Bill 5 (2026)
Testimony

Jan 28, 2026

Honolulu Hale

To: Honolulu City Council

Tommy Waters, Chair

Andria Tupola, Vice Chair

From: Wilfred Motosue, Developer and Owner of Realty Trade Center, Inc.

RE: Bill – Relating To The Development Standards For the Apartment And

Apartment Mixed-Use Districts

Good morning, Chair Waters, Vice-Chair Tupola and other members of the Council.

Thank you for giving me the opportunity to present my testimony this morning in favor of Bill 5(2026) and Bill 6(2026). This proposal to amend the Land Use Ordinance by increasing the FAR densities for all apartment and apartment mixed-use districts is the best way for Honolulu to develop new projects of condominiums on Oahu. This will reduce or keep housing prices from increasing too fast by increasing our housing inventory. For example, let's say you have a 5,000 square foot A-2 zone lot, and let's say you wanted to build 600 square foot apartments. Right now, with the A-2 FAR of only .85, you could only build about **6** of these 600-square- foot apartments on your 5,000 square foot lot. However, if the City & County changes the FAR density on A-2 apartment zoned land to **4,** which I am encouraging the City Council and DPP to do instead of the presently proposed FAR of only 3 in A-2 zoned lots, you would be able to build about **20**, 600-square-foot apartments on it! What a vast improvement in our effort to increase the housing stock here on Oahu and the property taxes due for this increased density would be about 3.33 times greater than what the City would be collecting with the present FAR. There are hundreds of A-2 zoned properties with very old, ready-to-be-torn-down houses on them just in Moiliili, McCully, Kapahulu, Makiki, and Punchbowl areas alone. The good part is that these areas are already zoned for apartments, with most lots already having adequate infrastructure already in, and there're already other existing apartment buildings built there, so you're not touching, increasing or creating new densities in our residential, non-apartment areas like Manoa and Kaimuki. So, I am asking this City Council to please increase the presently proposed A-2 FAR from 3 to **4**.

Being a small developer, I think that in order to start rejuvenating the Moiliili, McCully, Kapahulu, Makiki areas and to encourage small developers to develop condo projects in these areas , the City Council and DPP would need to **1) exempt small projects of for-**

sale condo units with less than 100 units and 2) exempt developments of 100 or less subdivided home lots, from Ordinance 18-10, Chapter 29: Affordable Housing Requirements, which requires residential projects that have 10 or more condo units or home lots in the project, to set aside 10% of those condo units or lots, to sell at the reduced affordable pricing. **Exemptions should also be given to projects with 100 or less dwelling units for (A) Cluster housing projects; (B) Planned development housing projects and (C) Multi-unit dwellings**. The City & County, State and big developers are developing huge numbers of units in their projects, but they have the financial resources, office personnel size and financial cushion in their projects to be able to provide these affordable housing along with their market units. But small developers with their small projects and small profit margins will be put in an extremely risky and financially difficult situation if they had to sell 10% of their project at reduced prices while trying to come out with a 20% profit possibly. So, trying to meet this Affordable Housing Requirement would create a lot of risk for them to do even a small project. Small developments don't have the benefits of large developments. Volume for large developments have the benefit of a lot of cost savings. I'm heard in the media that even the big developments can't sell (one sold only 10% of the available affordable units and another sold 17%) or are having a hard time selling these affordable units in their projects because of the high interest rate, 5,10 and 30 year selling restrictions, and the buyers not able to pass the qualifications, etc.

Another big restriction to building more apartment units is the parking requirements. If the parking side and rear yard setbacks can be like Bill 7, where parking can encroach into the side and rear yards, more parking can be provided for small lot developments on A-2, 5,000 sq. ft. parcels. In addition, if two (2) levels of parking are provided, the upper level should be allowed to encroach into the side and rear yards too, provided the solid wall portion of the along the property line can be limited to 6 ft. high, like a fence. However, open railings should be allowed to extend beyond the 6 ft. height limit. With more parking, more units can be developed on small lots. Furthermore, more parking on site will relieve the demand for street parking, which will also reduce disputes with neighbors.

Small developments, 1) if were exempted from Chapter 29: Affordable Housing Requirements, and 2) if the City Council and DPP increase the FAR for the A-2 lots to **4,** will be able to provide many more available apartment units and house lots, for the people of Honolulu. This is especially important for the A-2 zoned lots because the majority of the apartment zoned lots in Honolulu are the A-2 zoned lots

In addition, with parking available for the units, the project will become more desirable for buyers.

I believe, as Grassroot Institute said, that Bill 5's adjustments to the minimum lot areas and lot widths and depths should be combined with Bill 6's maximum building area changes. I also believe that BMX-3 zoned parcels should have their FAR increased to 4 also.

Finally, we should provide all our locals with the opportunity to BUY AND OWN the unit they are living in so they can build equity so that when their family start to grow and they need a bigger unit, they could sell their unit and upgrade to a bigger unit. If they were renting, they wouldn't have built any equity in their apartment to move up because they don't own the unit. So please pass Bill 5 (2026) and Bill 6 (2026) so we may increase the inventory of condos on Oahu which will keep prices down and keep our family and friends from moving to the mainland. Thank you. Wilfred Motosue, Small Developer and Principal Broker for Realty Trade Center, Inc. 808-351-1553