

BILL040(26)
Testimony

MISC. COMM. 246

*BUDGET (BUD)

***BUDGET (BUD) Meeting**

Meeting Date: Jun 23, 2026 @ 10:00 AM

Support: 49

Oppose: 1

I wish to comment: 1

Name: Brett Kulbis	Email: brett.kulbis@use.startmail.com	Zip: 96706
Representing: Self	Position: Oppose	Submitted: Jun 16, 2026 @ 03:23 PM

Testimony:

Chair, Vice Chair, and Members of the Committee,

Mahalo for the opportunity to testify. I am writing in strong opposition to Bill 40 CD1 (2026), relating to real property taxation.

Although the committee draft changes the mechanism from a home-exemption change to a one-time tax remission, the core problem remains the same: this bill creates a special, retroactive tax benefit for a very narrow class of property owners. Under CD1, the benefit goes only to initial purchasers of certain owner-occupied affordable housing condominium units who could not timely file for a home exemption because their sale was recorded after the filing deadline.

CD1 does not fix the underlying fairness problem in the tax code. It simply changes the form of the subsidy—from a special exemption rule to a special remission rule—while still giving retroactive tax relief to a narrow, favored group of buyers.

From a fiscal responsible point of view, CD1 is somewhat narrower than the original bill because it no longer rewrites the home exemption law itself. But it still establishes a special remission program that reduces effective tax collections for one favored category of owners while everyone else remains subject to the normal rules.

The bill also remains retroactive to tax years beginning July 1, 2025, and thereafter. Retroactive tax relief is poor fiscal policy because it weakens predictability, complicates budgeting, and encourages future requests for after-the-fact exceptions whenever a small group can make a sympathetic case.

CD1 also creates additional administrative complexity. It requires the submission and verification of eligibility lists, owner-occupancy compliance, sale timing, and other documentation before the Department of Budget and Fiscal Services can determine and apply the remission. That is a lot of process for a very small group of beneficiaries.

Most importantly, this bill still does not treat similarly situated taxpayers equally. Many homeowners must comply with deadlines and tax classifications as written. If the committee believes there is a broader problem with exemption timing or classification, it should consider a general prospective reform that applies evenly, not a narrow retroactive benefit tied to regulated affordable condominium projects.

For these reasons, I respectfully urge this committee to reject Bill 40 (2026), CD1. If the committee chooses to move it

forward, it should at minimum remove the retroactive effect, require a clear public estimate of the revenue impact, and ensure that any relief is addressed through a broader and more neutral tax policy reform.

Mahalo for your consideration and for your service to our community.

Brett Kulbis
U.S. Navy Retired
Ewa Beach

Name: Sarah Johnson	Email: mvsj101@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 17, 2026 @ 07:11 AM
Name: Ryan Yamaguchi	Email: ryanyamaguchi12@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 17, 2026 @ 07:54 AM

Testimony:

Aloha Councilmembers,

My name is Ryan Yamaguchi and I am writing in strong support of Bill 40.

I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout my regulated term.

Despite the Declaration of Restrictive Covenants requiring me to occupy my unit as my primary residence, I was not allowed to file for a home exemption because the building's October completion date and my later closing date fell after the September 30th deadline.

I purchased my unit for \$565,000 with these restrictive covenants in place, a price that is already a stretch for many local residents, let alone a first-time homeowner such as myself. Despite being a regulated workforce housing unit with smaller square footages, simple furnishings and finishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions, my unit is currently assessed hundreds of thousands of dollars above my bank's 2025 appraised value. With my current assessment over the one-million-dollar threshold, I am subject to the City's higher Residential A tax rate intended for investors and second-home owners in luxury developments. With a high mortgage payment, association fees, and Honolulu's ever growing living expenses, this unexpectedly high tax burden has

only further strained my already tight household budget.

While I have sought relief through the tax appeal process, I have been met with limited, sporadic communication, vague feedback, and a meager settlement offer from the tax office. Hearing dates for the Board of Review are backlogged past October, though I have been warned my case could get pushed even further out to the Board's March 2027 hearing cycle. This backlog has been weaponized against myself and my neighbors at Ulana, as we are forced to either accept these settlements now or pay taxes on the original assessment amount until some unknown date when our cases can finally be heard.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and I in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana, but all future local families participating in these programs, in their pursuit and sustainment of homeownership. Mahalo for your time and consideration.

Ryan Yamaguchi, Ulana Ward Village Resident

Name: Michelle K.	Email: michellek303@yahoo.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 17, 2026 @ 08:34 AM

Testimony:

Aloha City Councilmembers,

My name is Michelle K. and I am writing in STRONG SUPPORT of Bill 40.

I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and requires owner-occupancy throughout my regulated term.

Despite the Declaration of Restrictive Covenants requiring me to occupy my unit as my primary residence, I was not allowed to file for a home exemption because of the building's October completion date and my later closing date fell after the September 30th deadline.

I purchased my unit for around \$630,000 with these restrictive covenants in place, a price that is already a stretch for

many local residents, let alone a first-time homeowner such as myself. Despite being a regulated workforce housing unit with smaller square footages, simple furnishings and finishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions, my unit is assessed hundreds of thousands of dollars above the sale amount. With my original assessment over the one-million-dollar threshold, I am subject to the city's higher Residential A tax rate intended for investors and second-home owners in luxury developments. With a high mortgage payment, association fees, and Honolulu's ever growing living expenses, this unexpectedly high tax burden has only further strained my already tight household budget.

While I have sought relief through the tax appeal process, I have been met with limited, sporadic communication, vague feedback, and a meager settlement offer of around \$930,000 from the Real Property Assessment Division. Hearing dates for the Board of Review are backlogged past October 2026, and cases could get pushed even further out to the Board's March 2027 hearing cycle. This backlog has been weaponized against myself and my neighbors at Ulana, as we are forced to either accept these settlements now (which I did) or pay taxes on the original assessment amount. The city appraiser warned me that once a case goes to the board of review, the meager settlement offer from the city is off the table. After many sleepless nights, I reluctantly signed the settlement offer because I am afraid there is a chance the board does not rule in favor of us, then we may end up paying more than the current settlement offer.

Bill 40 will provide immediate, urgently needed relief to my neighbors and me in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and me at Ulana, but all future local families participating in these programs, in their pursuit and sustainment of homeownership. Mahalo for your time and consideration.

Michelle K.,
Ulana Ward Village Resident

Name: Maggie Engebretson	Email: maggie.engebretson@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 17, 2026 @ 09:23 AM

Testimony:
Aloha Councilmembers,

My name is Maggie Engebretson, and I am writing with strong support of Bill 40.

We recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kaka’ako. This unit is part of a program regulated by the Hawai’i Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout our regulated term.

Despite the Declaration of Restrictive Covenants requiring me to occupy my unit as my primary residence, we were not allowed to file for a home exemption because the building’s October 2025 completion date and our later closing date (November 5, 2025) fell after the September 30, 2025 deadline.

We purchased our unit for \$670,000 with these restrictive covenants in place. Despite being a regulated workforce housing unit with smaller square footage, simple furnishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions (including a rail station which will not open until 2033), our unit is currently assessed hundreds of thousands of dollars above my bank’s 2025 appraised value.

With our current assessment over \$1.5 million dollars, over the one-million dollar threshold, we are subject to the City’s higher Residential A tax rate intended for investors and second-home owners in luxury developments. This should not apply to our family and purchase of our first home. The additional burden is absolutely straining our budget.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and my family in the form of a home exemption that is entitled to all Honolulu residents.

I respectfully request this committee’s support for Bill 40 to help not only Ulana residents, but all future local families participating in these programs, in their pursuit and sustainment of homeownership. I believe we should support pathways to home ownership for local families as much as possible.

Thank you,

Maggie Engebretson, Ulana Ward Village Resident

Name: Renee Setter	Email: rsetter6@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 17, 2026 @ 09:56 AM

Testimony:
Aloha Councilmembers,

My name is Renee Setter and I am writing in strong support of Bill 40.

I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a

program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout my regulated term.

Despite the Declaration of Restrictive Covenants requiring me to occupy my unit as my primary residence, I was not allowed to file for a home exemption because the building's October completion date and my later closing date fell after the September 30th deadline.

I purchased my unit for \$543,800 under these restrictive covenants—a price that is already a significant stretch for a local, first-time homeowner. Despite this being a regulated workforce housing unit with modest square footage, simple finishes, and minimal amenities, it is currently assessed at \$869,700. Because the building's completion fell after the September 30th deadline, I am blocked from claiming the home exemption. This means I am being forced to pay property taxes on a fully unexempted \$869,700 valuation. Being denied the home exemption I would otherwise qualify for, solely because of a closing date outside my control, has made it tighter still. With a high mortgage payment, rising association fees, and Honolulu's ever-growing cost of living, facing an unexpectedly high tax bill without the standard resident exemption has placed a severe and immediate strain on my household budget.

While I have sought relief through the tax appeal process, I have been met with limited, sporadic communication, vague feedback, and a meager settlement offer from the tax office. Hearing dates for the Board of Review are backlogged past October, though I have been warned my case could get pushed even further out to the Board's March 2027 hearing cycle. This backlog has been weaponized against myself and my neighbors at Ulana, as we are forced to either accept these settlements now or pay taxes on the original assessment amount until some unknown date when our cases can finally be heard.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and I in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana, but all future local families participating in these programs, in their pursuit and sustainment of homeownership. Mahalo for your time and consideration.

Renee Setter, Ulana Ward Village Resident

Name: May Fan	Email: nina2beach@yahoo.com	Zip: 96817
Representing: Self	Position: Support	Submitted: Jun 17, 2026 @ 09:57 AM

Testimony:

Aloha City Councilmembers,

I am writing in STRONG SUPPORT for Bill 40. Please pass immediately to help local homeowners who missed the home exemption filing deadline due to poor timing outside of their control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline. Thank you for your kind consideration!

Mahalo,

May Fan

Name:

Kelsey Wai

Email:

kelseywai@gmail.com

Zip:

96813

Representing:

Self

Position:

Support

Submitted:

Jun 17, 2026 @ 01:03 PM

Name:

PAULA JOHANSSON

Email:

aloha.paula@icloud.com

Zip:

96813

Representing:

Self

Position:

Support

Submitted:

Jun 17, 2026 @ 01:50 PM

Testimony:

Aloha Councilmembers,

My name is Paula and I am writing in strong support of Bill 40.

I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout my regulated term.

Despite the Declaration of Restrictive Covenants requiring me to occupy my unit as my primary residence, I was not allowed to file for a home exemption because the building's October completion date and my later closing date fell after the September 30th deadline.

I purchased my unit for \$584,000 with these restrictive covenants in place, a price that is already a stretch for many local residents, let alone a first-time homeowner such as myself. Despite being a regulated workforce housing unit with smaller square footages, simple furnishings and finishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions, my unit is currently assessed hundreds of thousands of dollars above my bank's 2025 appraised value. With my current assessment over the one-million-dollar threshold, I am subject to the City's

higher Residential A tax rate intended for investors and second-home owners in luxury developments.] With a high mortgage payment, association fees, and Honolulu's ever growing living expenses, this unexpectedly high tax burden has only further strained my already tight household budget.

While I have sought relief through the tax appeal process, I have been met with limited, sporadic communication, vague feedback, and a meager settlement offer from the tax office. Hearing dates for the Board of Review are backlogged past October, though I have been warned my case could get pushed even further out to the Board's March 2027 hearing cycle. This backlog has been weaponized against myself and my neighbors at Ulana, as we are forced to either accept these settlements now or pay taxes on the original assessment amount until some unknown date when our cases can finally be heard.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and I in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana, but all future local families participating in these programs, in their pursuit and sustainment of homeownership. Mahalo for your time and consideration.

Paula Johansson, Ulana Ward Village Resident

Name: Helena Chow	Email: hchow143@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 17, 2026 @ 03:36 PM
Name: Safue Ulufale	Email: safue.ulufale@yahoo.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 17, 2026 @ 03:40 PM
Name: Jordan Li	Email: jordan.li@me.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 17, 2026 @ 04:09 PM
Testimony: Aloha Councilmembers,		

My name is Jordan Li and I am writing in strong support of Bill 40.

I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout my regulated term.

Despite the Declaration of Restrictive Covenants requiring me to occupy my unit as my primary residence, I was not allowed to file for a home exemption because the building's October completion date and my later closing date fell after the September 30th deadline.

I purchased my unit for \$605,400 with these restrictive covenants in place, a price that is already a stretch for many local residents, let alone a first-time homeowner such as myself. Despite being a regulated workforce housing unit with smaller square footages, simple furnishings and finishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions, my unit is currently assessed hundreds of thousands of dollars above my bank's 2025 appraised value. With a high mortgage payment, association fees, and Honolulu's ever growing living expenses, this unexpectedly high tax burden has only further strained my already tight household budget.

While I have sought relief through the tax appeal process, I have been met with limited, sporadic communication, vague feedback, and a meager settlement offer from the tax office. Hearing dates for the Board of Review are backlogged past October, though I have been warned my case could get pushed even further out to the Board's March 2027 hearing cycle. This backlog has been weaponized against myself and my neighbors at Ulana, as we are forced to either accept these settlements now or pay taxes on the original assessment amount until some unknown date when our cases can finally be heard.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and I in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana, but all future local families participating in these programs, in their pursuit and sustainment of homeownership. Mahalo for your time and consideration.

Jordan, Ulana Ward Village Resident

Name:	Email:	Zip:
Christine Otto Zaa	ottozaa@gmail.com	96816
Representing:	Position:	Submitted:

HI Good Neighbor	Support	Jun 17, 2026 @ 05:21 PM
Name: Kisei Tanaka	Email: kisei.tanaka@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 17, 2026 @ 05:40 PM

Testimony:

Aloha Councilmembers,

My name is Kisei Tanaka and I am writing in strong support of Bill 40.

I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout my regulated term.

Despite the Declaration of Restrictive Covenants requiring me to occupy my unit as my primary residence, I was not allowed to file for a home exemption because the building's October completion date and my later closing date fell after the September 30th deadline.

I purchased my unit for approximately \$630,000 with these restrictive covenants in place, a price that is already a stretch for many local residents, let alone a first-time homeowner such as myself. Despite being a regulated workforce housing unit with smaller square footages, simple furnishings and finishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions, my unit is currently assessed hundreds of thousands of dollars above my bank's 2025 appraised value. With a high mortgage payment, association fees, and Honolulu's ever-growing living expenses, this unexpectedly high tax burden has only further strained my already tight household budget.

While I have sought relief through the tax appeal process, I have been met with limited, sporadic communication, vague feedback, and a meager settlement offer from the tax office. Hearing dates for the Board of Review are backlogged past October, though I have been warned my case could get pushed even further out to the Board's March 2027 hearing cycle. This backlog has been weaponized against myself and my neighbors at Ulana, as we are forced to either accept these settlements now or pay taxes on the original assessment amount until some unknown date when our cases can finally be heard.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and me in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and me at Ulana, but all future local families participating in these programs, in their pursuit and sustainment of homeownership. Mahalo for your time and consideration.

Kisei Tanaka

Ulana Ward Village Resident

Name: Stella Yang	Email: stellaqyang@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 17, 2026 @ 06:22 PM

Testimony:

Aloha Councilmembers,

My name is Stella Yang and I am writing in strong support of Bill 40.

I recently purchased an affordable housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout my regulated term.

I submitted the Home Exemption Claim on 12/20/25 and later realized my closing date fell after the September 30th deadline.

I purchased my unit with these restrictive covenants in place, a price that is already a stretch for many local residents, let alone a first-time homeowner such as myself. Despite being a regulated workforce housing unit with smaller square footages, simple furnishings and finishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions, my unit is currently assessed the appraised value. With a high mortgage payment, association fees, and Honolulu's ever growing living expenses, this unexpectedly high tax burden has only further strained my already tight household budget.

Meanwhile I also missed the tax appeal deadline, as I was not aware of a such process.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and I in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana, but all future local

families participating in these programs, in their pursuit and sustainment of homeownership. Mahalo for your time and consideration.

Stella Yang, Ulana Ward Village Resident

Name: Dustin Barnes	Email: dustinhowardbarnes@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 17, 2026 @ 09:33 PM

Name: Charlotte Lu	Email: 40ulana@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 17, 2026 @ 09:38 PM

Testimony:

Aloha Councilmembers,

My name is Charlotte Lu, and I strongly support Bill 40.

I am an owner-occupant of a reserved workforce housing unit at Ulana Ward Village in Kakaako. As part of the Hawaii Community Development Authority program, I am subject to strict income, asset, pricing, and owner-occupancy requirements.

Although I am required to use my unit as my primary residence, I was unable to claim the homeowner's exemption because the building was completed and my purchase closed after the September 30 deadline. As a result, my home is taxed at the higher Residential A rate intended for investors and second-home owners, creating a significant and unexpected financial burden.

Bill 40 would provide fair and much-needed relief to owner-occupants like me who were denied the exemption due to circumstances beyond our control. It would also ensure that future residents of City- and State-approved affordable housing projects are not similarly disadvantaged.

I respectfully urge your support for Bill 40 to help local families achieve and sustain homeownership. Mahalo for your consideration.

Charlotte Lu
Ulana Ward Village Resident

Name:	Email:	Zip:
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Michael Fan	mike26fan@outlook.com	96813
Representing: Self	Position: Support	Submitted: Jun 18, 2026 @ 08:49 AM
Testimony: Dear City Councilmembers, I am writing in STRONG SUPPORT of passing Bill 40. Passing this bill ensure that local homeowners who missed the September filing deadline recently due to timing outside of their control are not forgotten by the city. Please support these local homeowners as well as future city and state approved affordable housing units so they automatically receive the home exemption during closing of purchase and without constraint by a deadline. Thanks again for your support and kind consideration! Gratefully, Michael Fan		
Name: Michael Nashiro	Email: mikey808@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 18, 2026 @ 09:04 AM
Testimony: Aloha Chair, Vice Chair, and Councilmembers, My name is Mike Nashiro, and I am writing in strong support of Bill 40. I recently purchased a reserved affordable housing unit at Ulana Ward Village in Kaka’ako. This unit is part of a State-regulated program under the Hawai’i Community Development Authority (HCDA), which includes strict requirements on pricing, income eligibility, asset limits, and required owner-occupancy under recorded restrictive covenants. I’ve lived in Honolulu my entire life, including previously in the Nu’uanu area, and this purchase represents an important step in being able to remain in the community I call home. My unit was priced in the \$600,000 range under these restrictions, which is already a stretch for many local residents. Despite this, due to the City’s valuation methodology, my property is currently classified under the higher Residential A tax rate. At the same time, because the building’s completion and my closing occurred after the September 30 homeowner’s exemption deadline, I was unable to qualify for the homeowner rate for my first year—despite occupying the unit as my primary residence. This results in thousands of dollars in additional taxes during the first year of ownership. For many of us in affordable housing, including myself, the financial margins are tight. We plan carefully to make these purchases work, and an		

unexpected cost of this size has a very real impact.

This situation is not the result of oversight. The timing of affordable housing purchases is driven by factors outside of a buyer’s control, including lottery selection, construction schedules, and coordinated closing timelines. In this case, it was not possible to meet the exemption deadline. At the same time, while we are subject to strict State affordability requirements, the City’s tax classification system does not fully account for those restrictions during the first year of ownership.

Bill 40 addresses this gap in a targeted and reasonable way. It does not create a broad or open-ended exemption—it simply ensures that verified owner-occupants of regulated affordable housing are taxed consistently with the intent of these programs from the moment they move in.

I understand concerns about fairness and maintaining a stable tax system. However, this situation is fundamentally different from missing a routine filing deadline. The number of affected homeowners is small and highly specific, and the fiscal impact to the City is limited. At the same time, the financial impact on each homeowner is significant, especially during the critical first year.

More importantly, this is about aligning policy with purpose. Affordable housing programs are designed to support local residents, yet without this fix, the system unintentionally creates an additional burden at the exact moment when stability matters most.

Bill 40 helps ensure that affordable housing is not only affordable at the time of purchase, but remains sustainable in practice during ownership.

I respectfully urge you to support Bill 40.

Mahalo for your time and consideration.

Mike Nashiro
Ulana Ward Village Resident

Name:	Email:	Zip:
T Hinaga	tm.hamamoto@gmail.com	96817
Representing:	Position:	Submitted:
Self	Support	Jun 18, 2026 @ 09:19 AM

Testimony:
Aloha Chair and Councilmembers,
My name is Taryn Hinaga, and I write in support of Bill 40.
Even for those of us who are not directly affected, this issue highlights a gap in how our affordable housing policies are

working in practice. Owner-occupants of regulated affordable units can end up paying higher tax rates simply because of timing outside their control, which runs counter to the purpose of these programs.

Bill 40 is a narrow and practical fix that helps ensure affordable housing remains sustainable for the local residents these programs are meant to serve.

I respectfully urge your support.

Mahalo,

Taryn Hinaga

Name: Chloe Machida	Email: chloekagesa@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 18, 2026 @ 10:21 AM

Testimony:

Aloha Councilmembers,

My name is Chloe, and I am writing in support of Bill 40.

I am a resident of Ulana Ward Village in Kaka’ako and recently purchased a reserved workforce housing unit through the HCDA-regulated affordable housing program. Like many of my neighbors, I went through a lengthy process to qualify for this program starting in 2020. We had to meet strict income and asset limits, agree to owner-occupancy requirements, and accept resale restrictions that limit the future value of the home.

I closed on my unit in November 2025 and purchased it for \$610,000. However, despite the restrictions attached to my home, the City assessed my unit at approximately \$1.3 million for property tax purposes. That's more than double what I paid for it!

Because Ulana was completed after the September 30 home exemption deadline, residents who closed later in the year were not allowed to apply for the homeowner exemption, even though we are required by law to live in our units as our primary residences. As a result, many of us were taxed at the higher Residential A rate, which was intended for investment properties and second homes, not owner-occupied affordable housing units.

As a first-time homeowner, this has been incredibly frustrating. I stretched financially to purchase a housing unit that was specifically created to help local residents achieve homeownership. Between my mortgage, HOA fees, and the rising cost of living in Honolulu, the unexpected tax burden has added financial stress.

I have pursued relief through the tax appeal process, but the experience has been slow and uncertain. Communication has been limited, settlement offers have not reflected the reality of these regulated units, and hearing dates are backed up well. In the meantime, we will be left paying taxes based on assessments that do not reflect what we actually paid for

our homes.

Bill 40 provides a simple and fair solution. It would allow homeowners in situations like ours to receive the homeowner exemption we would have qualified for if our building had been completed just a little earlier. It would also help ensure that future residents of affordable and workforce housing projects are not penalized because of circumstances completely outside their control.

I respectfully ask for your support of Bill 40. This bill will provide meaningful relief to current Ulana residents and help protect future local families who are working hard to achieve homeownership in Honolulu.

Mahalo for your time and consideration.

Chloe Machida

Ulana Ward Village Resident

Name: Jonathan Lum	Email: jyflum@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 18, 2026 @ 11:06 AM

Testimony:

Aloha Chair and Councilmembers,

My name is Jonathan Lum, and I support Bill 40. This bill addresses a narrow but important gap where affordable housing buyers are taxed at higher rates during their first year due to timing beyond their control. While the number of affected homeowners is small, the financial impact on each is significant. Bill 40 is a targeted, practical fix that aligns tax treatment with the intent of these programs.

Mahalo for your consideration

Name: Sen Zhao	Email: zhaos2016@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 18, 2026 @ 06:11 PM

Name: yong li	Email: ycli9535@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 18, 2026 @ 10:21 PM

Testimony:

Aloha Councilmembers,

My name is Yong Li, and I am writing in strong support of Bill 40.

I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kaka'ako. My home is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and owner occupancy throughout the regulated term.

I purchased my unit for \$595,500 subject to these restrictive covenants, a price that is already a significant financial commitment for many local residents and first-time homebuyers such as myself. Although my home is a regulated workforce housing unit with modest square footage, basic finishes, limited amenities, and is located in an area currently impacted by ongoing construction activity, it is assessed hundreds of thousands of dollars above my bank's 2025 appraised value.

As a result, my assessed value exceeds the \$1 million threshold, subjecting me to the City's higher Residential A tax rate—a classification intended for investors and owners of high-value residential properties. As an owner-occupant living in a regulated workforce housing unit, I do not believe this reflects the intent of the tax classification. Combined with a mortgage, association fees, and Honolulu's rising cost of living, this additional tax burden has placed significant strain on my household budget.

While I have pursued relief through the tax appeal process, I have encountered limited communication, unclear guidance, and only minimal settlement offers. Hearing dates before the Board of Review are currently backlogged beyond October, and I have been advised that cases may be delayed even further into the Board's March 2027 hearing cycle. This backlog effectively pressures homeowners like myself and many of my neighbors to either accept inadequate settlements or continue paying taxes based on disputed assessments until our appeals can finally be heard.

Bill 40 would provide immediate and much-needed relief by extending to us the home exemption intended for Honolulu residents who occupy their homes as their primary residence. We were denied that opportunity solely because of a construction and closing timeline that was entirely outside of our control. Passage of this bill would also ensure that future purchasers of City- and State-approved affordable and workforce housing units are not similarly disadvantaged by closing dates that occur after the home exemption application deadline.

I respectfully urge the Committee to support Bill 40. Doing so will help not only the residents of Ulana Ward Village, but also future local families striving to achieve and maintain homeownership through affordable and workforce housing programs.

Mahalo for your time and consideration.

Yong Li

Ulana Ward Village Resident

Name: Jared Miyashiro	Email: jtimiya@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 19, 2026 @ 12:33 AM

Name: Yoshito & Kaori Uchida	Email: kikuchikaori@hotmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 20, 2026 @ 05:39 PM

Testimony:

Aloha Councilmembers,

We are Yoshito and Kaori Uchida, and we are writing in strong support of Bill 40.

We recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout our regulated term.

Despite the Declaration of Restrictive Covenants requiring us to occupy our unit as our primary residence, we were not allowed to file for a home exemption because the building's October completion date and our later closing date fell after the September 30th deadline.

We purchased our unit with these restrictive covenants in place, a price that is already a stretch for many local residents, let alone first-time homeowners such as ourselves. Despite being a regulated workforce housing unit with smaller square footages, simple furnishings and finishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions, our unit is currently assessed hundreds of thousands of dollars above our bank's 2025 appraised value. With our current assessment over the one-million-dollar threshold, we are subject to the City's higher Residential A tax rate intended for investors and second-home owners in luxury developments. With a high mortgage payment, association fees, and Honolulu's ever-growing living expenses, this unexpectedly high tax burden has only further strained our already tight household budget.

While we have sought relief through the tax appeal process, we have been met with limited, sporadic communication, vague feedback, and a meager settlement offer from the tax office. Hearing dates for the Board of Review are backlogged past October, though we have been warned our case could get pushed even further out to the Board's March 2027 hearing cycle. This backlog has been weaponized against ourselves and our neighbors at Ulana, as we are forced to either accept these settlements now or pay taxes on the original assessment amount until some unknown date when our cases can finally be heard.

Bill 40 will provide immediate, urgently needed relief to our neighbors and us in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

We respectfully request this committee’s support for Bill 40 to help not only our neighbors and us at Ulana, but all future local families participating in these programs in their pursuit and sustainment of homeownership.

Mahalo for your time and consideration.

Yoshito & Kaori Uchida
Unit 3200
Ulana Ward Village Resident

Name: Dawei Yang	Email: Davidyang6961@gmail.com	Zip: 96817
Representing: Self	Position: Support	Submitted: Jun 20, 2026 @ 09:27 PM

Testimony:
My name is Dawei Yang, and I am writing in strong support of Bill 40.

I recently purchased an affordable housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict, long-term covenants regarding pricing, income and asset eligibility, and mandatory owner-occupancy.

As a first-time homeowner, purchasing this unit was a significant financial stretch. Like many buyers, my closing date fell after the September 30th deadline—a timing issue entirely out of my control.

Consequently, my unit is currently being taxed at its fully appraised market value rather than reflecting its highly restricted status. This is deeply disproportionate for a regulated workforce housing unit characterized by a smaller footprint, simple finishes, basic amenities, and an environment currently surrounded by constant construction traffic and noise. Combined with a high mortgage, association fees, and Honolulu’s rising cost of living, this unexpected tax burden has severely strained my already tight household budget.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and I in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana, but all future local families participating in these programs, in their pursuit and sustainment of homeownership. Mahalo for your time and consideration.

Mahalo for your time and consideration.

Dawei Yang, Ulana Ward Village Resident

Name: Rep. Kim Coco Iwamoto	Email: repiwamoto@capitol.hawaii.gov	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 21, 2026 @ 02:03 PM
Name: Makoa Almeida	Email: makoaalmeida@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 21, 2026 @ 03:35 PM

Testimony:

I fully support Bill 40. It makes total sense that if you must be a resident to buy housing through a State or City Affordable Housing program then you should qualify for the homeowner's exemption regardless of if the application deadlines are met. The deadline to qualify for the exemption by September 30, is controlled by the developer, not the owner. Plus, many of the owners were vetted and had purchase contracts years before the building was built and they could occupy their unit. They placed their future hopes of affordable property ownership and staying in Hawaii through these affordable housing programs.

The cost of living in Hawaii and the lack of affordable housing is a big factor of why local people are leaving Hawaii. Providing the homeowners exemption immediately or retroactively will provide a level of guaranteed financial relief with the property tax expenses of homeownership and bring the overall cost of homeownership down.

I am 22 years old and finishing my last year of college at UH Manoa. My goal is to stay in Hawaii and hopefully own my own place, possibly through one of the affordable housing programs. However, after seeing what my parents and sister are going through financially and stressfully, with the no-longer "affordable" housing unit they helped my 25-year-old sister by at Ulana Ward Village has defiantly left me to re-think that idea.

With the high cost of everything in Hawaii, \$615,400 for an affordable condo is a stretch. My parents and sister figured out the finances which included the estimated taxes and decided to buy in Ulana at Ward Village. Their assumption, and I think that of many residents in Ulana was that the tax valuations would be about what they paid for the unit or a little

more..... until the tax valuations were published and were almost double of what they paid for the unit, \$1,202,600! Despite an independent appraisal that valued the condo at \$808,000 the city countered with \$1,002,167. Ulana is workforce housing with minimal amenities and smaller living spaces not luxury condos that they were compared to!

Until my sister's appeal is settled which may not be until Oct/Nov or March of 2027 she will be responsible for the tax liability on \$1,202,600 in the RES A category. That will be about \$6309 annually or an extra \$526 a month just for property tax. She is 25 years old and that will be a struggle for her to save \$526 with all of the other expenses of homeownership and the cost of living in Hawaii.

Whereas, with the countered offer from RPAD of \$1,202,600 and if she had the homeowners exemption, that would have placed her in the the Residential category and briought her tax liability down to \$3087 or \$257 a month which is a reduction of about half. Do you see how financially important it is to pass Bill 40 and not only help our Ulana residents but provide a protection for future homeowners?

Implementing the homeowner's exemption immediately or retroactively will be helpful, however, I think the bigger issue that needs to be addressed is how these Reserved/Affordable properties are being appraised. They come with restrictions, sold at below market values for a purpose and have a restricted period where the owner must live in it for a set number of years therefor prohibiting participation in the current market.

Through the many family discussions on this issue, I learned that:

By Ordinance, Properties are assessed at fee simple, 100% fair market, unencumbered values. The appraisal does not take into consideration the intent of the programs, income requirements, and the time owners must live in their property, therefor prohibited from participating in the current market. In the case of Ulana which is workforce housing many of the units were compared to Luxury condominium units within Ward Village.

I understand that the tax valuations and the home exemption are two different things, however the tax assessments are subjective and can change every year, whereas if 1st time homebuyers are guaranteed the homeowners exemption that provides some guaranteed financial stability and relief.

Thank you for considering by testimony,
Makoa Almeida

Name: Jocelyn Doane	Email: jocelynmdoane@hotmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 21, 2026 @ 09:51 PM
Testimony: I strongly support Bill 40 which would ensure that new homeowners that live in reserved units that strictly require the		

owners to live in the units during the regulated term are able to apply for the home exemption, even if their purchases take place after the home exemption deadline.

While this applies to the situation that is occurring at Ulana it could be helpful for future projects with similar government regulatory restrictions.

Many of the families that live in Ulana are also dealing with insanely high real property tax assessments, and for those with assessments over \$1,000,000 - not being eligible for the home exemption means they are subject to Res A, which applies higher tax rates to our units.

To put things into perspective - I purchased a unit which I closed on in December 2025. My appraisal from June 2025 was \$800,000 or \$1,059 per square foot and was based on three sales of similar sized units in Kakaako, in April & May 2025, with sales prices ranging from \$760,000 to \$810,000 and \$867, \$894, and \$1,064 per square foot. Imagine my shock when I learned on January 14th, the day before the real property tax deadline, that the real property tax assessment office had assessed my property at \$1,247,000 or \$1,651 per square foot.

I expected the tax on property, valued at \$800,000 to be \$2,380 with the home exemption or \$2,800 a year without the home exemption. Not great that timing would mean that I would have to pay \$420 more, but not an outrageous difference. But based on the property tax assessment, which I have never received formal notice of, without the home exemption my estimated annual property tax on \$1,247,000 would be \$6,815.80! This is because based on their assessment my property is categorized as residential A, even though it is owner occupied as required by law.

I have major concerns about the real property tax office's assessment of our units across the board. The comparisons used seem to not be the most appropriate comparisons. In addition to my appraisal, additional research on five sales of similar sized units in kakaako around October 2025 suggest that \$1,247,000 is grossly inaccurate. Of the five sales, none sold for more than \$900,000 and all were under \$1,000 per square foot. I have appealed the assessment and subsequent offer, which apparently was calculated using an unclear method, but still comes out way higher than the comparables I have seen, but the home exemption will mitigate the impacts of these issues while we work through the appeals process.

Finally I wanted to note for the record that there are approximately 697 households at Ulana. I assume most of them did not receive notice from the real property tax office of the real property tax assessments due to the timing of our closing. I hope we are ensuring that they receive an opportunity to appeal and to apply for the home exemption as well.

Name: Patricia Watson	Email: pat.watson@yahoo.com	Zip: 96816
Representing: Self	Position: Support	Submitted: Jun 21, 2026 @ 11:21 PM

Testimony:

I strongly support this bill which will afford the residents of Ulana a one-time approval for homeowner exemptions. Due to the specific timing of the building's completion and unit acceptance, these new buyers missed the filing deadline through no fault of their own. As I understand it, Ulana is an affordable housing project intended exclusively for owner-occupants who meet strict financial qualifications. Most owners paid less than \$600,000 to buy into the building. However, because neighboring market-rate properties are valued much higher, these affordable units are currently being assessed at double their actual purchase price. Because the residents missed the homeowner exemption deadline due to their move-in date, these working-class buyers are now unfairly subject to high Residential A tax rates.

This situation exposes a major flaw on two levels:

Immediate Financial Strain:

When I bought my first house, I struggled to make payments and budgeted every penny. If my assumed property taxes had suddenly doubled, I would not have been able to afford my home. We cannot ask buyers of "affordable" units to absorb Residential A tax rates.

Long-Term Affordability:

How can a designated affordable unit double in assessed value overnight? The City must implement better deed restrictions to cap appreciation, ensuring these projects remain truly affordable for the next buyer when an original owner chooses to sell.

Granting this one-time homeowner exemption may require thinking outside the box, but it is the right thing to do. I urge you to support this bill and grant these new owner-occupants a one-time approval for standard homeowner tax rates. Additionally, I ask you to seriously re-evaluate how the City manages affordable developments to ensure they remain affordable in the future.

Thank you for your time and consideration.

Patricia Watson

Name: Ted Kefalas	Email: tkefalas@grassrootinstitute.org	Zip: 96813
Representing: Grassroot Institute of Hawaii	Position: Support	Submitted: Jun 22, 2026 @ 06:42 AM
Name: Ty Shishido	Email: tyshishido@yahoo.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 22, 2026 @ 07:13 AM
Testimony:		

Aloha Councilmembers,

My name is Ty Shishido, and I am writing in strong support of Bill 40. As a lifelong Honolulu resident and first-time homebuyer, I am grateful for the opportunity that workforce housing programs provide to local families seeking to establish roots and build a future in our community.

I recently purchased a reserved workforce housing unit at Ulana Ward Village in Kakaako. My home is part of a program administered by the Hawaii Community Development Authority (HCDA), which imposes strict requirements related to purchase price, income and asset eligibility, and mandatory owner-occupancy throughout the duration of the regulated period.

Although the Declaration of Restrictive Covenants requires me to occupy the unit as my primary residence, I was unable to apply for a home exemption because the building was completed in October and my closing occurred after the September 30 deadline. As a result, I was denied an exemption despite fully meeting the owner-occupancy requirements.

I purchased my unit for \$609,000 under these restrictions, a price that already represents a significant financial commitment for many local residents, especially first-time homeowners like myself. Despite being a regulated workforce housing unit with a smaller floor plan, modest finishes, limited amenities, and ongoing impacts from nearby construction activity, my property was assessed at a value hundreds of thousands of dollars higher than my lender's 2025 appraised value. Combined with a substantial mortgage payment, association fees, and Honolulu's rising cost of living, this unexpected tax burden has placed additional strain on my household finances.

In seeking relief through the tax appeal process, I have encountered limited and inconsistent communication, unclear guidance, and only a minimal settlement offer from the tax office. Hearing dates before the Board of Review are currently backlogged beyond October, and I have been advised that my case could be delayed even further until the Board's March 2027 hearing cycle. This backlog has effectively placed homeowners like myself and many of my neighbors in a difficult position: either accept the proposed settlements or continue paying taxes based on the original assessment while waiting an unknown amount of time for our appeals to be heard.

Bill 40 would provide immediate and much-needed relief to my neighbors and me by granting access to the home exemption that Honolulu homeowners are otherwise entitled to receive, but which was denied to us due solely to circumstances beyond our control. Passage of this bill would also help ensure that future owners of City- and State-approved affordable housing units are not similarly disadvantaged because their closing dates occur after the September 30 application deadline.

I respectfully ask for your support of Bill 40. Its passage would not only assist current homeowners at Ulana Ward Village but would also help future local families participating in affordable housing programs achieve and sustain homeownership.

Mahalo for your time and consideration.

Ty Shishido

Ulana Ward Village Resident

Name:	Email:	Zip:
Thomas Kappenman	tkappenman@gmail.com	96813
Representing:	Position:	Submitted:
Self	Support	Jun 22, 2026 @ 09:00 AM

Testimony:

Aloha Councilmembers,

My name is Thomas Kappenman and I am writing in strong support of Bill 40.

I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout my regulated term.

Despite the Declaration of Restrictive Covenants requiring me to occupy my unit as my primary residence, I was not allowed to file for a home exemption because the building's October completion date and my later closing date fell after the September 30th deadline.

I purchased my unit for \$631,100 with these restrictive covenants in place, a price that is already a stretch for many local residents, let alone a first-time homeowner such as myself. Despite being a regulated workforce housing unit with smaller square footages, simple furnishings and finishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions, my unit is currently assessed hundreds of thousands of dollars above my bank's 2025 appraised value. With my current assessment over the one-million-dollar threshold, I am subject to the City's higher Residential A tax rate intended for investors and second-home owners in luxury developments. With a high mortgage payment, association fees, and Honolulu's ever growing living expenses, this unexpectedly high tax burden has only further strained my already tight household budget.

While I have sought relief through the tax appeal process, I have been met with limited, sporadic communication, vague feedback, and a meager settlement offer from the tax office. Hearing dates for the Board of Review are backlogged past October, though I have been warned my case could get pushed even further out to the Board's March 2027 hearing cycle. This backlog has been weaponized against myself and my neighbors at Ulana, as we are forced to either accept these settlements now or pay taxes on the original assessment amount until some unknown date when our cases can finally be heard.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and I in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana, but all future local families participating in these programs, in their pursuit and sustainment of homeownership. Mahalo for your time and consideration.

Thomas Kappenman, Ulana Ward Village Resident

Name: Jacob Otto Zaa	Email: jacobzaa@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 22, 2026 @ 10:17 AM
Name: Alison Beste	Email: alisonbeste@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 22, 2026 @ 11:42 AM

Testimony:

Aloha Councilmembers,

My name is Alison Beste, and I am writing to express my strong support for Bill 40. I am writing to share how this legislation would directly impact my family and other workforce housing homeowners at Ulana Ward Village.

I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kaka'ako. My home is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and mandatory owner-occupancy throughout the regulated term.

Despite being required by the Declaration of Restrictive Covenants to occupy my unit as my primary residence, I was not permitted to file for a home exemption because the building's October completion date and my subsequent closing date occurred after the September 30 deadline. This circumstance was entirely outside of my control.

I purchased my unit for \$677,700 under these restrictive covenants. I am an educator, and my husband is a registered nurse. Like many local working families, we made significant sacrifices to purchase a home in Honolulu and participate in a program specifically designed to support workforce homeownership. While the opportunity to purchase a home

through this program has been meaningful for our family, the financial reality remains challenging.

My unit is currently assessed hundreds of thousands of dollars above my bank's 2025 appraised value. Because the assessment exceeds the \$1 million threshold, I am being taxed under the City's higher Residential A classification—a tax rate intended for investors, second-home owners, and luxury residential properties.

This result is particularly troubling because workforce housing owners are not investors. Owners of workforce housing units are required to live in their homes as their primary residences and are subject to restrictions that limit their ability to profit from ownership. Yet, because many of us were unable to obtain a home exemption due solely to the timing of our closing dates, we are being taxed as though we are investment property owners. With a substantial mortgage payment, association fees, and Honolulu's ever-increasing cost of living, this unexpected tax burden has placed additional strain on our family budget.

I have sought relief through the tax appeal process, but the experience has been frustrating. Communication has been limited, settlement offers have not reflected market realities, and Board of Review hearing dates are reportedly backlogged beyond October, with some cases potentially delayed until March 2027. In the meantime, homeowners are forced to either accept inadequate settlements or continue paying taxes based on disputed assessments while awaiting a hearing.

Bill 40 provides a common-sense solution to this problem. It would grant relief to owner-occupants who clearly qualify for a home exemption but were prevented from obtaining one because their homes were completed or transferred after the application deadline. It would also ensure that future purchasers of City- and State-approved affordable and workforce housing developments are not placed at the same disadvantage.

I respectfully urge the Committee to support Bill 40. Doing so will help local families who followed the rules, purchased homes through workforce housing programs, and intend to make Honolulu their permanent home. It will also strengthen the long-term viability of affordable and workforce housing by ensuring that homeowners receive the same treatment as other owner-occupants under the City's tax system.

Mahalo for your time, consideration, and support.

Alison Beste, Ulana Ward Village Resident

Name: Emily Cristobal	Email: emily.cristobal@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 22, 2026 @ 12:12 PM
Name:	Email:	Zip:

Alicia Matayoshi	aliciam808-ulana@yahoo.com	96813
Representing: Self	Position: Support	Submitted: Jun 22, 2026 @ 02:40 PM

Testimony:

Aloha Chair, Vice Chair, and Members of the Honolulu City Council,

My name is Alicia Matayoshi, and I strongly support Bill 40 (2026).

I was born and raised in Hawaii and am a small business owner serving our local community. Like many local residents, I spent decades working, paying taxes, building a career and contributing to Hawaii's economy while hoping that one day I would be able to afford a home of my own.

I am now in my mid-50s and only recently became a first-time homeowner through the HCDA Reserved Housing Program at Ulana Ward Village. Even then, I initially could not qualify on my own and ultimately needed to apply with my partner, who is now my husband. At closing I was fortunate to receive financial assistance from my mother, which helped make homeownership possible.

Becoming a homeowner was never something I took for granted. Like many local residents, I spent years budgeting carefully, limiting unnecessary spending, working hard to build a career and small business, and doing my best to prepare financially for the future. Life brings unexpected challenges, family responsibilities, and setbacks that many Hawaii residents know all too well.

For many years, I honestly did not know if homeownership in Hawaii would ever become a reality for me. There were certainly opportunities to leave Hawaii and purchase property elsewhere much earlier in life. Instead, I chose to stay because Hawaii is my home, my family is here, my business is here, and this is the community where I want to live and contribute.

My experience reflects a larger reality facing many local families. Both of my brothers currently live with our elderly mother. While they help care for her, Hawaii's housing costs also make it difficult for many working adults to establish independent households. In many families, multiple generations live together not only because of cultural values and family obligations, but because housing costs leave few alternatives.

That is why I believe Bill 40 is so important. It recognizes that long-time Hawaii residents who finally achieve homeownership should not lose important homeowner protections simply because of the timing of a closing date or an administrative deadline.

I strongly support Bill 40 because it recognizes a gap in the current property tax system that can negatively affect owner-occupants who miss the September 30 home exemption deadline through no fault of their own.

This issue extends beyond affordable housing purchasers and impacts Hawaii residents who purchase a home late in the year, relocate, or otherwise miss the filing deadline despite intending to occupy the property as their principal residence.

Affordable housing purchasers can be particularly affected. To qualify for reserved housing, buyers must satisfy income requirements, asset limitations, residency requirements, occupancy obligations, and other restrictions that do not apply to market-rate purchasers. Yet many buyers are unable to control when a project receives its certificate of occupancy, when units close, or when title is recorded.

In our case, we completed our purchase after the September 30 deadline. Many of my fellow Ulana Ward Village neighbors found themselves in the same situation. We followed the rules, purchased homes intended for local owner-occupants, and moved into our primary residences, yet we were unable to receive the same homeowner protections available to others simply because of timing.

I respectfully ask the Council to preserve and strengthen the homeowner protections contained in Bill 40. A one-year home exemption is more meaningful, easier to understand, and better fulfills the purpose of affordable homeownership than requiring homeowners to first pay higher taxes and seek reimbursement later.

I also encourage the Council to consider broader reforms that would benefit all Hawaii residents who miss the September 30 deadline while genuinely occupying their homes as their principal residence.

In addition, I believe affordable housing units deserve special consideration because they are fundamentally different from unrestricted market-rate housing. Affordable housing owners often face owner-occupancy requirements, resale restrictions, and shared-equity obligations that limit the benefits of ownership while helping preserve affordability for future generations.

Many homeowners at Ulana have also expressed concerns regarding how affordable housing units are valued compared to nearby developments. While we understand that assessments must be conducted fairly and consistently, affordable housing projects may differ significantly from neighboring luxury developments in terms of amenities, restrictions, and overall ownership structure. Greater transparency regarding valuation methodologies would help homeowners better understand how assessments are determined and build confidence in the process.

Homeownership is not achieved the day someone receives the keys. It is sustained through years of hard work, sacrifice, responsible financial decisions, and ongoing housing costs. Hawaii has invested significant resources into helping local residents become homeowners. Bill 40 recognizes that the responsibility does not end once a resident purchases a home. Long-term housing stability should be part of the affordable housing conversation as well.

The success of Hawaii's affordable housing efforts should not be measured only by how many units are built or sold.

Success should also be measured by how many local residents are able to remain homeowners five, ten, and twenty years later.

As a lifelong Hawaii resident, I respectfully ask the Council to support Bill 40 and continue looking for ways to protect both affordable housing purchasers and all owner-occupants who miss the September 30 deadline despite genuinely using their homes as their primary residence.

Hawaii needs policies that not only help residents buy homes, but help them keep them.

Mahalo for the opportunity to testify.

Respectfully,

Alicia M. Matayoshi

Honolulu, Hawaii

Name:	Email:	Zip:
Michael Valentino	mike.a.valentino@gmail.com	96813
Representing:	Position:	Submitted:
Self	Support	Jun 22, 2026 @ 06:54 PM

Name:	Email:	Zip:
Denis Philippov	dvoz80@gmail.com	96813
Representing:	Position:	Submitted:
Self	Support	Jun 22, 2026 @ 09:03 PM

Testimony:

Aloha Councilmembers,

My name is Denis Philippov and I am writing in strong support of Bill 40.

I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout my regulated term.

Despite the Declaration of Restrictive Covenants requiring me to occupy my unit as my primary residence, I was not allowed to file for a home exemption because the building's October completion date and my later closing date fell after the September 30th deadline.

I purchased my unit for \$613,600.00 with these restrictive covenants in place, a price that is already a stretch for many local residents, let alone a first-time homeowner such as myself. Despite being a regulated workforce housing unit with smaller square footages, simple furnishings and finishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions, my unit is currently assessed hundreds of thousands of dollars above my bank's 2025 appraised value. With my current assessment over the one-million-dollar threshold, I am subject to the City's higher Residential A tax rate intended for investors and second-home owners in luxury developments. With a high mortgage payment, association fees, and Honolulu's ever growing living expenses, this unexpectedly high tax burden has only further strained my already tight household budget.

While I have sought relief through the tax appeal process, I have been met with a settlement offer that is still \$158,000 higher than the unit estimate value from the bank's Unit Appraisal Report. Hearing dates for the Board of Review are backlogged past October, though I have been warned my case could get pushed even further out to the Board's March 2027 hearing cycle. This backlog has been weaponized against myself and my neighbors at Ulana, as we are forced to either accept these settlements now or pay taxes on the original assessment amount until some unknown date when our cases can finally be heard.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and I in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana, but all future local families participating in these programs, in their pursuit and sustainment of homeownership. Mahalo for your time and consideration.

Denis Philippov, Ulana Ward Village Resident

Name:	Email:	Zip:
Jessica Jeong	jessicajpennington@gmail.com	96813
Representing:	Position:	Submitted:
Self	Support	Jun 22, 2026 @ 09:15 PM

Testimony:

Warmest Aloha to the council,

My name is Jessica Jeong and I am writing in strong support of Bill 40.

I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a

program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout my regulated term.

Despite the Declaration of Restrictive Covenants requiring me to occupy my unit as my primary residence, I was not allowed to file for a home exemption because the building's October completion date and my later closing date fell after the September 30th deadline.

I purchased my unit for \$638,000 with these restrictive covenants in place, a price that is already a stretch for many local residents, let alone a first-time homeowner such as myself. Despite being a regulated workforce housing unit with smaller square footages, simple furnishings and finishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions, my unit is currently assessed hundreds of thousands of dollars above my bank's 2025 appraised value. With my current assessment over the one-million-dollar threshold, I am subject to the City's higher Residential A tax rate intended for investors and second-home owners in luxury developments. With a high mortgage payment, association fees, and Honolulu's ever growing living expenses, this unexpectedly high tax burden has only further strained my already tight household budget.

While I have sought relief through the tax appeal process, I have been met with limited, sporadic communication, vague feedback, and a meager settlement offer from the tax office. Hearing dates for the Board of Review are backlogged past October, though I have been warned my case could get pushed even further out to the Board's March 2027 hearing cycle. This backlog has been weaponized against myself and my neighbors at Ulana, as we are forced to either accept these settlements now or pay taxes on the original assessment amount until some unknown date when our cases can finally be heard. This has been very discouraging and confusing for me, and I am thankful to have met with neighbors who have helped me reach out to you.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and I in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana, but all future local families participating in these programs, in their pursuit and sustainment of homeownership.

Mahalo for your time and consideration,
Jessica Jeong

Name:	Email:	Zip:
Dongam Jeong	dmichael9414@gmail.com	96813
Representing:	Position:	Submitted:

Self	Support	Jun 22, 2026 @ 09:19 PM
Testimony: Aloha Council Members, My name is Dongam (Michael) Jeong and I am writing in strong support of Bill 40. I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout my regulated term. Despite the Declaration of Restrictive Covenants requiring me to occupy my unit as my primary residence, I was not allowed to file for a home exemption because the building's October completion date and my later closing date fell after the September 30th deadline. I purchased my unit for \$638,000 with these restrictive covenants in place, a price that is already a stretch for many local residents, let alone a first-time homeowner such as myself. Despite being a regulated workforce housing unit with smaller square footages, simple furnishings and finishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions, my unit is currently assessed hundreds of thousands of dollars above my bank's 2025 appraised value. With my current assessment over the one-million-dollar threshold, I am subject to the City's higher Residential A tax rate intended for investors and second-home owners in luxury developments. With a high mortgage payment, association fees, and Honolulu's ever growing living expenses, this unexpectedly high tax burden has only further strained my already tight household budget. While I have sought relief through the tax appeal process, I have been met with limited, sporadic communication, vague feedback, and a meager settlement offer from the tax office. Hearing dates for the Board of Review are backlogged past October, though I have been warned my case could get pushed even further out to the Board's March 2027 hearing cycle. This backlog has been weaponized against myself and my neighbors at Ulana, as we are forced to either accept these settlements now or pay taxes on the original assessment amount until some unknown date when our cases can finally be heard. Bill 40 will provide immediate, urgently-needed relief to my neighbors and I in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline. I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana, but all future local families participating in these programs, in their pursuit and sustainment of homeownership.		

Mahalo for your time and consideration.

Sincerely,

Dongam (Michael) Jeong

Name: Allyson Trang	Email: allytrang@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 22, 2026 @ 10:52 PM
Name: Kassidy Trang	Email: kassytrang@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 22, 2026 @ 10:58 PM
Name: Carrie Li	Email: ccarrie03@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 22, 2026 @ 11:24 PM

Testimony:

Aloha Councilmembers,

My name is Carrie Li and I am writing in strong support of Bill 40.

I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout my regulated term.

Despite the Declaration of Restrictive Covenants requiring me to occupy my unit as my primary residence, I was not allowed to file for a home exemption because the building's October completion date and my later closing date fell after the September 30th deadline.

I purchased my unit for \$576K with these restrictive covenants in place, a price that is already a stretch for many local residents, let alone a first-time homeowner such as myself. Despite being a regulated workforce housing unit with smaller square footages, simple furnishings and finishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions, my unit is currently assessed hundreds of thousands of dollars above my bank's 2025 appraised value. With my current assessment over the one-million-dollar threshold, I am subject to the City's higher Residential A tax rate intended for investors and second-home owners in luxury developments. With a high mortgage payment, association fees, and Honolulu's ever growing living expenses, this unexpectedly high tax burden has

only further strained my already tight household budget.

While I have sought relief through the tax appeal process, I have been met with limited, sporadic communication, vague feedback, and a meager settlement offer from the tax office. Hearing dates for the Board of Review are backlogged past October, though I have been warned my case could get pushed even further out to the Board's March 2027 hearing cycle. This backlog has been weaponized against myself and my neighbors at Ulana, as we are forced to either accept these settlements now or pay taxes on the original assessment amount until some unknown date when our cases can finally be heard.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and I in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana, but all future local families participating in these programs, in their pursuit and sustainment of homeownership. Mahalo for your time and consideration.

Carrie Li, Ulana Ward Village Resident

Name: Kylie Trang	Email: kylie1268@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 22, 2026 @ 11:59 PM
Name: Suzanne Young	Email: anakama@wik.com	Zip: 96813
Representing: Honolulu Board of Realtors	Position: I wish to comment	Submitted: Jun 23, 2026 @ 04:16 AM
Name: Eli Tsukayama	Email: eli.tsukayama@gmail.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Jun 23, 2026 @ 04:54 AM

Testimony:

Aloha Councilmembers,

My name is Eli Tsukayama and I am writing in strong support of Bill 40.

I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout my regulated term.

Despite the Declaration of Restrictive Covenants requiring me to occupy my unit as my primary residence, I was not allowed to file for a home exemption because the building's October completion date and my later closing date fell after the September 30th deadline.

I purchased my unit for \$702,500 with these restrictive covenants in place, a price that is already a stretch for many local residents, let alone a first-time homeowner such as myself. Despite being a regulated workforce housing unit with smaller square footages, simple furnishings and finishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions, my unit is currently assessed about \$800,000 above my bank's 2025 appraised value. With my current assessment over the one-million-dollar threshold, I am subject to the City's higher Residential A tax rate intended for investors and second-home owners in luxury developments. With a high mortgage payment, association fees, and Honolulu's ever growing living expenses, this unexpectedly high tax burden has only further strained my already tight household budget.

While I have sought relief through the tax appeal process, I have been met with limited, sporadic communication, vague feedback, and a meager settlement offer from the tax office. Hearing dates for the Board of Review are backlogged past October, though I have been warned my case could get pushed even further out to the Board's March 2027 hearing cycle. This backlog has been weaponized against myself and my neighbors at Ulana, as we are forced to either accept these settlements now or pay taxes on the original assessment amount until some unknown date when our cases can finally be heard.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and I in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana, but all future local families participating in these programs, in their pursuit and sustainment of homeownership. Mahalo for your time and consideration.

Eli Tsukayama, Ulana Ward Village Resident

Name:	Email:	Zip:
Garrett Kawakami	garrett@gmail.com	96813
Representing:	Position:	Submitted:

Self	Support	Jun 23, 2026 @ 06:39 AM
Testimony: My name is Garrett Kawakami and I am writing in strong support of Bill 40.		
Name:	Email:	Zip:
Yvonne Almeida	jyakmm@yahoo.com	96744
Representing:	Position:	Submitted:
Self	Support	Jun 23, 2026 @ 08:14 AM
Testimony: Chair Okimoto, Vice Chair Nishimoto, and Committee Members, The 697 local first time homeowners who purchased in Ulana, Ward Village are being taxed out of paradise. The extremely high tax valuations and not qualifying for the homeowner's exemption has placed a huge financial burden on these owners. The affordable housing that they purchased became unaffordable before they even occupied their properties. Bill 40, if passed in its original format will provide much needed tax relief this tax year when it is most needed. Bill 40 will not only help the Ulana owners who missed the Home Exemption deadline due to developer set dates but future owners whose purchase, occupancy, and recording are outside of the deadline window due to no fault of their own. These programs are subject to affordability restrictions and owner-occupancy requirements that limit their resale value. The property tax appraisal methodology should be more aligned with the intent of these programs. Appraisals are conducted at 100%, fee simple, unencumbered fair market value, the opposite of the requirements to own an affordable property through one of the programs. A review of the appraisal ordinances and a coordinated effort between the City and State to better align the intent of these programs and restrictions placed on affordable housing will be a benefit to all. I support Bill 40, and if passed will provide much needed tax relief this tax year to our local homeowners. Thank you, Yvonne Almeida		
Name:	Email:	Zip:
Perry Arrasmith	perry@hawaiisfuture.org	96797
Representing:	Position:	Submitted:
Housing Hawai'i's Future	Support	Jun 23, 2026 @ 09:30 AM

Aloha Councilmembers,

My name is Sarah Johnson and I am writing in strong support of Bill 40.

I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout my regulated term.

Despite the Declaration of Restrictive Covenants requiring me to occupy my unit as my primary residence, I was not allowed to file for a home exemption because the building's October completion date and my later closing date fell after the September 30th deadline.

I purchased my unit for \$287,600 with these restrictive covenants in place, a price that is already a stretch for many local residents, let alone a first-time homeowner such as myself.

Despite being a regulated workforce housing unit with smaller square footages, simple furnishings and finishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions, my unit is currently assessed hundreds of thousands of dollars above my bank's 2025 appraised value. With a high mortgage payment, association fees, and Honolulu's ever growing living expenses, this unexpectedly high tax burden has only further strained my already tight household budget.

While I have sought relief through the tax appeal process, I have been met with limited, sporadic communication, vague feedback, and a meager settlement offer from the tax office. Hearing dates for the Board of Review are backlogged past October, though I have been warned my case could get pushed even further out to the Board's March 2027 hearing cycle. This backlog has been weaponized against myself and my neighbors at Ulana, as we are forced to either accept these settlements now or pay taxes on the original assessment amount until some unknown date when our cases can finally be heard.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and I in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana, but all future local families participating in these programs, in their pursuit and sustainment of homeownership. Mahalo for your time and consideration.

Sarah Johnson, Ulana Ward Village Resident

Aloha Councilmembers,

My name is Kelsey Wai and I am writing in strong support of Bill 40.

I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout my regulated term.

Despite the Declaration of Restrictive Covenants requiring me to occupy my unit as my primary residence, I was not allowed to file for a home exemption because the building's October completion date and my later closing date fell after the September 30th deadline.

I purchased my unit for \$613,700 with these restrictive covenants in place, a price that is already a stretch for many local residents, let alone a first-time homeowner such as myself. Despite being a regulated workforce housing unit with smaller square footages, simple furnishings and finishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions, my unit is currently assessed hundreds of thousands of dollars above my bank's 2025 appraised value. Though I have appealed my assessed price and it has been lowered, it is still a couple hundred thousand over my bank's 2025 appraised value.

With my current assessment a couple hundred thousand dollars over, I am subject to the City's higher Residential A tax rate intended for investors and second-home owners in luxury developments. With a high mortgage payment, association fees, and Honolulu's ever growing living expenses, this unexpectedly high tax burden has only further strained my already tight household budget.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and I in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana, but all future local families participating in these programs, in their pursuit and sustainment of homeownership. Mahalo for your time and consideration.

Kelsey Wai, Ulana Ward Village Resident

Aloha Council members,

My name is Helena, and I am writing in strong support of Bill 40.

I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kaka'ako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout my regulated term.

Despite the Declaration of Restrictive Covenants requiring me to occupy my unit as my primary residence, I was not allowed to file for a home exemption because the building's October completion date and my later closing date fell after the September 30th deadline.

I purchased my unit for \$576,000 with these restrictive covenants in place, a price that is already a stretch for many local residents, let alone a first-time homeowner such as myself. Despite being a regulated workforce housing unit with smaller square footages, simple furnishings and finishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions, my unit is currently assessed hundreds of thousands of dollars above my bank's 2025 appraised value. With a high mortgage payment, association fees, and Honolulu's ever growing living expenses, this unexpectedly high tax burden has only further strained my already tight household budget.

While I have sought relief through the tax appeal process, I have been met with limited, sporadic communication, vague feedback, and a meager settlement offer from the tax office. Hearing dates for the Board of Review are backlogged past October, though I have been warned my case could get pushed even further out to the Board's March 2027 hearing cycle. This backlog has been weaponized against myself and my neighbors at Ulana, as we are forced to either accept these settlements now or pay taxes on the original assessment amount until some unknown date when our cases can finally be heard.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and I in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana, but all future local families participating in these

programs, in their pursuit and sustainment of homeownership. Mahalo for your time and consideration.

Best, Helena Chow
Ulana Ward Village Resident

TRANSACTIONS

HOW TO USE: Enter your information into the **Transactions** table below. Choose a category for each transaction, then check the **Budget** sheet to see how each category compares with your budget.

[illegible]

Aloha Council members,

My name is Safue ,and I am writing in strong support of Bill 40.

I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kaka'ako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout my regulated term.

Despite the Declaration of Restrictive Covenants requiring me to occupy my unit as my primary residence, I was not allowed to file for a home exemption because the building's October completion date and my later closing date fell after the September 30th deadline.

I purchased my unit for \$576,000 with these restrictive covenants in place, a price that is already a stretch for many local residents, let alone a first-time homeowner such as myself. Despite being a regulated workforce housing unit with smaller square footages, simple furnishings and finishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions, my unit is currently assessed hundreds of thousands of dollars above my bank's 2025 appraised value. With a high mortgage payment, association fees, and Honolulu's ever growing living expenses, this unexpectedly high tax burden has only further strained my already tight household budget.

While I have sought relief through the tax appeal process, I have been met with limited, sporadic communication, vague feedback, and a meager settlement offer from the tax office. Hearing dates for the Board of Review are backlogged past October, though I have been warned my case could get pushed even further out to the Board's March 2027 hearing cycle. This backlog has been weaponized against myself and my neighbors at Ulana, as we are forced to either accept these settlements now or pay taxes on the original assessment amount until some unknown date when our cases can finally be heard.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and I in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana, but all future local families participating in these programs, in their pursuit and sustainment of homeownership. Mahalo for your time and consideration.

Safue Ulufale
Ulana Ward Village Resident

TRANSACTIONS

HOW TO USE: Enter your information into the **Transactions** table below. Choose a category for each transaction, then check the **Budget** sheet to see how each category compares with your budget.

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June 23, 2026

SUPPORT BILL 40 (2026)

Chair Okimoto, Vice Chair Nishimoto, and Members:

HI Good Neighbor submits testimony in strong support of Bill 40.

Bill 40 addresses an unintended consequence affecting nearly 700 owner-occupants at Ulana, an HCDA reserved housing project in Kaka'ako.

Every home at Ulana was sold as an affordable/reserved housing unit and is required to be owner-occupied. The project was specifically designed to provide homeownership opportunities for working-class families. These are not luxury homes. Affordability was built into the project from the start, with basic, cost-conscious finishes and fewer amenities, including the omission of a swimming pool, to reduce costs and help keep maintenance fees affordable.

Because the homeowner exemption filing deadline occurred before purchasers were able to close on their homes, Ulana owner-occupants were unable to apply for the exemption for Fiscal Year 2026. **The result is that nearly 700 owner-occupants are being financially burdened because of a timing issue completely outside their control.**

Affordable housing opportunities are already limited in Hawai'i. **If we are serious about keeping local families in the state, we must address not only the cost of buying an affordable home, but also the ongoing costs of owning one.** Bill 40 is a common-sense fix that helps working families without creating a significant financial burden on the City. It applies only to affordable housing units and addresses a one-time gap created by the timing of project closings and the homeowner exemption filing deadline. Bill 40 ensures that these owner-occupants receive the same treatment they would have received had they been able to close before the filing deadline.

As someone whose family has firsthand experience with this issue, I have seen the impact up close. **My son and his young family purchased a unit at Ulana for \$591,900, yet the property was assessed at \$1.3 million before he even signed his closing documents – more than double the purchase price.** This resulted in a property tax bill of about \$7,500 under the Residential A classification, compared to \$4,130 with the homeowner exemption.

The goal of affordable housing should not be limited to helping families buy a home. It should also help them remain in their homes. Families should not be welcomed into an affordable housing program only to be faced with tax bills based on values they could never realize in the marketplace. These units are subject to affordability restrictions and owner-occupancy requirements that limit their resale value, and property assessments should reflect that reality. **It makes little sense to sell a home as affordable housing and then tax it as if it were unrestricted market-rate housing.** We encourage the City and State to work together on future solutions, including assessment practices that recognize the restrictions placed on affordable housing units.

Bill 40 is a meaningful step toward ensuring that affordable housing remains affordable for the local families it was meant to serve, while having minimal fiscal impact on the City.

With the property tax bills coming due, we urge the Budget Committee to move this bill forward with its strong support.

Mahalo,

Christine Otto Zaa
HI Good Neighbor

RE: Bill 40 – Relating to Real Property Taxation

Aloha Chair, Vice Chair, and Members of the Honolulu City Council,

My name is Dustin Barnes, and I respectfully urge you to support Bill 40.

I am an owner of a reserved workforce housing unit at Ulana Ward Village in Kaka‘ako. My home was purchased through a government-regulated workforce housing program administered under the Hawai‘i Community Development Authority (HCDA). Unlike a market-rate condominium, my unit is subject to strict affordability restrictions, including income eligibility requirements, asset limitations, resale restrictions, and a mandatory owner-occupancy requirement.

From the moment I purchased my home, I was legally required to occupy it as my primary residence. I could not purchase this unit as an investment property, second home, or speculative asset. The entire purpose of the program is to provide housing opportunities for local residents who intend to live in the homes they purchase.

Despite complying with every requirement imposed by HCDA, I was unable to file for a homeowner exemption because the building was completed and my purchase closed after the City's filing deadline. As a result, my home was classified as Residential A and taxed at a significantly higher rate, even though I was occupying the property as my primary residence and was legally required to do so.

To make matters worse, my unit was initially assessed for tax purposes at \$1,600,000 despite being a deed-restricted affordable housing unit that I purchased for approximately \$677,700 and that is subject to significant affordability, occupancy, and resale restrictions. In June of 2025 an independent appraisal prepared by Appraisal Associates, LLC, a licensed and certified Hawaii appraisal firm, concluded a market value of \$880,000 for my property. The appraisal was conducted in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP) and relied on the Sales Comparison Approach, which the appraiser identified as the most reliable method given the availability of recent comparable sales. While affordable housing purchasers, like myself, accepted these restrictions in exchange for the opportunity to own a home in Honolulu, we should not also be subjected to a tax classification intended for non-owner-occupied properties.

This outcome is fundamentally unfair.

Bill 40 recognizes a simple reality: purchasers of affordable housing units who are required to occupy their homes should not be penalized because of construction schedules, certificate of occupancy timing, recording dates, or administrative deadlines beyond their control.

The additional taxes imposed on affordable housing purchasers are not the result of any action by the homeowner. We followed every rule. We met income qualifications. We accepted

restrictions on future appreciation and resale. We committed to owner occupancy. Yet we were taxed as though we were owners of non-owner-occupied investment properties.

The financial impact is substantial. For many families, these unexpected tax bills amount to thousands of dollars. These are exactly the local working families that affordable housing programs were designed to help.

Bill 40 does not create a special benefit. It simply restores fairness by providing a one-time remedy for homeowners who intended to qualify for owner-occupant treatment but were prevented from doing so solely because their purchase occurred after the filing deadline.

Supporting affordable housing requires more than building units. It requires ensuring that the families who purchase those homes are treated fairly. Bill 40 corrects an unintended consequence of the current system and aligns property tax treatment with the actual purpose of these affordable housing programs.

I respectfully ask for your support of Bill 40.

Mahalo for your consideration.

Dustin Barnes
Ulana Ward Village Homeowner
Honolulu, Hawai'i

Aloha Councilmembers,

My name is Sen Zhao and I am writing in strong support of Bill 40.

I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout my regulated term.

Despite the Declaration of Restrictive Covenants requiring me to occupy my unit as my primary residence, I was not allowed to file for a home exemption because the building's October completion date and my later closing date fell after the September 30th deadline.

I purchased my unit for \$654,000 under these restrictive covenants, a price that is already a significant financial commitment for many local residents, especially first-time homeowners like myself. Despite being a regulated workforce housing unit with a relatively small footprint, modest finishes, limited amenities, and ongoing disruptions from nearby construction activity, my unit is currently assessed at about \$932,000—hundreds of thousands of dollars above my bank's 2025 appraised value.

As a result, **I am subject to the City's higher Residential A tax rate, a classification intended primarily for investors and owners of second homes in high-value properties. Given that my unit is a restricted workforce housing home that serves as my primary residence, this classification does not reflect the reality of my situation.** Combined with mortgage payments, association fees, and Honolulu's continually rising cost of living, this unexpectedly high property tax burden has placed additional strain on my household budget.

While I have sought relief through the tax appeal process, I have been met with limited, sporadic communication, vague feedback, and a meager settlement offer from the tax office. Hearing dates for the Board of Review are backlogged past October, though I have been warned my case could get pushed even further out to the Board's March 2027 hearing cycle. This backlog has been weaponized against myself and my neighbors at Ulana, as we are forced to either accept these settlements now or pay taxes on the original assessment amount until some unknown date when our cases can finally be heard.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and I in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us

simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana, but all future local families participating in these programs, in their pursuit and sustainment of homeownership. Mahalo for your time and consideration.

Mahalo for your time and consideration.

Sincerely,

Sen Zhao
Ulana Ward Village Resident

Aloha Councilmembers,

My name is Jared Miyashiro, and I am a lifelong resident of Honolulu and a first-time homeowner in the Ulana Ward Village project. Ulana was developed under HCDA's workforce housing program, which imposes strict requirements on pricing, income eligibility and asset limits, and required owner-occupancy through my entire five-year regulated term.

I paid \$623,800 for my unit, with HCDA covering the balance in exchange for strict restrictive covenants that include a requirement to occupy this unit as my primary residence. Despite the Declaration of Restrictive Covenants I signed, I was not allowed to file a home exemption because the building's October completion date and my mid-December closing date fell after the September 30th deadline. This was not the result of simple negligence or irresponsibility on my part – I was not permitted to file an exemption because I had not yet received title to my unit, despite being under a purchase contract for it since 2022.

Despite being a regulated workforce housing unit with smaller square footage, simple furnishings and finishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions, my unit was inexplicably assessed at \$1.2 million, which is well-above my bank's \$800,000 market value appraisal. With this assessment, I am now subject to the City's higher Residential A tax rate intended for investors and second-home owners in luxury developments. I now face an unexpected \$6,628 tax bill on top of a high mortgage payment, association fees, and Honolulu's ever growing living expenses, that eat up most of my household's income.

While I have sought relief through the tax appeal process, I have been met with limited, sporadic communication, vague feedback, and a meager settlement offer that remained over \$1 million, leaving me still subject to Residential A tax rates. Hearing dates for the Board of Review are backlogged past October, though I have been warned my case could get pushed even further out to the Board's March 2027 hearing cycle. This backlog has been weaponized against myself and my neighbors at Ulana, as we are coerced into either accepting these settlements now or paying taxes on the original assessment amount until some unknown date when our cases can finally be heard.

Bill 40 provides immediate, specific, and targeted relief to my neighbors and I. It does not give unfair or undeserved relief - it simply corrects for a timing issue that unjustly withheld a home exemption that is entitled to all Honolulu residents. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too

will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

While retroactive tax relief has its issues, in a broader view, the impact from the slight reduction in the City and County's over \$300 million real property tax revenue will be nominal. In contrast, the financial relief for myself and my neighbors, who are already stretched thin with expenses, will be immense.

Large-scale affordable housing projects, which are already scarcely ever produced, are announced far in advance to accommodate marketing, buyer pre-qualifications, lotteries, and pre-sales, and three- to five-year construction windows. This is more than ample time for the Department of Budget and Fiscal Services and their respective Divisions to account for these projects in their budgeting.

CD1 will add additional administrative complexity, though much of the required documentation is already being collected and maintained both by the developers and the City or State agency responsible for overseeing the respective housing program.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana today, but all local families participating in these programs tomorrow, in their pursuit and sustainment of homeownership.

Mahalo for your time and consideration,

Jared Miyashiro, Ulana Ward Village Resident



HOUSE OF REPRESENTATIVES

Hale o nā Luna Makaʻāinana

STATE OF HAWAII

STATE CAPITOL

415 SOUTH BERETANIA STREET

HONOLULU, HAWAII 96813

June 23, 2026

SUBJECT: TESTIMONY RE: BILL 40 (2026)

Aloha Chair Okimoto and Members of the Honolulu City Council Budget Committee,

I respectfully submit testimony in strong support of Bill 40 (2026).

The State of Hawaii and City & County of Honolulu (The City) are crucial partners when it comes to ensuring working families have access to housing in the urban core. When new homeowners purchase a condominium in compliance with Hawaii Community Development Authority (HCDA) “workforce” housing guidelines, they must demonstrate that they are income qualified. This means that these new homeowners do not have extra cash sitting in their checking accounts to pay for property taxes that are double what they were prepared to pay. These new homeowners have no control over their “take possession” date and may find themselves taking possession after the deadline to request home exemption discount on property taxes.

The primary amendment to this ordinance states that the purchaser of an owner-occupied unit with a regulatory agreement to which the city or the State is a party is entitled to a real property home exemption for one year after the initial sale of the unit. With my district containing the entirety of the State's HCDA's Kaka'ako District, this amendment is small but very relevant to my constituents.

Whenever occupancy is a requirement of ownership imposed by the government, the Department of Budget and Fiscal Services' Real Property Assessment Division should implement a default system that automatically qualifies all such units as eligible for the owner-occupied exemption. I look forward to working together with The City to better serve working families who are trying to remain in Hawai'i and support Honolulu's economy. In the meantime, Bill 40 can provide an effective remedy for residents caught with this unintended and unexpected

expense.

Mahalo nui loa for your consideration,

A handwritten signature in black ink, appearing to read "Kim Coco Iwamoto". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Rep. Kim Coco Iwamoto, HD25
Ala Moana, Kaka'ako, Downtown Honolulu

June 23, 2026, 10 a.m.

Honolulu Hale

To: Honolulu City Council Committee on Budget

Val Okimoto, Chair

Scott Nishimoto, Vice Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

RE: Bill 40 (2026) — RELATING TO REAL PROPERTY TAXATION

Aloha Chair Okimoto, Vice Chair Nishimoto and other members of the Committee,

The Grassroot Institute of Hawaii **supports** [Bill 40 \(2026\)](#), which would allow buyers who purchase condo units designated as affordable housing by the state or city to immediately receive the homeowner exemption.

This bill addresses a discrepancy that arises when a homebuilder constructs an affordable housing project but does not immediately sell all of the units. The eventual owners of such units can sometimes find themselves paying property taxes in the Residential A tax class, which carries a much higher rate than the Residential class.

Even if the condo unit is in the Residential class, the homebuyer cannot access the homeowner exemption if they buy the property after the September 31 deadline to file for the exemption, which would stick them with higher tax bills for the duration of the tax year.

Residents who qualify for affordable housing tend to have lower incomes by definition. Reducing their tax bills by granting them immediate access to the Residential tax class rate and the homeowner exemption would reduce the financial strain associated with the purchase of a home.

Thank you for the opportunity to testify.

Ted Kefalas

Director of Strategic Campaigns

Grassroot Institute of Hawaii

Ulana Resident - Jacob Otto Zaa

Budget Committee:

I strongly support Bill 40.

My fiancée and I are first-time homebuyers and recently purchased an affordable housing unit at Ulana in Kaka‘ako. All units in the building are required to be owner occupied, which allowed the project to be designed as affordable housing from the ground up rather than a mix of affordable and market-rate units. This created a rare opportunity for local families like ours to become homeowners, and we are grateful for it.

Many local families rely on family support to achieve homeownership, and we are no different. Without help from our families, purchasing even an affordable home would have been out of reach for us. So every dollar matters.

Like other Ulana residents, we were unable to apply for the homeowner exemption because the filing deadline occurred before our closing date. The loss of the exemption was already a big setback, but the City’s assessed value significantly increased the financial impact.

We purchased our unit for \$591,900 and received a mortgage appraisal of \$732,000. Based on those numbers, we anticipated a property tax assessment closer to the mortgage appraisal. Instead, our home was assessed at \$1.3 million before we even moved in.

Property Tax Scenario	Estimated Property Tax
\$732,000 valuation with homeowner exemption	\$2,142
\$732,000 valuation without homeowner exemption	\$2,928
\$1,300,000 valuation with homeowner exemption	\$4,130
\$1,300,000 valuation without homeowner exemption	\$7,420

The combination of the high assessment and loss of the homeowner exemption has created a financial burden we never expected. For a young family with our first baby and first home, thousands of dollars in additional costs strain an already tight budget.

Although Bill 40 will not address the assessment issue, it will provide much needed relief to working class families like ours. We also hope it helps prevent future affordable homebuyers from facing the same issue.

We are not asking for a handout. Bill 40 would allow us to pay what we would have paid if not for the timing issue. Affordable housing programs should help families achieve homeownership and not create hardship after families have already purchased their homes.

Please vote yes on Bill 40.

Mahalo,
Jacob Otto Zaa

Aloha Chair Okimoto, Vice Chair Nishimoto and Councilmembers,

My name is Emily Cristobal and I am writing in strong support of Bill 40.

I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout my regulated term.

Despite the Declaration of Restrictive Covenants requiring me to occupy my unit as my primary residence, I was not allowed to file for a home exemption because the building's October completion date and my later closing date fell after the September 30th deadline.

As someone who never thought I would be able to purchase a home in the place I was born and raised due to increasing costs of both housing and living, I was extremely grateful for the opportunity to qualify for this work force housing unit. However, because my closing date was in December, I was not able to file for exemption. My unit is currently assessed hundreds of thousands of dollars above my bank's 2025 appraised value. With my current assessment over the one-million-dollar threshold, I am subject to the City's higher Residential A tax rate intended for investors and second-home owners in luxury developments. With a high mortgage payment, association fees, and Hawaii's ever growing living expenses, this unexpectedly high tax burden has only further strained my already tight household budget.

While I have sought relief through the tax appeal process, I have been met with limited, sporadic communication, vague feedback, and a meager settlement offer from the tax office. There are still a lot of things that are up in the air about this process and the stress of paying these higher taxes is definitely weighing on myself and my family.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and I in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana, but all future local families participating in these programs, in their pursuit and sustainment of homeownership.

Mahalo for your time and consideration!

Emily Cristobal, Ulana Ward Village Resident

Aloha Councilmembers,

My name is Michael Valentino and I am writing in strong support of Bill 40.

My fiancé and I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout my regulated term.

Despite the Declaration of Restrictive Covenants requiring me to occupy my unit as my primary residence, I was not allowed to file for a home exemption because the building's October completion date and my December closing date fell after the September 30th deadline.

I purchased my unit with these restrictive covenants in place, at a price that is already a stretch for many local residents, let alone a first-time homeowner such as myself. Despite being a regulated workforce housing unit with smaller square footages, simple furnishings and finishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions, the City and County's Real Property Assessment Division has currently assessed my unit at over \$400,000 above my bank's 2025 appraised value. With my current assessment exceeding the one-million-dollar threshold, I am subject to the City's higher Residential A tax rate intended for investors and second-home owners in luxury developments. With a high mortgage payment, association fees, and Honolulu's ever growing living expenses, this unexpectedly high tax burden has only further strained my already tight household budget.

While I have sought relief through the tax appeal process, I have been met with limited, sporadic communication, vague feedback, and an insubstantial settlement offer from the tax office. Hearing dates for the Board of Review are backlogged past October, though I have been warned my case could get pushed even further out to the Board's March 2027 hearing cycle. This backlog has been weaponized against myself and my neighbors at Ulana, as we are forced to either accept these settlements now or pay taxes on the original assessment amount until some unknown date when our cases can finally be heard.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and I in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana, but all future local families participating in these programs, in their pursuit and sustainment of homeownership. Mahalo for your time and consideration.

Michael Valentino, Ulana Ward Village Resident

Aloha Councilmembers,

My name is Allyson Trang and I am writing to support Bill 40. I am a born and raised resident of Honolulu and a first-time homebuyer with my sisters. We are grateful for the opportunities that reserved workforce housing programs have provided to local, young residents, like us, to purchase our first home in such a special place.

My sisters and I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout my regulated term.

Despite the Declaration of Restrictive Covenants requiring my sisters and I to occupy our unit as our primary residence, we were not able to file for a home exemption because the building's October completion date and our later closing date fell after the September 30th deadline. As soon as we found out about the exemption document in December, we immediately filed the document. However, it was determined to be past the deadline for this tax year.

We purchased our unit for approximately \$600,000.00 with these restrictive covenants in place, a price that is already a stretch for many local residents, let alone a first-time homeowner like us. Despite being a regulated workforce housing unit with smaller square footages, simple furnishings and finishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions, our unit is currently assessed hundreds of thousands of dollars above our bank's 2025 appraised value. With our current assessment over the one-million-dollar threshold, we are subject to the City's higher Residential A tax rate intended for investors and second-home owners in luxury developments. With a high mortgage payment, association fees, and Honolulu's ever growing living expenses, this unexpectedly high tax burden has only added further financial strain to our household. I was born and raised in Hawaii, and I think of it as my home. I love and am incredibly grateful for all the opportunities I've had to stay here in order to develop and preserve my community in a truly unique place. I am committed to serving the community that raised me and contributing to its continued growth, but I can only do so if I am able to remain and build my life here. I was thrilled to have the chance to live and work from home in Honolulu when I bought this apartment as part of the first-time homeowner program. However, this increased assessment and higher tax burden has become an added stress to living in Hawaii.

While we have sought relief through the tax appeal process, the hearing dates for the Board of Review are backlogged past October, though we have been warned our case could get pushed even further out to the Board's March 2027 hearing cycle. In the meantime, homeowners, like ourselves, are left to pay taxes on the assessed amount to avoid interest and delay fees until an unknown date when our cases can finally be heard.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and I in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to

a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana, but all future local residents participating in these programs, in their pursuit and sustainment of homeownership in Hawaii. Mahalo for your time and consideration.

Allyson Trang, Ulana Ward Village Resident

Aloha Councilmembers,

My name is Kassidy Trang and I am writing to support Bill 40. I am a born and raised resident of Honolulu and a first-time homebuyer with my two sisters. We are grateful, especially me, a current full-time graduate student attending UH Manoa, for the opportunities that reserved workforce housing programs have provided to local, young residents, to purchase our first home in the place we were born and raised.

My sisters and I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout my regulated term.

Despite the Declaration of Restrictive Covenants requiring my sisters and I to occupy our unit as our primary residence, we were not able to file for a home exemption because the building's October completion date and our later closing date fell after the September 30th deadline. As soon as we found out about the exemption document in December, we immediately filed the document. However, it was determined to be past the deadline for this tax year.

We purchased our unit for approximately \$600,000.00 with these restrictive covenants in place, a price that is already a stretch for many local residents, let alone a first-time homeowner like us. Despite being a regulated workforce housing unit with smaller square footages, simple furnishings and finishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions, our unit is currently assessed hundreds of thousands of dollars above our bank's 2025 appraised value. With our current assessment over the one-million-dollar threshold, we are subject to the City's higher Residential A tax rate intended for investors and second-home owners in luxury developments. With a high mortgage payment, association fees, and Honolulu's ever growing living expenses, this unexpectedly high tax burden has only added further financial strain to our household. Hawai'i has been my home for my entire life, and it has played a significant role in shaping my values, identity, and aspirations. Looking towards the future, one of my greatest hopes is to raise my family here and pass on to my children the same sense of belonging, culture, and aloha that I was fortunate enough to experience growing up. Being able to remain in Hawai'i gives me the opportunity to serve the community that nurtured and invested in me, support the health and well-being of local families, and contribute to the future of our islands. The community that raised me, supported me, and believed in me is the same community I hope to raise my future family in and spend my life serving.

While we have sought relief through the tax appeal process, the hearing dates for the Board of Review are backlogged past October, though we have been warned our case could get pushed even further out to the Board's March 2027 hearing cycle, putting more stress on our current situation. In the meantime, homeowners, like ourselves, are left to pay taxes on the assessed amount to avoid interest and delay fees until an unknown date when our cases can finally be heard.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and I in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana, but all future local residents participating in these programs, in their pursuit and sustainment of homeownership in Hawaii. Mahalo for your time and consideration.

Kassidy Trang, Ulana Ward Village Resident

Aloha Councilmembers,

My name is Kylie Trang and I am writing to support Bill 40. I am a born and raised resident of Honolulu and a first-time homebuyer with my sisters. We are grateful for the opportunities that reserved workforce housing programs have provided to local, young residents, like us, to purchase our first home in such a special place.

My sisters and I recently purchased a reserved workforce housing unit at the Ulana Ward Village project in Kakaako. This unit is part of a program regulated by the Hawaii Community Development Authority (HCDA), which imposes strict requirements on pricing, income and asset eligibility, and required owner-occupancy throughout my regulated term.

Despite the Declaration of Restrictive Covenants requiring my sisters and I to occupy our unit as our primary residence, we were not able to file for a home exemption because the building's October completion date and our later closing date fell after the September 30th deadline. As soon as we found out about the exemption document in December, we immediately filed the document. However, it was determined to be past the deadline for this tax year.

We purchased our unit for approximately \$600,000.00 with these restrictive covenants in place, a price that is already a stretch for many local residents, let alone a first-time homeowner like us. Despite being a regulated workforce housing unit with smaller square footages, simple furnishings and finishings, low-cost amenities, and surrounded by several construction sites causing constant traffic and noise disruptions, our unit is currently assessed hundreds of thousands of dollars above our bank's 2025 appraised value. With our current assessment over the one-million-dollar threshold, we are subject to the City's higher Residential A tax rate intended for investors and second-home owners in luxury developments. With a high mortgage payment, association fees, and Honolulu's growing living expenses, this unexpectedly high tax burden has only added further financial strain to our household. I was born and raised in Hawaii, and I think of it as my home. I love and am incredibly grateful for all the opportunities I've had to stay here in order to develop and preserve my community in a truly unique place. I am committed to serving the community that raised me and contributing to its continued growth, but I can only do so if I am able to remain and build my life here. I was excited to have the chance to live and work when I bought this apartment as part of the first-time homeowner program. However, this increased assessment and higher tax burden has become an added stress to living in Hawaii.

While we have sought relief through the tax appeal process, the hearing dates for the Board of Review are backlogged past October, though we have been warned our case could get pushed even further out to the Board's March 2027 hearing cycle. In the meantime, homeowners, like ourselves, are left to pay taxes on the assessed amount to avoid interest and delay fees until an unknown date when our cases can finally be heard.

Bill 40 will provide immediate, urgently-needed relief to my neighbors and I in the form of a home exemption that is entitled to all Honolulu residents, but was withheld from us simply due to a timing issue that was out of our control. Passage of this bill will also support owners of future City- and State-approved affordable housing units so that they too will not be disadvantaged by a closing date after the September 30th home exemption application deadline.

I respectfully request this committee's support for Bill 40 to help not only my neighbors and I at Ulana, but all future local residents participating in these programs, in their pursuit and sustainment of homeownership in Hawaii. Mahalo for your time and consideration.

Kylie Trang, Ulana Ward Village Resident

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Chief Executive Officer

Suzanne Young

Testimony by Suzanne Young, CEO
Honolulu Board of REALTORS®

Bill 40 (2026), PROPOSED CD1
Relating to Real Property Taxation

Committee on Budget
Val A. Okimoto, Chair
Scott Y. Nishimoto, Vice Chair

City Council Chamber
Tuesday, June 23, 2026
10:00 A.M.

Aloha Chair Okimoto, Vice Chair Nishimoto, and members of the committee:

Thank you for the opportunity to provide testimony on Bill 40 (2026), Proposed CD1. On behalf of our more than 6,800 members, the Honolulu Board of REALTORS® (HBR) and its City Affairs Committee offers comments on Bill 40 (2026), Relating to Real Property Taxation.

HBR appreciate this measure which addresses the critical issue of real property tax assessments and home exemptions for new owner-occupants. While HBR strongly supports the intent of this measure to ease the financial strain on local working families, we wish to recognize that we should address the real property tax framework holistically.

The underlying issue facing new homeowners remains the September 30th home exemption filing deadline. Buyers have absolutely no control over construction schedules, certificates of occupancy, or when their initial sale is recorded. Enforcing September 30th as a single, inflexible deadline fails to provide any systemic adaptability for regular homeowners who purchase or close on their primary residences later in the calendar year.

We must implement policies that look beyond a single tax year. Honolulu needs permanent, predictable, and flexible rules that protect all local families striving to sustain homeownership. HBR encourages the Council to look toward comprehensive, neutral real property tax policy reforms such as a rolling or prorated exemption system, or multiple home exemption filing deadlines.

HBR supports a permitted interaction group to be convened and stands committed to collaborating with the City and other stakeholders to develop sustainable, fair, and equitable housing tax policy solutions.



June 23, 2026

TO: Chair Okimoto and Members of the Budget Committee

RE: Bill 40 (Proposed CD1), Relating to Real Property Taxation

Dear Chair Okomoto and Members of the Committee,

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 support Bill 40. This measure addresses a narrow (but meaningful) gap in the City's real property tax system that can unintentionally undermine the purpose of regulated affordable and workforce homeownership programs.

Certain buyers of regulated affordable condominium units are required to occupy their units as their primary residences. These are not speculative investment properties, second homes, or vacant luxury units. They are homes purchased through programs that impose strict requirements on pricing, eligibility, resale, and owner-occupancy. A first-year property tax shock caused by an administrative timing issue can turn an affordable homeownership opportunity into a financial burden at exactly the moment when stability matters most. Ironically, it creates instability.

Bill 40, CD1 is a targeted and reasonable response to an administrative oversight. It does not create a broad new entitlement for all property owners. It is focused on initial purchasers of certain regulated, owner-occupied condominium units, where the County or State has already determined that the units serve an affordable housing purpose and owner-occupancy is baked into the regulatory framework. In practical terms, the bill helps align the City's tax treatment with the purpose of these homes.

Let's support residents in qualified, affordable housing. **Please advance Bill 40.**

Aloha,



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



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