh the cons. This bill offers a targeted improvement to an vital program, fostering more affordable housing with positive economic ripple effects.

Testimony in Support of Bill [Document ID 26873] (2026) – Relating to Incentives for Affordable Rental Housing

Submitted to: Honolulu City Council

From: Master Shelby "Pikachu" Billionaire, HRM

Kingdom of The Hawaiian Islands, H.I.

Chairman, Ohana Unity Party

Website: www.Ohanaunityparty.com

Email: Presidentbillionaire@gmail.com

Date: January 28, 2026

Position: SUPPORT

Honorable Chair Tommy Waters and Members of the Honolulu City Council,

I am writing in strong support of the bill under document ID 26873 (2026), which amends Revised Ordinances of Honolulu Chapter 32, Articles 4 and 5, by revising the post-construction grant and pre-construction subsidy amounts for affordable rental housing projects.

O'ahu's housing affordability crisis persists, affecting countless families with limited access to stable and reasonably priced rentals. By updating these incentive amounts, the bill will enhance the program's appeal to developers, facilitating the creation and preservation of affordable units for low- and moderate-income households. This strategic revision has the potential to significantly expand housing supply, stimulate economic activity through job creation, and deliver substantial long-term savings by alleviating the burdens of housing instability and homelessness.

The measure aligns with the City's housing priorities in the Consolidated Plan 2026–2030, representing an efficient enhancement to an established framework without introducing unnecessary fiscal or administrative strains. It exemplifies thoughtful policy-making that prioritizes equity and community well-being for our ohana.

I respectfully urge the Council to advance this bill, with provisions for monitoring to ensure broad accessibility and

sustained impact.

Thank you for your dedicated efforts in advancing solutions that benefit all residents of Honolulu.

Sincerely,

Master Shelby "Pikachu" Billionaire, HRM

Kingdom of The Hawaiian Islands, H.I.

Chairman, Ohana Unity Party

****Contact Information****

Website: www.Ohanaunityparty.com

Email: Presidentbillionaire@gmail.com

Social Media:

Facebook @Keiki'okalani

Instagram @Ohanaunityparty | @Legendarybillionaire

X @Ohanaunityparty | @AmericanPartyOG

****Support Our Work****

YouTube Channel: <https://www.youtube.com/@theXXXfiles>

Venmo: @Presidentbillionaire

CashApp: \$ShelbyBillionaire

BTC Wallet: 1sRfKDphW18hojoyTQVy9qQVSUtQgahYwj

Mahalo nui loa for your leadership in creating a more inclusive future for our islands.

Name:	Email:	Zip:
Bryan Mick	bryan.mick@doh.hawaii.gov	96734
Representing:	Position:	Submitted:
Disability and Communication Access Board	I wish to comment	Jan 28, 2026 @ 08:01 AM
Name:	Email:	Zip:
Perry Arrasmith	perry@hawaiiisfuture.org	96797
Representing:	Position:	Submitted:
Housing Hawai'i's Future	Support	Jan 28, 2026 @ 09:26 AM

KK2051 LLC

HONOLULU CITY COUNCIL
COMMITTEE ON ZONING
Honolulu Hale
January 28, 2026 - 9:00 AM

RE: Bill 4 (2026) – Relating to Incentives for the PreConstruction of Affordable Housing

Chair Waters, Vice Chair Tupola, and Members of the Honolulu City Council:

Aloha, and mahalo for the opportunity to provide testimony in support of Bill 4 (2026) relating to preconstruction grants for affordable housing.

My name is Tyler Yamashita, and my family is developing a 37unit privately financed affordable rental project on Young Street under the provisions of Bill 7. We are nearing completion, and this experience has shown just how difficult it is to bring these smaller infill projects to the finish line.

Bill 7 is a great option and opportunity to increase badly needed housing, but it is extremely difficult to execute and make pencil. Our project has faced construction and permitting delays, significant cost increases, and financing costs from delays—all of which have stretched timelines and strained budgets. Every setback compounds, and smaller local developers like us absorb those impacts directly.

The preconstruction grant proposed in Bill 4 would provide the critical support needed to help projects like ours recover from these unanticipated challenges. It would help us bridge funding gaps, offset escalating costs, and bring our project financially back to whole, ensuring that the affordable units we set out to deliver can be completed and made available to the community.

Mahalo for considering this measure and for your continued support of affordable housing in Honolulu.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tyler Yamashita', with a stylized flourish at the end.

Tyler Yamashita

Sole Member of KK2051 LLC

HNL Development LLC
PO Box 11142
Honolulu HI 96828

January 27, 2026

Councilmember Tommy Waters
Chair, Honolulu City Council
530 South King Street
Honolulu, HI 96813

Re: Bill 4 (2026) – Relating to Incentives for the Pre-Construction of Affordable Housing

Dear Chair Waters, Vice Chair Tupola, and Members of the Honolulu City Council,

Thank you for allowing me the opportunity to provide testimony in strong support of Bill 4 (2026).

My name is Derek Lock, and I am a Partner with HNL Development LLC, the developer and development consultant for seven affordable rental housing projects that are either completed, under construction, or in design under Chapter 32 (Bill 7). Together, these projects represent 200 affordable rental units, all targeted to households earning less than 80% AML, offered at rents affordable to that same group.

Over the past several years, we've seen firsthand both the promise as well as the challenges of developing under Bill 7. While it provides a terrific opportunity to build much-needed housing on O'ahu's underutilized infill lots, many landowners remain hesitant to move forward due to the many unknown costs and delays associated with these projects.

Bill 4 (2026) addresses these critical barriers by providing pre-construction or post-construction grant support. This assistance would help make early-stage project costs more manageable or provide relief at project completion, bridging funding gaps created by delays, cost increases, or financing challenges. Either form of support will help bring more landowners to the table, expand the pipeline of affordable housing projects, and increase overall housing inventory — a key step in keeping essential workers and local families here in Hawai'i.

Thank you for your continued commitment to improving the Bill 7 program and for advancing practical measures like Bill 4 that make a real difference in bringing new homes to market.

Thank you again for the opportunity to provide written testimony in support of Bill 4 (2026).

Mahalo,

Derek Lock
Partner, HNL Development LLC

Written Testimony in Support of Bill 004 (2026)

Honorable Chair and Members of the Honolulu City Council:

My name is **Cheyenne Martinez-Boyette**, and I respectfully submit this testimony **in strong support of Bill 004 (26)**.

I have more than 20 years of experience in real estate lending and affordable housing, with a focus on commercial real estate finance since 2015. In my respective roles for two local banks, I have financed completed Bill 7 projects and reviewed many others that ultimately did not proceed due to financial infeasibility.

While grant programs associated with Bill 7 have been well-intentioned, the level of assistance provided, to date, has not been sufficient to offset rising construction, labor, and financing costs. After reviewing numerous project budgets, it is clear that existing subsidies often help at the margins but do not close the funding gap necessary for projects to move forward – the cost of building in Hawaii is just that high.

Bill 004 (2026) meaningfully strengthens the program by increasing grant amounts for larger units and allowing Special Assignment Inspection projects to access pre-construction grants. These changes address two critical points where many projects fail: early-stage funding and unit-level cost mismatches.

From a lender's perspective, pre-construction grants can materially improve a project's risk profile by contributing to critical frontend costs and strengthening the capital stack before construction financing is sought. Similarly, aligning grant amounts more closely with the true cost of larger units improves long-term feasibility and underwriting confidence.

Bill 004 recognizes that if we want affordable housing to be built—not just planned—we must provide support at a scale that reflects current market realities, and in amounts that impactfully reduce the high-barrier-to-entry costs. These targeted enhancements will help viable projects bridge the gap from concept to construction.

For these reasons, I strongly urge the Council to pass Bill 004 (2026).

Respectfully submitted,



Cheyenne Martinez-Boyette
Commercial Real Estate Relationship Manager
Honolulu, Hawai'i



International Brotherhood of Electrical Workers

LOCAL UNION NO. 1186 • Affiliated with AFL-CIO

1935 HAU STREET, 5th Floor • HONOLULU, HI 96819-5003
TELEPHONE (808) 847-5341 • FAX (808) 847-2224

TO: CITY AND COUNTY OF HONOLULU CITY COUNCIL

Meeting on Wednesday, January 28, 2026, at 10:00 a.m., Council Chamber

RE: TESTIMONY IN SUPPORT OF BILL 4 (2026)

Honorable Chair Tommy Waters, Vice Chair Andria Tupola, and Members of the Council:

The International Brotherhood of Electrical Workers Local Union 1186 (IBEW 1186), is comprised of 3,000 men and women working in electrical construction, telecommunications, civil service employees, and educator and faculty associations.

IBEW 1186 supports Bill 4. This legislation addresses the critical need for affordable rental housing while ensuring that public funds are used to uphold fair labor standards. As the costs of development continue to rise, this bill provides the necessary financial relief to make affordable housing projects economically viable.

We strongly support this bill's explicit requirement that pre-construction subsidies be used to pay prevailing wages to every laborer and mechanic on the job site in compliance with HRS Chapter 104. This mandate ensures that the "affordable housing" we build does not come at the cost of depressing the wages of the local workforce. Furthermore, the inclusion of a project completion bond requirement provides essential taxpayer protection and ensures that projects are completed according to approved plans by qualified contractors. For these reasons, IBEW Local 1186 respectfully urges the Council to pass Bill 4 (2026).

Thank you for the opportunity to submit testimony in **SUPPORT** of this bill.



January 28, 2026

Council Chair Waters, Vice Chair Tupola and Members of the Council

Re: Bill 4 Relating to incentives for the construction of affordable rental housing.

Dear Chair Waters, Vice Chair Tupola and Members of the Council,

I am testifying in support of Bill 4 with comments. The City's Bill 7 program has started to show real promise, but continues to be plagued by too few projects. This is a direct result of the challenging conditions these projects face. High land and construction costs, high interest rates and razor thin margins. By expanding the grant program the City can provide a bridge to help these projects over the hump.

While this bill increases existing grants already in place, this program still provides a tremendous return on investment to the City. A typical 350 SF one-bedroom unit would cost the City \$17,500 in Post Construction Grant Funds. This is probably about 5% of what it would cost the City to build that same unit. Expanding these grants is sound economic policy.

My only comment is that I would suggest that the sliding scale of the unit size be re-visited. It costs far more per square foot to build smaller units than larger units and they are both sorely needed.

Sincerely,

Geena Thielen
President/RME



**HONOLULU CITY COUNCIL
HONOLULU HALE
10:00 AM**

January 28, 2026

Subject: Bill 4, Relating to Incentives for Affordable Housing

Chair Waters, Vice Chair Tupola, and members of the Council::

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.

BIA Hawaii is in support of in support of Bill 4 (2026), which amends provisions in Revised Ordinances of Honolulu (ROH) Chapter 32, Articles 4 and 5 relating to the City's affordable rental housing incentive programs. This measure updates the post-construction grant and pre-construction subsidy amounts available to eligible affordable rental housing projects and adds a requirement that recipients of pre-construction subsidies obtain a project completion bond. These changes are directly relevant to the feasibility and delivery of much-needed affordable rental housing on O'ahu.

Updating the post-construction grant and pre-construction subsidy amounts is a practical and necessary step to ensure these programs remain meaningful tools rather than outdated incentives that no longer close feasibility gaps. Appropriate incentives help projects move forward, and BIA-Hawaii remains committed and supportive towards any legislation that helps alleviate the housing crisis in our city and state.

We appreciate the opportunity to provide our comments on this matter.

January 27, 2026

Honolulu City Council
530 South King Street
Honolulu, Hawaii 96813

RE: IN OPPOSITION OF BILL 17 (2026) – RELATING TO AFFORDABLE RENTAL HOUSING

Aloha Chair Waters, Vice Chair Tupola, and Council Members,

I am submitting testimony in my capacity as principal of Centre Urban Real Estate in **STRONG OPPOSITION** of Bill 17 (2026) relating to Affordable Housing under ROH Chapter 32 – otherwise known as “Bill 7”. As Principal of Centre Urban Real Estate, we are currently working on two kama‘āina workforce housing projects being developed under ROH Chapter 32. These projects are located at 2533 Kāneloa Road and 1615 Ala Wai Boulevard, both in Waikiki, and would result in the creation of 72 workforce housing units. We are currently pursuing additional project sites, centered around a high concentration of jobs and availability of public transit – places where we believe workforce housing is much needed. However, Bill 17 as drafted would immediately cease the process of creating hundreds if not thousands of additional workforce housing units.

ROH Chapter 32 is the City and County’s flagship workforce housing program. At a time when the housing crisis has only deepened, the Council should be expanding Chapter 32 and making it more effective, not moving its repeal date forward and layering on additional constraints without commensurate tradeoffs.

Bill 17’s core change is to advance the repeal date of ROH Chapter 32 to July 1, 2027, by amending Section 10 of Ordinance 19-8. In other words, after extending the program once - to June 1, 2030 - the Council is now proposing to shorten its life at the very moment when:

- Construction costs, interest rates, and permitting timelines have delayed many projects;
- The first real wave of Chapter 32 projects is only now moving through construction and stabilization; and,
- Both the State and City are publicly acknowledging that we need tens of thousands of new homes, especially in the workforce AMI bands.

From a development and financing standpoint, 2019–2025 were effectively “setup years”: COVID, supply chain disruptions, and learning curves for an infant community of mid-sized developers and contractors in applying Chapter 32 meant very few projects could break ground. The fact that only a handful of projects have fully delivered so far is not evidence that the program has failed; it is evidence that the ramp-up took time and that the pipeline is finally maturing. Bill 17 as written effectively would nip those buds.

Moving the repeal date up to 2027 sends exactly the wrong signal to lenders, investors, and local property owners: that Honolulu is not serious about sustaining a predictable, long-term framework for workforce rental housing. That uncertainty and risk alone is enough to stall marginal projects.

Of course, we want to be mindful of community concerns regarding having density in places where it may not be appropriate. The holistic discussion should encompass areas where we would want more dense housing and areas where we may want to taper down density, while still allowing for the creation of affordable housing in said areas. As such, Bill 17 and any efforts to update ROH Chapter 32 need to consider a density gradient system to address concerns at both ends.

Section 2 proposes to cap Chapter 32 building height at “the lesser of the maximum height for the underlying zoning district or special district, or 60 feet”. As a general principle, tying Chapter 32 project heights to the underlying special district maps is not unreasonable. However, standing alone, this change removes one of the single most important tools that makes Chapter 32 economically viable: the ability to build 5-7 story mid-rise buildings on small urban lots that otherwise could never support an elevator-served apartment building.

If the Council wishes to adopt a “lesser of underlying height or 60 feet” approach, it must be paired with countervailing concessions that:

- Increase height and/or FAR in transit-rich, urban infill locations, including:
 - TOD special districts and rail station areas;
 - Primary Urban Center corridors served by frequent bus routes; and
 - Mixed-use business, apartment, and business districts where mid-rise buildings are already the prevailing pattern.
- Enhance the current 60-foot to a greater functional height where it is most appropriate: in dense, walkable neighborhoods that the City already expects to absorb significant housing growth.

Without this balancing, Bill 17 effectively becomes a down-zoning of ROH Chapter 32 in the very places where it should be strongest. In height-sensitive special districts, the “lesser of” concept would help address specific viewplane and character concerns, but that should not come at the expense of losing potential height in TOD and urban core areas where additional housing is both planned and desperately needed. A more constructive path would be:

- Retain the “lesser of” language in special districts, but
- Explicitly allow greater height for Chapter 32 projects in transit-rich areas, such as to 80 feet and 8 stories in rail station areas, along major bus corridors, or in designated TOD special districts.

That approach respects neighborhood context of sensitive special district areas while still delivering the additional units per lot that make workforce projects pencil out. ROH Chapter 32 is one of the most powerful tools the Council has ever adopted for workforce rental housing. The appropriate question in 2026 is not “How soon can we repeal it?”, but rather “How can we make it more targeted and more effective in the places that need and can support the most housing?”

As such, I urge the Council to reject Bill 17 (2026) in its entirety or amend to remove the change of the sunset date and revise the height and density language to the following:

§ 32-2.3 Development standards.

Maximum building height: **Lesser of the maximum height for the underlying special district, or 60 feet; provided that the maximum height for Type VA construction, as defined by the International Building Code, is 50 feet; provided further that for each zoning lot located within 2,000 feet of a urban high service transit stop at the time of application for a building permit to construct an affordable rental housing project, the maximum height is 80 feet.**

Maximum lot area: 50,000 square feet

§ 32-2.8 Maximum number of units.

The maximum number of affordable rental housing units for each zoning lot is determined by dividing the square footage of the lot by a factor of 200 and rounding down to the nearest whole number; provided that for each zoning lot located within 2,000 feet of an urban high service bus transit stop at the time of application for a building permit to construct an affordable rental housing project, the maximum number of affordable rental housing units is determined by dividing the square footage of the lot by a factor of 150 and rounding down to the nearest whole number. For the purposes of this section, “urban high service bus transit stop” means any **current or planned fixed guideway rail station or bus stop** that is located within the primary urban center development plan area and is served by at least one bus route with a frequency of service interval of 16 minutes or less at any point during the week.”

§ 8-10.33 Exemption—Qualifying affordable rental dwelling units or affordable rental housing units.

Exemption Period. The 15-year period commencing upon the effective date of the claim for a real property tax exemption pursuant to subsection (b)(4), and ending on June 30 of the last year of the 15-year period; **provided that if the regulated period recorded in the declaration of restrictive covenants exceeds 15 years, the real property tax exemption period shall be the same duration as the term of the declaration of restrictive covenants for real property specified in subsection (b)(4), and ending on June 30 of the last year of the regulated period.** Any **10-year** exemptions granted pursuant to § 8-10.33 prior to May 28, 2025 will be extended by five years.

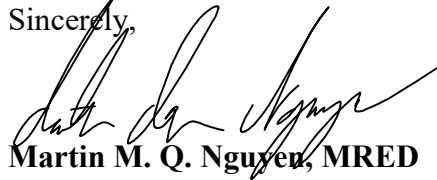


ROH Chapter 32, based on my experience with housing markets throughout the country, is a pre-eminent example of common-sense collaboration between the public and private sectors to solve one of the most pressing issues of our generation: creating more housing. ROH Chapter 32 has become the City and County of Honolulu's flagship workforce housing program that is just starting to show buds. Rather than attempt to kill its leading housing production program, the City Council should take this incredible opportunity to refine ROH Chapter 32 such that it allows more housing to be created in areas where we want more density, such as near public transit and job centers, as well as a tapering of density in areas where we want to retain the existing sense of place.

However, passing Bill 17 as currently written communicates to the people of Honolulu that the City Council has foregone the opportunity to make the commitment to the targeted creation of affordable housing, enabling yet another day where more and more kama'āina - our family, friends, and neighbors - are moving away, some whom will never return to Hawai'i.

Mahalo for the opportunity to comment and provide recommendations. 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



January 27, 2026

Honolulu City Council
530 South King Street
Honolulu, Hawaii 96813

RE: TESTIMONY IN SUPPORT OF BILL 4 (2026) RELATING TO INCENTIVES FOR THE CONSTRUCTION OF AFFORDABLE HOUSING

Aloha Chair Waters, Vice Chair Tupola, and Council Members,

I am submitting testimony in my capacity as principal of Centre Urban Real Estate in **SUPPORT** of Bill 4 (2026) relating to incentives for the construction of Affordable Housing. Centre Urban Real Estate is currently working on two kama'āina workforce housing projects being developed under ROH Chapter 32. These projects are located at 2533 Kāneloa Road and 1615 Ala Wai Boulevard, both in Waikīkī, and would result in the creation of 72 workforce housing units. Bill 4 proposes to increase the pre-construction subsidy and post-construction grant amounts under ROH Chapter 32 and introduces a thoughtful, stepped incentive structure that rewards the production of larger 2- and 3-bedroom units.

As we are all keenly aware, direct and indirect costs for affordable rental housing have significantly increased, and that current subsidy levels under Chapter 32 do not adequately offset those costs - especially for smaller projects and for projects that choose to build larger family-oriented units rather than only studios. Bill 4 responds by:

- Increasing **post-construction grant** amounts on a per-square-foot basis, with higher rates for larger units; and,
- Increasing **pre-construction subsidy** amounts with a similar stepped structure, again providing higher support per unit as the units get larger.

This is exactly the kind of calibration that has been missing from the program: instead of a “one size fits all” amount, the City is acknowledging that a 650-700 square foot two-bedroom serving a family simply costs more to build than a 250-300 square foot micro-studio - and that the subsidy should reflect that if we truly want a mixed community of singles, couples, and families.

At 2533 Kāneloa Road, our Chapter 32 project in Waikīkī, we made a deliberate decision to include two-bedroom units even though the most “efficient” way to make the numbers work would have been to maximize small studios. From a pure financial pro forma standpoint, a long corridor of studios produces:

- More units per floor,
- Higher aggregate rent per square foot, and,
- Lower construction cost per unit (especially for kitchens and bathrooms).

By contrast, every two-bedroom unit we add:

- Reduces the total unit count we can fit on a typical floor plate;
- Requires more square footage per unit, more bedrooms, and often additional plumbing/electrical complexity; and,
- Still has to be rented at regulated ROH Chapter 32 rents, which do not fully reflect the higher per-unit cost of construction.

We chose to include 2-bedroom units anyway because we believe families should also have a place in new workforce housing. But there is no question that those family units come at a real financial cost to the rest of the project. In a tight capital stack, every increment of cost we absorb for larger units has to be made up somewhere else: through value-engineering measures, taking lower returns, or simply passing on potential projects. The stepped incentive structure in Bill 4 would directly help address this by providing:

- Higher post-construction grant amounts per square foot for units over 350 SF, and especially for units over 650 SF, recognize that larger units are more expensive to deliver but critically needed.
- Higher pre-construction subsidies for those same size bands provide meaningful early-stage support when our cash outlay and risk are at their highest.

In practical terms, if Bill 4 is adopted, the incremental grant and subsidy dollars attached to our larger units at 2533 Kāneloa Road would help close the gap we currently absorb internally to “do the right thing” by providing family-friendly units. For future projects, it would make it much easier to justify a similar or greater share of 2-bedroom units instead of defaulting to all studios.

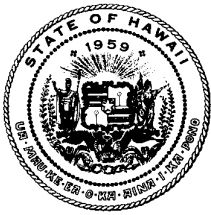
For these reasons, I respectfully urge the Council to adopt Bill 4 (2026) as a critical enhancement to ROH Chapter 32’s financial incentives and continue to positively expand on Chapter 32 as the City’s flagship workforce housing program, aligning subsidy levels and structures with the actual costs of producing not just units, but livable homes for families. The step-up structure in Bill 4 sends exactly the right signal: if you, as a developer or property owner, take on the extra cost and complexity of building larger units for families, the City will stand behind you with higher, better-targeted support.

Mahalo for the opportunity to testify and for your continued work on policies that make workforce housing possible on the ground. I am happy to provide additional project-level figures from 2533 Kāneloa Road if that would be helpful to the Council’s deliberations. If there are any questions, please reach me at martin@centre-urban.com to discuss.

Sincerely,



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



DISABILITY AND COMMUNICATION ACCESS BOARD

1010 Richards Street, Rm. 118 • Honolulu, Hawai'i 96813
Ph. (808) 586-8121 (V) • Fax (808) 586-8129 • (808) 204-2466 (VP)

January 28, 2026

The Honorable Tommy Waters
Chairperson
and Members of the
Honolulu City Council
530 South King Street
Room 100
Honolulu, HI 96813

Regarding: Bill 4 (2026) – Relating to Incentives for the Construction of
Affordable Rental Housing

Dear Chair Waters and Members of the Honolulu City Council:

The Disability and Communication Access Board (DCAB) would like to offer comments on Bill 4 (2026).

It is DCAB's understanding that any project that receives a taxpayer funded grant related to design or construction requires its plans to be reviewed by DCAB pursuant to Hawaii Revised Statutes, §103-50 Building design to consider needs of persons with disabilities; review fees. Hawaii Revised Statutes, §103-50 covers projects that "[a]re designed, constructed, purchased, or leased with the use of any state or county funds or federal funds administered by the State or a county." It also requires that "[a]ll state and county agencies subject to this section shall seek advice and recommendations from the disability and communication access board on any construction plans prior to commencing with construction."

Therefore, DCAB suggests amending section 2 in the bill:

§ 32-4.2 Grants.

* * * * *

"(d) No claim for a grant payment shall be made unless accompanied by documentation that the project has complied with HRS §103-50."

§32-5.2 Pre-construction subsidy.

* * * * *

(c) *Pre-construction subsidy.* The owner may apply for a pre-construction subsidy under this subsection after a building permit or professional self-certification has

been issued for the affordable rental housing project in accordance with the following provisions:

- (1) An owner who has been awarded a pre-construction subsidy is not eligible for a post-construction grant pursuant to Article 4 for the same affordable rental housing project.
- (2) *Pre-construction subsidy amount.* An owner may be eligible to receive a total of \$50,000 for each unit.
- (3) A pre-construction subsidy may only be used for purposes of paying prevailing wages to every laborer and mechanic performing work on the job site for the construction of the affordable rental housing project, in compliance with Hawaii Revised Statutes (HRS) Chapter 104.
- (4) To apply for a pre-construction subsidy, no earlier than the date of issuance of a building permit or professional self-certification for the affordable rental housing project, and no later than 12 months after the issuance of a building permit or professional self-certification, the owner shall submit to the department of planning and permitting a pre-construction subsidy application for the project in a form prescribed by the director of planning and permitting. At a minimum, the pre-construction subsidy application must include:
 - (A) A current title report for the property, a description of the affordable rental housing project, including but not limited to location, zoning lot tax map key number, underlying zoning district, height, density, the number of affordable units at each AMI level, and whether there is a commercial component to the project;
 - (B) The building permit number or professional self-certification number issued for the affordable rental housing project; ~~and~~
 - (C) The total estimated cost of the affordable rental housing project and all sources of funding for the project; and
 - (D) Documentation that the project has complied with HRS §103-50.

DCAB's position is that these projects must comply with the accessibility design standards of the Federal Fair Housing Act and the Federal Americans with Disabilities Act (ADA). The ADA Standards require only five percent (5%) of units to be accessible for mobility disabilities and two percent (2%) of units to be accessible for communication disabilities. Hawaii has an aging population, which correlates to a higher number of disabilities, and it is good public policy to ensure that housing units produced with taxpayer dollars are useable to all.

Therefore, DCAB advocates that government should require higher levels of accessibility and suggests in public facilities with residential dwelling units: (1) at least twenty percent (20%), but no fewer than one unit, of the total number of residential dwelling units shall provide mobility features that comply with applicable technical

requirements in the ADA Standards. (2) In public facilities with residential dwelling units, at least thirteen percent (13%), but no fewer than one unit, of the total number of residential dwelling units shall provide communication features that comply with applicable technical requirements in the ADA Standards.

Thank you for considering our comments.

Respectfully submitted,

A handwritten signature in blue ink that reads "Kristine Pagano". The signature is written in a cursive, flowing style.

KRISTINE PAGANO
Acting Executive Director

January 28, 2025

TO: Chair Waters and Members of the Honolulu City Council

RE: Bill 4, Relating to Incentives for the Construction of Affordable Rental Housing

Housing Hawai'i's Future is a movement led by young residents fighting to create opportunities for Hawai'i's next generations by ending the workforce housing shortage.

We strongly support Bill 4.

Bill 4 targets the post-construction grant and pre-construction subsidy amounts, which function as a 'carrot' for prospective home builders. The grant and the subsidy, respectively, are available to the home builder who engages in the construction of housing units for this program; these carrots are there to motivate their efforts.

Incentivizing the generation of more attainable housing units for residents on O'ahu is critical. O'ahu presently experiences a shortage of 25,710 housing units. Of this demand, 15,422 rental units are needed.

Let's not forget the gravity of this housing shortage and its adverse impact on our workforce. Let's strengthen the Bill 7 program. Let's expand housing opportunities for residents. **Let's advance Bill 4.**

Aloha,



Lee Wang
Executive Director
Housing Hawai'i's Future
lee@hawaiisfuture.org



Perry Arrasmith
Director of Policy
Housing Hawai'i's Future
perry@hawaiisfuture.org