

DEPARTMENT OF HOUSING AND LAND MANAGEMENT
KA 'OIHANA HO'OLĀLĀ KŪKULU HALE A ME KA HO'OKELE 'ĀINA
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, FLOOR 3 • HONOLULU, HAWAII 96813
PHONE: (808) 768-4277 • FAX: (808) 768-4296 • WEBSITE: www.honolulu.gov/dhlm

RICK BLANGIARDI
MAYOR
MEIA



KEVIN D. AUGER
DIRECTOR
PO'O

CATHERINE A. TASCHNER
DEPUTY DIRECTOR
HOPE PO'O

January 26, 2026

The Honorable Tommy Waters, Chair
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

Dear Chair Waters and Councilmembers:

**SUBJECT: Support for Bill 55 (2025), CD2, Relating to Multi-Family
Rental Housing Program Fees**

The Department of Housing and Land Management (DHLM) **strongly supports** Bill 55, CD2 (2025).

Bill 55 is a critical step in ensuring the continued success of the City's Private Activity Bond (PAB) program, which provides access to below-market financing that makes deeply affordable rental housing possible in our high-cost market. PABs deliver substantial value to developers and, ultimately, to our communities by lowering project financing costs, enabling more units to be delivered, and helping projects remain affordable to local families over the long term.

The City's program rules already authorize fees to cover the cost of administering this complex federal financing tool. Bill 55 would establish those fees by ordinance, ensuring that the City can responsibly "keep the lights on" for the program by providing the staffing, legal, compliance, and financial oversight necessary to manage hundreds of millions of dollars in affordable housing financing—without drawing on the general fund.

For these reasons, and those expressed in additional detail in our previously submitted testimony (Department Communication No. 834 (2025)), we respectfully urge the Council to pass Bill 55, CD2. We appreciate the work to improve and refine the bill carried out by the Budget Committee, Budget Chair Okimoto, and her staff. Mahalo to you and the entire Council for your consideration of this bill and for the opportunity to testify.

DEPT. COM. 41(26)

The Honorable Tommy Waters, Chair
and Members
January 26, 2026
Page 2

If you have any questions, please feel free to contact Gavin Thornton, Director of Housing Policy, at (808) 768-4277.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin D. Auger', written in a cursive style.

Kevin D. Auger
Director

APPROVED:

A handwritten signature in black ink, appearing to read 'Michael D. Formby', written in a cursive style.

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