BILL018(26)
Testimony

MISC. COMM. 356

*HOUSING, HOMELESSNESS & PARKS (HHP)

***HOUSING, HOMELESSNESS & PARKS (HHP) Meeting**

Meeting Date: Aug 25, 2026 @ 02:30 PM

Support: 7

Oppose: 1

I wish to comment: 6

Name:	Email:	Zip:
Chuck Lee	success881@hawaiiantel.net	96822
Representing:	Position:	Submitted:
Self	I wish to comment	Aug 21, 2026 @ 09:00 PM

Testimony:

TESTIMONY ON BILL 18 (2026), CD1 AND PROPOSED CD2

RELATING TO AFFORDABLE HOUSING

Aloha Chair and Councilmembers,

I support the goal of Bill 18 — creating more affordable rental housing on O'ahu. We clearly need more housing, and I recognize that excessive regulation can make housing more difficult and expensive to build.

However, I believe the additional benefits and flexibility being provided to developers must be matched with stronger accountability.

My primary concern is simple: If the City provides greater density, height, tax benefits, fee waivers and other advantages, we should have reasonable assurance that the projects are actually built on time, built properly, and remain affordable as promised.

I respectfully ask the Council to consider adding stronger safeguards, including:

• Require meaningful completion or performance bonds for projects receiving significant City incentives.

• Establish clear construction milestones and deadlines, with reporting to the City.

• Require independent verification that construction complies with approved plans, building standards and promised affordability requirements.

• Establish consequences when developers substantially fail to meet approved commitments.

• Require greater transparency regarding the developer, general contractor and major subcontractors responsible for construction.

• Track project performance after completion, including affordability compliance and significant building deficiencies.

I believe Bill 18 can be improved without defeating its purpose.

We should not choose between building more affordable housing and protecting the public interest. We can and should do both.

My recommendation is to support the affordable-housing objectives of Bill 18, CD1 and CD2, but strengthen the legislation with practical accountability and contractor-performance protections.

Mahalo for the opportunity to testify.

Chuck Lee

Name:	Email:	Zip:
Chuck Lee	success881@hawaiiantel.net	96822
Representing:	Position:	Submitted:
Self	I wish to comment	Aug 21, 2026 @ 09:28 PM

Testimony:

Aloha Chair and Councilmembers,

My name is Chuck Lee, and I am testifying regarding Bill 18, CD1 and the proposed amendments.

I want to start by saying that I support the goal of building more affordable housing on O‘ahu. We absolutely need more housing, and I understand why the City is looking at ways to make these projects more financially and practically feasible.

However, I believe there needs to be a better balance between giving developers additional benefits and protecting the public interest.

My concern is simple:

If we give a developer greater density, height, flexibility, incentives and other advantages, I believe we should also require greater accountability.

I would respectfully ask the Council to consider three things:

First — require meaningful completion or performance guarantees for projects receiving substantial public benefits, so taxpayers and the City are protected if a project is delayed, abandoned or not completed as promised.

Second — establish a simple developer and contractor performance record. We should know whether previous affordable-housing projects were completed on time, built according to approved plans, and whether significant deficiencies or unresolved problems occurred.

Third — require independent verification and milestone reporting on major projects, particularly when public incentives or taxpayer resources are involved.

I'm not against developers or contractors. We need good developers and good contractors.

But I believe the principle should be:

More public benefits should mean more public accountability.

Let's build more affordable housing — absolutely.

But let's also make sure we build it right, finish it, and deliver what the public was promised.

I respectfully ask the Council to strengthen Bill 18 with these accountability measures.

Mahalo for the opportunity to testify.

Name:	Email:	Zip:
Jonathan Huynh	jhweather123@yahoo.com	96792
Representing:	**Position:**	**Submitted:**
Self	I wish to comment	Aug 22, 2026 @ 07:04 PM

Testimony:

Aloha,

Mahalo for the opportunity to provide comments on Bill 18 CD1. I commend the Council for its work on Bill 18, which represents a step toward making housing more affordable. This bill needs further amendments before it should move forward. Here's what I'm asking for:

Keep (from MW3 CD2):

- Elevators in buildings over 40 feet.

Without this, upper-floor units are effectively off-limits to wheelchair users, kupuna, and anyone with a mobility impairment.

- FAR at 5.0 across the board, not just in the Primary Urban Center.

A PUC-only increase penalizes identical projects elsewhere and makes no sense if the goal is more housing everywhere.

- Sunset extended - MW3 proposes June 1, 2040; I recommend pushing to 2050.

At 661 days average permit time, 2040 barely gives developers one project cycle. People financing multi-year projects need certainty.

- Transit-proximity unit count formula (lot ÷ 130, or ÷ 120 near high-service bus stops)

This puts density where transit already exists, which is exactly where the city says it wants growth.

- Tiered post-construction grants ($25,000–31,250 by unit size)

Tying money to unit size rewards the smaller units that cost less to build and rent for less.

- Tiered pre-construction subsidies ($50,000–62,500 by unit size)

Same principle: steer incentives toward the unit types that actually reach the households who need help.

- Project completion bonds

If taxpayers are subsidizing construction, the city should have a financial guarantee the project actually gets finished.

Keep (from ATUP3 CD2):

- Efficiency dwelling units at 170 sf minimum

This allows genuinely small apartments that are cheaper to build and rent, far below the current 500 sf studio maximum.

- Nonresidential ground-floor requirement in B-1 and B-2 districts

All-residential buildings in business districts create dead street frontage and kill the commercial activity that makes mixed-use areas work.

- Professional management by a property manager or company, with a 24-hour emergency contact publicly posted

This holds operators accountable without imposing the cost of a live-in manager, which would reduce the number of units available to renters.

- Height setbacks for buildings over 75 feet

Tapering the upper building envelope protects light and air for neighbors and the public realm.

Strike:

- ATUP3's ground-floor provision for projects over 60 units outside TOD districts

While it offers "active ground floor activities" as an alternative, listing parking and vehicular circulation first signals it as the default, which contradicts the bill's elimination of parking requirements and invites the kind of blank walls that kill street life.

- CD1's elevator exemption language ("not required unless mandated by Section 1007.2.1")

This sounds like a safety net but isn't. The building code trigger only applies when accessible floors exist, and a walk-up has none by definition, so the exemption negates the rule.

Add (not in any draft):

- At least one passenger-loading space per project, with an accessible route from the street to the building entrance. A housing program that produces buildings disabled residents can't physically enter isn't serving the public.

- A minimum percentage of units at 30% AMI and 50% AMI

At the current 100% AMI ceiling, the city's "affordable" one-bedroom rent is $2,850/month, which is more than an SSI recipient's entire monthly income ($994) and nearly double an average SSDI benefit ($1,630). The program isn't reaching the people who need it most.

- Keep ATUP3's modified fire-resistance standards rather than reverting fully to the base building code as MW3 does.

The middle ground maintains safety protections without imposing full code costs that could price projects out of feasibility.

Mahalo,
Jonathan Huynh

Name:	Email:	Zip:
Jacob Wiencek	jacob.m.wiencek@pm.me	96815
Representing:	**Position:**	**Submitted:**
Self	Support	Aug 23, 2026 @ 11:08 AM

Testimony:
Aloha Councilmembers,

Bill 18 is an ambitious proposal to address several outstanding points in our housing and broader affordability crisis. Enhancing maximum lot size and increasing maximum height are some of the key reforms contained in this proposal. We should not be timid in address the regulatory blockages to increasing housing availability and decreasing cost pressures. This legislation is a positive step in the right direction and builds on previous, positive council action.

I strongly urge the committee to strengthen the affordability provision of this bill and to SUPPORT its passage!

Name:	Email:	Zip:
Bryan Mick	bkmick@gmail.com	96813
Representing:	**Position:**	**Submitted:**
Disability and Communication Access Board	Support	Aug 24, 2026 @ 10:19 AM

Name:	Email:	Zip:
Damien Waikoloa	damien.waikoloa@gmail.com	96822
Representing:	**Position:**	**Submitted:**
Hawai'i YIBY	I wish to comment	Aug 24, 2026 @ 12:03 PM

Name:	Email:	Zip:
Geena Thielen	geena@ccs-hawaii.com	96734
Representing:	**Position:**	**Submitted:**
Self	I wish to comment	Aug 24, 2026 @ 12:20 PM

Name:	Email:	Zip:
Che Silvert	che.silvert@doh.hawaii.gov	96734
Representing:	**Position:**	**Submitted:**
Hawaii State Council on Developmental Disabilities	Support	Aug 24, 2026 @ 12:27 PM

Name:	Email:	Zip:
Sam Kim	skim@hrcc-hawaii.com	96817
Representing:	Position:	Submitted:
Hawaii Regional Council of Carpenters	Oppose	Aug 24, 2026 @ 02:12 PM

Name:	Email:	Zip:
Tony Wong Cam	tony@cardinal-pacific.com	96813
Representing:	Position:	Submitted:
Self	Support	Aug 25, 2026 @ 05:54 AM

Name:	Email:	Zip:
Stefanie Sakamoto	ssakamoto@imanaka-asato.com	96789
Representing:	Position:	Submitted:
BIA Hawaii	I wish to comment	Aug 25, 2026 @ 06:36 AM

Name:	Email:	Zip:
Martin Nguyen	martin@centre-urban.com	96815
Representing:	Position:	Submitted:
Centre Urban Real Estate	Support	Aug 25, 2026 @ 06:54 AM

Name:	Email:	Zip:
Ted Kefalas	tkefalas@grassrootinstitute.org	96813
Representing:	Position:	Submitted:
Grassroot Institute of Hawaii	Support	Aug 25, 2026 @ 07:54 AM

Name:	Email:	Zip:
Spencer Lee	spencer@jlalamoana.com	96814
Representing:	Position:	Submitted:
JL Capital	Support	Aug 25, 2026 @ 10:27 AM

Testimony:

The Honorable Andria Tupola, Chair

and Members of the Committee:

My name is Spencer Lee, SVP of Operations for JL Capital. We develop and operate affordable rental housing on O‘ahu under ROH Chapter 32, including Amana Lofts, a 64-unit project at 80% AMI. I write in strong support of Proposed CD2 (ATUP3) and urge the Committee to adopt it as drafted.

Proposed CD2 gets three things right, and they work only in combination:

1. Building height (§32-2.3). Setting maximum height at 75 feet or the underlying zoning height, whichever is greater, is consistent with DPP's Recommendation No. 4 in its June 23, 2026 letter to the Chair. We have no objection to the special district proviso applying the lower of 60 feet or the special district limit; that preserves the Committee's discretion over Waikīkī and other sensitive areas without penalizing the rest of the urban core.

2. Floor area ratio (§32-2.3). Raising maximum density from 4.0 to 5.0 within the Primary Urban Center Development Plan area ensures the added height converts into actual habitable floor area inside the same building envelope rather than taller, emptier buildings.

3. Maximum number of units (§32-2.8). The revised formula — lot square footage divided by 130, or by 120 within 2,000 feet of an urban high-service bus stop — is the step that turns floor area into homes. The existing FAR-based factor of 800 caps unit counts well below what the envelope can physically and safely accommodate. The bus stop tier is sound policy because it puts the greatest number of units exactly where transit already exists.

Each of these three provisions is necessary and none is sufficient alone. Together they materially improve project feasibility without asking the City for a dollar of subsidy.

Thank you for the opportunity to testify.

Respectfully submitted,
Spencer Lee
SVP of Operations
JL Capital

DISABILITY AND COMMUNICATION ACCESS BOARD

Ka ʻOihana Hoʻokaʻaʻike no ka Poʻe Kīnānā

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

August 25, 2026

The Honorable Andria Tupola, Chair
and Members of the Committee on Housing,
Homelessness, and Parks
Honolulu City Council
530 South King Street
Room 203
Honolulu, HI 96813

Regarding: Bill 18 (2026) CD1 – Relating to Affordable Housing. (Amending provisions relating to affordable rental housing.)

Dear Chair Tupola and Committee Members:

The Disability and Communication Access Board (DCAB) supports the intent of the proposed CD2 (OCS2026-0505/8/18/2026 3:13 PM) to Bill 18 (2026) CD1 – Relating to Affordable Housing.

The housing crisis is especially severe for individuals with disabilities, who are twice as likely to live below the poverty level. Without meaningful action to address the shortage of affordable housing, people with disabilities face an increased risk of losing their independence or becoming homeless or institutionalized.

In multifamily residential projects subject to the Fair Housing Act (FHA) design and construction requirements, adaptable units must be provided to accommodate individuals with mobility disabilities. According to the U.S. Census Bureau's 2021 Disability Characteristics for the State of Hawaii, 19.1 percent of Hawaii residents that are sixty five years and older have a mobility difficulty.

The proposed CD2 (OCS2026-0505/8/18/2026 3:13 PM) to Bill 18 (2026) CD1 amends Honolulu Revised Ordinances 32-3.2(d) to require elevators in buildings over 40 feet in height that are constructed under the City's Affordable Rental Housing Program. DCAB supports this requirement. DCAB would suggest using similar verbiage to the International Building Code (IBC):

§ 32-3.2 Standards.
(d) Accessibility. The design of the building and facilities must comply with the federal Fair Housing Act, 42 USC §§ 3601 et seq. Elevators are required in any building with three or more stories above or below a level of exit discharge, mandated by Section 1007.2.1 of the building code, or required by applicable federal accessibility laws. Elevators may be provided in affordable rental housing projects, even when they are not otherwise required.

The proposed amendment represents a significant advancement in strengthening the City's Affordable Rental Housing Program while ensuring accessibility.

Thank you for the opportunity to testify.

Respectfully submitted,

Kristine Pagano

KRISTINE PAGANO
Interim Executive Director

Hawai'i YIMBY
Honolulu, HI 96814
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August 25, 2026

Honolulu City Council - Committee on Housing, Homelessness & Parks
530 South King St.
Honolulu, HI 96813

RE: COMMENTS BILL 18 (26) - RELATING TO AFFORDABLE HOUSING - ALL PROPOSED CD2

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

On behalf of Hawai'i YIMBY, we are providing **comments** on all proposed CD2 versions of Bill 18 (2026). **Our primary request is that this bill be held until the final UHERO analysis of Chapter 32 is published and available to the public.**

Several of the proposed amendments appear to address issues identified in UHERO's preliminary analysis discussed during the May 21, 2026 committee meeting. However, the final report has not yet been published. The public should have an opportunity to review and consider UHERO's final findings before additional amendments are considered, particularly given the committee's apparent hostility toward some of the preliminary findings and research methodology.

One important finding from the preliminary report that deserves greater attention is the continued failure of the Chapter 32 permitting process to meet its intended timeline. A program designed around a **90-day permitting pathway is reportedly taking an average of 661 days** for projects to maneuver through the permitting process. The additional **571 days** delays homes, increases project costs, and ultimately **results in fewer affordable homes for local residents**. We would appreciate recognition from the committee that this represents a significant structural problem with the program and to take action to meet its intended 90-day goal.

We also offer the following **comments** on the proposed amendments:

Hawai‘i YIMBY
Honolulu, HI 96814
hawaiiyimby.org
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- We **support** extending the Chapter 32 sunset to 2040 or beyond.
- We **support** changing the maximum-unit formula to allow more homes near an Urban High-Service Bus Stop.
- We **support** allowing a 75-foot maximum height, or the underlying zoning height, whichever is greater, and increasing the maximum FAR.
- We **oppose** imposing an off-street parking requirement, including for projects located outside TOD districts. The proposed requirement is also vague as currently written.
- We **oppose** requiring elevators in buildings over 40 feet. Elevators can add significant costs and potentially push otherwise feasible projects into financial infeasibility. If broader elevator requirements or reforms are warranted, those issues should be considered through a comprehensive review of the applicable building and accessibility codes rather than imposed specifically on Chapter 32 projects.

We respectfully reiterate our primary request: **please hold Bill 18** until UHERO's final Chapter 32 analysis is published and the public has had an opportunity to review its findings.

Hawai‘i YIMBY *(Yes In My Backyard)* is a volunteer-led grassroots advocacy organization dedicated to supporting bold and effective solutions for Hawai‘i’s devastating housing crisis. Our members are deeply concerned about Hawai‘i’s chronic and worsening housing shortage, which has caused home prices to rise much faster than incomes and pushes thousands of kama‘āina out to the mainland or into homelessness every single year.

Mahalo for the opportunity to testify on this bill.

Mahalo,

Damien Waikoloa & Huey Kwik

Chapter Leads, Hawai‘i YIMBY

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August 25, 2026

Honolulu City Council, Committee on Housing, Homelessness and Parks

Re: Bill 18 Relating to Affordable Housing

Dear Chair Tupola, Vice Chair Tulba and Members of the Committee,

I am testifying with COMMENTS ON Bill 18 Relating to Affordable Housing. My comments specifically address the proposed CD2-ATUP3 version of the Bill. My request to the committee is to defer action on this bill at this time.

Through-out the Bill 18 evolution I have counseled caution on the risk of possibly harming rather than helping the City's affordable housing goals. There are many well discussed and helpful elements within this bill such as increased unit count, height and FAR. That being said there are also substantial changes in the current version that have not been properly vetted for the full implication to Chapter 32 projects. The following give the most pause for concern –

The deletion of exemptions 2-8 in Building Standards 32-3.2.c for all bill 7 projects came as a major shock. In all discussions with the Administration and other stake holders, this deletion was supposed to be linked to buildings over 75 feet. Instead, this is being applied to all Chapter 32 projects. The implications of this deletion are not easily or quickly understood. This kicks these projects back to basic building code and these codes have varying standards based on building size and design. It is clear the original drafters of Bill 7 believed these exemptions to be a cornerstone of the program. Simply abandoning them without deeper study risks all the success to date.

The reduction of heights to the lesser of 75 feet or the underlying special zoning district are also problematic. Specifically, the Punchbowl Special Design District encompasses much of the targeted area for Chapter 32 projects. Urban infill near existing public transportation infrastructure is the goal of this program and all the properties in this district will be rendered unusable by Bill 18. Again, looking at the original drafters of Bill 7 for inspiration, the exemption from Special Design districts is a core part of the program.

The non-residential requirement in B-1 and B-2 districts, the added parking and the management requirements are also very concerning and reason to give pause in the process. Given time we could prepare some financial models showing the challenges associated with the construction of non-residential space. The parking and management requirements place a higher burden on Chapter 32 projects than on neighboring market rate developments. If the Council wants to impose these types of requirements, it should be done uniformly for all developments. Not targeted like this.

For these reasons, I respectfully request this committee defer action on this bill at this time and allow some of these issues to be resolved before proceeding.

Sincerely,
Geena Thielen
President/RME

STATE OF HAWAIʻI
KA MOKUʻĀINA O HAWAIʻI
STATE COUNCIL ON DEVELOPMENTAL DISABILITIES
'A'UNIKE MOKU'ĀPUNI NO KA NĀ KĀWAI KULA
PRINCESS VICTORIA KAMĀMALU BUILDING
1010 RICHARDS STREET, Room 122
HONOLULU, HAWAIʻI 96813
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543

August 25, 2026

The Honorable Andria Tupola, Chair
and Members of the Committee on House, Homelessness, and Parks
Honolulu City Counicl
530 South King Street
Room 203
Honolulu, HI, 96813

Dear Chair Tupola and Committee Members:

SUBJECT: Bill 18 (2026) CD1- Relating to Affordable Housing. (Amending provisions relating to affordable rental housing.)

The Hawaiʻi State Council on Developmental Disabilities **supports the proposed CD2 (OCS2026-0505/8/18/2026 3:13 PM) to Bill 18 (2026), CD1** – Relating to Affordable Housing.

People with intellectual and developmental disabilities (I/DD) face significant barriers to obtaining affordable, accessible, and appropriate housing in our community. For many people with I/DD, access to appropriate housing is directly connected to their ability to live independently, remain integrated in their communities, and avoid unnecessary institutionalization. As the City works to increase its affordable housing supply, it is important that accessibility be considered as an integral part of that development.

The Council particularly supports the proposed requirement for elevators in buildings over 40 feet in height. We also support DCAB's recommended accessibility language and defer to DCAB's expertise regarding the appropriate technical and building code requirements. Ensuring that new affordable housing can be accessed by people with mobility disabilities helps create housing that can serve Hawaiʻi residents with disabilities throughout their lives.

For these reasons, the Hawaiʻi State Council on Developmental Disabilities **supports the proposed CD2 to Bill 18 (2026), CD1,** and respectfully asks the Committee to maintain the accessibility provisions identified and supported by DCAB.

Mahalo for the opportunity to submit testimony in support of this measure.

Sincerely,



Daintry Bartoldus, Executive Administrator

HAWAII REGIONAL COUNCIL OF CARPENTERS

August 25, 2026

TO: The Honorable Andria Tupola, Chair
The Honorable Augie Tulba, Vice Chair
Members of the Committee on Housing, Homelessness & Parks

RE: TESTIMONY IN OPPOSITION TO BILL 18 (2026), CD1 – RELATING TO AFFORDABLE HOUSING.

Aloha Chair Tupola, Vice Chair Tulba, and Members of the Committee,

The Hawai'i Regional Council of Carpenters (HRCC), representing 6,000 union carpenters and tradespeople across the islands, submits this testimony in opposition to Bill 18 (2026), CD1. This measure amends various development and construction standards, as well as other requirements for affordable rental housing projects developed under ROH Chapter 32, also commonly referred to as the Bill 7 program.

HRCC greatly appreciates both the Committee's commitment to affordable housing and the intent of Bill 18 to expand the Bill 7 program, which has been an essential tool in making more affordable rentals available to our local families and workforce. HRCC shares that commitment and wants to see this program grow in a manner that is smooth and consistent so that projects move predictably from approval to construction to occupancy. However, it is precisely for that reason that we cannot support a bill that we believe will do more harm despite the good intentions it may have. Our reasons rest on the following points.

First, Bill 18 upsets the careful balance written into Bill 7, as the Department of Planning and Permitting (DPP) has also flagged in its recent communications.[1] Bill 7 offers relief from ordinary development standards, and it bounds that relief with limits written into the ordinance itself: lots up to 20,000 square feet, a height cap of 60 feet, a set floor area ratio, and a number of permitted apartments tied to how much building is allowed. Because these projects are approved by right, those written limits serve as a careful balance that grants flexibility while also holding developers accountable.

Bill 18 doubles the lot size, removes the height ceiling, raises the floor area ratio, and replaces the apartment formula with one based on land area alone, raising the largest project the program can produce from roughly 100 units to more than 300 without a proper examination and review of what kinds of impacts this may bring.

DPP has identified ten areas requiring revision and asked the Committee to "defer the bill to allow the recommended technical revisions and interdepartmental coordination, particularly regarding loading, fire protection, and development standards."[2] Key recommendations are not reflected in the measure. DPP strongly recommended limiting Chapter 32's reduced development standards to buildings of 60 feet or less and lots of 20,000 square feet or less, because those standards "were originally intended for relatively modest developments."[3] Bill 18 doubles the lot size without that limit. DPP also recommended a height setback for

[1] Letter from Dawn Takeuchi Apuna, Director, Department of Planning and Permitting, City and County of Honolulu, to the Honorable Andria Tupola, Chair, and Members, Committee on Housing, Homelessness and Parks, Honolulu City Council, re: Bill 18 (2026) Proposed CD1, Relating to Affordable Rental Housing (Chapter 32 Amendments) (June 23, 2026) [Dept. Com. 424(26), HHP] [hereinafter DPP Letter].
[2] DPP Letter, supra note 1, at 1-5 (Recommendations 1 through 10), 6 (Conclusion).
[3] Id. at 3 (Recommendation 6, Applicability of Reduced Development Standards).

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KONA OFFICE: 75-126 Lunapule Road, Kailua-Kona, Hawaii 96740-2106 • Ph. (808) 329-7355 Fax (808) 326-9376
MAUI OFFICE: 330 Hookahi Street, Wailuku, Maui 96793-1449 • Ph. (808) 242-6891 Fax (808) 242-5961
KAUAI OFFICE: Kuhio Medical Ctr Bldg., 3-3295 Kuhio Hwy, Suite 201, Lihue, Kauai 96766-1040 • Ph. (808) 245-8511 Fax (808) 245-8911

buildings above 60 feet, and a loading area sized for the collection vehicle "including adequate vertical clearance."[4] Neither is carried forward as recommended.

Second, the City's own analysis indicates this bill addresses the wrong constraint. The draft UHERO study of Chapter 32, transmitted by the Department of Housing and Land Management, reports "not that Bill 7 is misguided, but that its operational model is underperforming."[5] Against the 90-day permit deadline in ROH 32-1.5, median processing times ran from 518 to 1,000 days.[6] The study calls for treating Chapter 32 permitting as a distinct operating system, and for a provision-by-provision review of the chapter in consultation with design, construction, and development professionals.[7] The same pattern has been reported beyond the permit stage, with completed buildings sitting vacant while awaiting certificates of occupancy. As the Chair has observed, "after the permits are done [and] buildings are up, we still have this little delay with people unable to occupy readily built buildings."[8]

Bill 18 changes development standards and does not reach any part of that problem. DHLM further advised that the study's conclusions are "not final from the Department's standpoint," and that it is developing its own recommendations for Chapter 32 reform.[9] Before diagnosing and implementing solutions for Bill 7, we hold that this Committee should first wait and examine the study's concrete findings and final recommendations.

Third, where added intensity is recommended, the recommendation is rail-oriented. The study proposes a rail corridor tier offering additional height, floor area, and unit yield near Skyline stations or in adopted transit-oriented districts, observing that the program "already performs well in bus-served urban neighborhoods, but it appears less tailored to Skyline station areas."[10] Bill 18 instead grants its highest density within 2,000 feet of any bus stop served by a single route running every 16 minutes at any point during the week, a definition that may reach nearly the entire urban core. That is a broad increase in the areas the study says it already works in, not a targeted rail tier.

For these reasons, HRCC opposes Bill 18 and respectfully asks that the Committee defer the measure. Changes of this magnitude to the Bill 7 program deserve closer study than the current drafts reflect. HRCC and our members remain committed and excited to build more affordable housing projects for our local families. What we ask is that the rules they build under be coherent, so that a program producing units today is not slowed by the very amendments meant to accelerate it.

Mahalo for the opportunity to provide testimony.

Respectfully submitted,

Sam Kim
Government Relations
Hawai‘i Regional Council of Carpenters

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[4] Id. at 3-4 (Recommendation 5, Height Setbacks; Recommendation 7, Off-Street Loading and Trash Collection).
[5] Trey Gordner, Edith Prager & Rafael Cecilio Munoz, Assessing Honolulu's "Bill 7" Infill/Workforce Housing Program (draft), Executive Summary, transmitted by Letter from Kevin D. Auger, Director, Department of Housing and Land Management, City and County of Honolulu, to the Honorable Tommy Waters, Chair and Presiding Officer, and Members, Honolulu City Council (Mar. 27, 2026) [Dept. Com. 218(26)] [hereinafter UHERO Draft Study].
[6] UHERO Draft Study, supra note 5, Executive Summary.
[7] Id., Discussion: Strengthening the Bill 7 Program (Permitting Delays; Code Exemptions).
[8] Remarks of Council Chair Andria Tupola, quoted in The State of Bill 7, https://www.hawaiisfuture.org/resources/the-state-of-bill-7 (last visited Aug. 25, 2026).
[9] Letter from Kevin D. Auger, Director, Department of Housing and Land Management, City and County of Honolulu, to the Honorable Tommy Waters, Chair and Presiding Officer, and Members, Honolulu City Council (Mar. 27, 2026) [Dept. Com. 218(26)], at 1.
[10] UHERO Draft Study, supra note 5, Discussion: Strengthening the Bill 7 Program (Feasibility in Rail Districts).

Cardinal Pacific
RESIDENTIAL

August 24, 2026

The Honorable Andria Tupola
Committee on Housing, Homelessness & Parks
Honolulu City Council
530 South King Street Honolulu, HI 96813

RE: IN SUPPORT OF PROPOSED CD2 – MW3 TO BILL 18 (2026), CD1 RELATING TO AFFORDABLE HOUSING

Aloha Chair Tupola, Vice Chair Tulba, and Committee Members,

I am writing testimony **IN SUPPORT** of the Proposed CD2 – MW3 to Bill (18) 2026 CD1 relating to Affordable Housing under ROH Chapter 32 – otherwise known at "Bill 7." Mahalo to Chair Tupola, Councilmember Weyer, DHLM, DPP and the other stakeholders who work diligently to solve the challenge of producing more workforce housing units for local people.

Cardinal Pacific Residential is the Property Management subsidiary of Centre Urban Real Estate. Our primary growth area has been focused on Lease-Up and Property Management of ROH Chapter 32 projects. We currently manage a 36-unit Bill 7 project that was completed this year along with our 72 workforce housing units in the Development Pipeline under Centre Urban Real Estate.

We wanted to take the opportunity to share some leasing data from our management of 2051 Young Street, a 36-Unit Bill 7 Workforce Housing Project and propose a few amendments to Bill 18.

We began actively marketing our lease up in May 2026 in anticipation of the issuance of a Certificate of Occupancy in July 2026. We began welcoming residents in July of 2026 and are happy to announce that as of September 1, 2026 we will have 34 of 36 units occupied. During our lease-up period, **we received approximately 500 applications** and conducted hundreds of property tours.

Among the applicants who were disqualified, a significant number exceeded the 80% AMI household-income threshold. Many of these applicants were two-person households negatively impacted by the 2026 Income Limit of $98,560. To provide some supporting evidence, we have included two representative job postings attached below

- Entry Level Class II teacher with a Bachelor of Arts in Education – OAHU (DOE)
  - $54,569 – 10 Month Schedule
- Administrative Services Assistant – OAHU (DLNR)
  - $66,324 Annually

Together, that's **$120,893**, versus the stated two-person 80% AMI threshold of **$98,560**. This illustrates how two working local residents can be priced out of a workforce housing unit even though the restricted rent remains appropriate for their household.

EQUAL HOUSING OPPORTUNITY

Secondly, we wanted to provide a timeline provided by the family that re-developed 2051 Young Street. They shared their frustration with the permitting and approval process and some of the financial challenges they faced along the way.

- In 2020, the family decided to pursue a redevelopment of their family-held property and convert their commercial building into a 36-unit Bill 7 Project
- During the pre-development and construction phase, which ran from 2021 through 2026, the family paid approximately **$268,956 in commercial real property taxes b**efore becoming eligible to apply for the RPT exemption under ROH Chapter 32. Although the owner attempted to have the property reclassified at the residential rate during redevelopment, that request was denied. This resulted in a significant unanticipated carrying cost. Based on this experience, the family has advised other local property owners against similar redevelopment projects because of the property-tax burden incurred during construction.

Lastly, it is our mission at Cardinal Pacific Residential to provide a living experience that is positive for all residents. In our experience, while some smaller multifamily projects may not warrant or be able to afford a resident manager the current legislation does not incentivize or reward property owners that would elect to include such an amenity.

Based on our experience leasing and managing a completed Chapter 32 project, we respectfully request that the Committee consider the following three targeted amendments.

PROPOSED AMENDMENTS

In addition to the revisions in the Proposed CD2 - MW3, we respectfully request that the Committee consider several targeted amendments that address practical issues that have emerged as actual Chapter 32 projects have proceeded through financing, construction, and administration.

1. Increase the RPT household income limit to 100% AMI while retaining the 80% AMI rent limit.
We recommend separating the household income qualification for the RPT exemption from the maximum rent restriction. Specifically, units should be eligible for the RPT exemption when restricted to households earning up to 100% AMI, while rents would remain restricted at no more than the applicable 80% AMI rent limit. This would preserve the economic affordability of the housing while addressing an unintended problem with the existing 80% AMI household-income ceiling. Dual-occupancy working households such as the example we provided earlier in our testimony can exceed the 80% AMI income threshold while providing an 80% AMI-restricted workforce housing options for individuals and families across all industries (trade, medical, government, hospitality, and financial services.

We believe this amendment would provide much needed housing for our kamaʻāina workforce while preserving the affordability of below market rents at 80% AMI.

2. Maintain residential property classification during qualifying construction.
We also recommend clarifying the RPT treatment of a Chapter 32 property while qualifying construction is underway. Where a property that will become an affordable rental housing project is otherwise classified as Residential A, Hotel and Resort, or Commercial, and the property qualifies for the affordable housing construction exemption under ROH § 8-10.34, the property should be classified as Residential for the duration of that construction exemption This would prevent qualifying affordable housing projects from being subject to a higher real property tax classification during the very period in which owners are investing capital to create new housing.

3. Allow a designated resident manager unit without an income qualification.
We support giving management flexibility for Chapter 32 projects and recommend expressly allowing an owner to have the option to designate one dwelling unit as a resident manager unit. For that particular unit, the income of the resident property manager or the manager's household should not be used to disqualify the unit from the Chapter 32 program or RPT exemption. While it may not be appropriate in all situations, the option to have resident manager provides an amenity to residents and neighbors alike by improving building oversight, maintenance, tenant communication, and emergency response. The ordinance should encourage - rather than inadvertently penalize - projects that provide on-site management. Nothing in this provision should require an on-site manager; it should simply create a workable mechanism when one is provided.

CONCLUSION

Chapter 32 has proven that relatively modest regulatory and financial changes can help make small- and mid-sized workforce rental housing possible without requiring the level of public subsidy typically associated with deeply affordable housing. Bill 18 is an opportunity to take what the City has learned from the first generation of Chapter 32 projects and build a stronger program for the next generation. The Proposed CD2 - MW3 makes meaningful progress by increasing feasible density, directing additional housing toward transit and the urban core, improving financial incentives, incorporating appropriate life-safety standards, and providing long-term certainty through 2040. The additional RPT and operational amendments described above would complement those changes by resolving several practical issues that have become apparent through implementation of the program.

We respectfully urge the Committee to adopt the Proposed CD2 - MW3, with further amendments incorporating these targeted RPT and operational clean-up provisions, and report Bill 18 out for passage on third reading.

Mahalo for the opportunity to provide testimony and for the continued collaboration among the City Council, DHLM, DPP, and the development community in improving this important workforce housing program. If there are any questions or concerns, please reach me at tony@cardinal-pacific.com to discuss.

Tony Wong Cam

Tony Wong Cam
CEO & Director of Property Management
Cardinal Pacific Residential

HONOLULU CITY COUNCIL
Committee on Housing, Homelessness, and Parks
HONOLULU HALE
2:30 PM

March 3, 2026

Subject: Bill 18 - Relating to Affordable Housing

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

My name is Roseann Freitas, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii. Our members build the communities we all call home.

BIA Hawaii submits the following comments regarding Bill 18, Relating to Affordable Housing.

We appreciate the Council's continued efforts to improve the City's affordable housing programs and recognize that Bill 18 contains provisions intended to provide greater opportunities for housing development. At the same time, we remain concerned that some of the proposed changes could have unintended consequences for projects developed under Chapter 32.

The success of the Chapter 32 program depends on maintaining a regulatory framework that makes these projects financially and practically feasible. Additional requirements or limitations that increase development costs, reduce available building capacity, or create greater regulatory burdens could discourage projects that otherwise would provide much-needed housing.

Given the significance of the proposed changes, we encourage the Council to carefully consider their cumulative impact on project feasibility and to avoid changes that could undermine the effectiveness of the existing program.

We appreciate the opportunity to provide comments on Bill 18 and respectfully request that the Committee allow additional time to evaluate and address these concerns before moving the measure forward.

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

CENTRE URBAN
REAL ESTATE

Martin M. Q. Nguyen, MRED
Managing Principal
CA DRE #02074177
HI RB-24080

August 24, 2026

The Honorable Andria Tupola
Committee on Housing, Homelessness & Parks
Honolulu City Council
530 South King Street
Honolulu, Hawaii 96813

RE: IN SUPPORT OF PROPOSED CD2 - MW3 TO BILL 18 (2026), CD1 RELATING TO AFFORDABLE HOUSING

Aloha Chair Tupola, Vice Chair Tulba, and Committee Members,

I am writing this testimony **IN SUPPORT** of the Proposed CD2 – MW3 to Bill 18 (2026), CD1 relating to Affordable Housing under ROH Chapter 32 – otherwise known as "Bill 7". Our firm is currently working on two kamaʻāina workforce housing projects being developed under ROH Chapter 32 that would result in the creation of at least 72 workforce housing units. We are currently pursuing additional project sites, focused on areas with a high concentration of jobs and access to public transit – places where we believe workforce housing is much needed.

First, mahalo to Chair Tupola, Councilmember Weyer, DHLM, DPP, and the other stakeholders who have continued working through the details of this legislation. The Proposed CD2 - MW3 reflects meaningful progress from the version considered by the Council last month and addresses many of the issues raised through the prior Committee process. We strongly support several elements of the Proposed CD2 - MW3, including:

- Increasing the maximum FAR from 4.0 to 5.0;
- Better aligning allowable height with underlying zoning while directing additional housing capacity toward the Primary Urban Center and transit-oriented areas;
- Increasing allowable unit density, with an additional density benefit near high-service transit;
- Refining the post-construction grant and pre-construction subsidy amounts to better reflect the cost of producing larger housing units;
- Better distinguishing smaller infill projects from larger structures when applying certain life-safety and Building Code requirements; and
- Extending Chapter 32 through 2040, providing developers, lenders, landowners, and public agencies with the long-term certainty necessary to identify sites and finance new workforce housing.

Taken together, these changes represent a significant modernization of Chapter 32 and can meaningfully expand the universe of sites where workforce rental housing is financially and physically feasible.

PROPOSED AMENDMENTS

In addition to the revisions in the Proposed CD2 - MW3, we respectfully request that the Committee consider several targeted amendments that address practical issues that have emerged as actual Chapter 32 projects have proceeded through financing, construction, and administration.

1. Align the RPT exemption period with the affordability period.

The current real property tax exemption is effectively structured around a fixed 15-year exemption period, even where a project voluntarily or through another governmental financing program is subject to affordability restrictions for a substantially longer period. We recommend providing that the RPT exemption remain in effect for the period during which the project is subject to an affordable housing agreement or regulatory agreement, with a minimum period of 15 years. This creates a straightforward policy alignment: **if the project remains affordable for a longer period, the corresponding affordable housing tax treatment should remain in place for that same period.**

2. Clarify that units must be "restricted," rather than actually "rented," to qualify for the RPT exemption.

We also recommend replacing references to units being "rented" to qualifying households with language providing that the units must be **restricted** to qualifying households and rents. This is an important administrative distinction. A compliant affordable unit should not temporarily lose its tax-exempt status simply because it happens to be vacant when RPT documentation is submitted. The affordability covenant governs how the unit may be rented; temporary vacancy does not convert that unit into market-rate housing.

3. Allow a designated resident manager unit without an income qualification.

We support having management flexibility for Chapter 32 projects and recommend expressly allowing an owner to have the option to designate one dwelling unit as a resident manager unit. For that particular unit, the income of the resident property manager or the manager's household should not be used to disqualify the unit from the Chapter 32 program or RPT exemption. A resident manager provides a direct operational and community benefit by improving building oversight, maintenance, tenant communication, and emergency response. The ordinance should encourage - rather than inadvertently penalize - projects that provide on-site management. Nothing in this provision should require an on-site manager; it should simply create a workable mechanism when one is provided.

4. Increase the RPT household income limit to 100% AMI while retaining the 80% AMI rent limit.

We also recommend separating the **household income qualification** for the RPT exemption from the **maximum rent restriction**. Specifically, units should be eligible for the RPT exemption when restricted to households earning up to **100% AMI**, while rents would remain restricted at no more than the applicable **80% AMI rent limit**. This would preserve the economic affordability of the housing while addressing an unintended problem with the existing 80% AMI household-income ceiling. Two-income working households - including many couples - can exceed the 80% AMI income threshold even though an 80% AMI-restricted apartment remains an appropriate and meaningful workforce housing option for them.

The City's policy objective should ultimately be the creation and preservation of below-market rents for kamaʻāina. Allowing a household earning between 80% and 100% AMI to occupy an apartment that remains rent-restricted at 80% AMI does not increase the rent or diminish the affordability of the physical unit.

5. Maintain residential property classification during qualifying construction.

Finally, we recommend clarifying the RPT treatment of a Chapter 32 property while qualifying construction is underway. Where a property that will become an affordable rental housing project is otherwise classified as Residential A, Hotel and Resort, or Commercial, and the property qualifies for the affordable housing construction exemption under ROH § 8-10.34, the property should be classified as **Residential** for the duration of that construction exemption. This would avoid imposing a higher tax classification on land while it is actively being converted into long-term affordable rental housing and better align the tax treatment with the City's underlying housing policy objective.

CONCLUSION

Chapter 32 has proven that relatively modest regulatory and financial changes can help make small- and mid-sized workforce rental housing possible without requiring the level of public subsidy typically associated with deeply affordable housing. Bill 18 is an opportunity to take what the City has learned from the first generation of Chapter 32 projects and build a stronger program for the next generation. The Proposed CD2 - MW3 makes meaningful progress by increasing feasible density, directing additional housing toward transit and the urban core, improving financial incentives, incorporating appropriate life-safety standards, and providing long-term certainty through 2040. The additional RPT and operational amendments described above would complement those changes by resolving several practical issues that have become apparent through implementation of the program.

We respectfully urge the Committee to **adopt the Proposed CD2 - MW3, with further amendments incorporating these targeted RPT and operational clean-up provisions**, and report Bill 18 out for passage on third reading.

Mahalo for the opportunity to provide testimony and for the continued collaboration among the City Council, DHLM, DPP, and the development community in improving this important workforce housing program. If there are any questions or concerns, please reach me at martin@centre-urban.com to discuss.

Sincerely,

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

Attachments: Proposed Amendments

PROPOSED AMENDMENTS – BILL 18 PROPOSED CD2 – MW3

§ 32-1.1

Affordable Rental Housing Project. A multifamily dwelling containing only dwelling units that meet all of the following criteria:

…

(7) The affordable rental housing project must be professionally managed by a property manager or property management company. A 24-hour emergency contact must be designated, and the contact information must be publicly posted. If an on-site property manager is provided, the owner may designate one dwelling unit as a resident manager unit. The resident manager unit shall be deemed an affordable rental housing unit for all purposes of this chapter without regard to the income of the occupying property manager or the property manager's household; provided that the unit is rented, or provided as compensation, at or below the rental rate limit that would otherwise apply under this chapter. Nothing in this subdivision is to be construed as requiring an on-site or live-in property manager.

Declaration of Restrictive Covenants. The declaration of covenants, conditions, and restrictions in a form approved by the director of budget and fiscal services and executed by the fee owners of the land on which an affordable rental housing project is situated, which at a minimum provides that:

…

(2) The land or a portion thereof may qualify for a real property tax exemption during the exemption period;

(A) If [~~rented~~] restricted to households earning [~~80~~] 100 percent or below of the AMI; [~~and~~]

(B) For a period of at least 15 years after a certificate of occupancy is issued for the affordable rental housing project, during which a project is subject to an affordable housing agreement or regulatory agreement and the affordable units are [~~rented~~] restricted at or below the rental rate limits established by the United States Department of Housing and Urban Development for households earning 80 percent of the AMI for the applicable household size; and

(C) A resident manager unit designated under § 32-1.1 is deemed an affordable rental housing unit for purposes of this section;

§ 8-10.33

Exemption Period. The [~~15-year~~] period during which a project is subject to an affordable housing agreement or regulatory agreement commencing upon the effective date of the claim for a real property tax exemption pursuant to subsection (b)(4) and ending on June 30 of the last year; provided that the exemption period shall be not less than 15 years[~~; Any exemptions granted pursuant to § 8-10.33 prior to May 28, 2025 will be extended by five years~~].

(b) This section applies only to the following:

…

(4) That portion of real property used for affordable rental housing units that:

(A) Are [~~rented~~] restricted to households earning [~~80~~] 100 percent and below of the AMI; [~~and~~]

(B) For a period of at least 15 years after a certificate of occupancy is issued for the affordable rental housing project, during which a project is subject to an affordable housing agreement or regulatory agreement and the affordable units are [~~rented~~] restricted at or below the rental rate limits established by the United States Department of Housing and Urban Development for households earning 80 percent of the AMI for the applicable household size; and

(C) A resident manager unit designated under § 32-1.1 is deemed an affordable rental housing unit for purposes of this section;

pursuant to Chapter 32.

§ 8-10.34 Exemption—During construction work for and marketing of affordable dwelling units or affordable rental housing projects.

Add new subsection (C) language above to definition of **Qualifying Construction Work** (b)(4) and (c)(5).

(d) The real property tax will be based on the assessed value of the property for the tax year immediately preceding the tax year during which the building permit for demolition, if applicable, or a building permit for new buildings or portions thereof, additions, or substantial rehabilitations for the qualifying construction work was issued. If the property is classified in accordance with § 8-7.1 as residential A, hotel and resort, or commercial and is seeking a claim for an exemption under subsection (b)(4), the property shall be classified as residential for the duration of the claim for exemption.

GRASSROOT INSTITUTE OF HAWAII

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Honolulu, HI 96813
808-864-1776
info@grassrootinstitute.org

Removing barriers to Hawaii's prosperity

July 8, 2026, 2:30 p.m.
Honolulu Hale

To: Honolulu City Council Committee on Housing, Homelessness and Parks
Andria Tupola, Chair
Augie Tulba, Vice Chair

From: Grassroot Institute of Hawaii
Ted Kefalas, Director of Strategic Campaigns

RE: Bill 18 (2026), CD1 — RELATING TO AFFORDABLE RENTAL HOUSING

Aloha Chair Tupola, Vice Chair Tulba and other members of the Committee,

The Grassroot Institute of Hawaii **supports** Bill 18 (2026), CD1, which would make changes to the Bill 7 affordable housing program.

Specifically, the current draft of the bill would allow Bill 7 projects to be built in business zoning districts; increase the 20,000-square-foot maximum lot area to 40,000 square feet; clarify that Bill 7 projects can be built to the height allowed by the underlying zoning district or 60 feet, whichever is taller; and repeal maximum square footage rules for different unit configurations.

Currently, Honolulu's Bill 7 program offers homebuilders relaxed zoning rules, property tax breaks, fee waivers and other financial incentives in exchange for building multiple housing units, at least 80% of which are required to be rented for at least 15 years at rents that would be affordable to residents making 100% or less of the area median income.[1]

The Bill 7 program has been an important tool for city homebuilders interested in producing affordable housing, and the expansions proposed in Bill 18 (2026) would add much-needed flexibility.

[1] § 32-1.1 Definitions., Revised Ordinances of Honolulu, accessed Oct. 31, 2025.

After all, a 2024 update to the Hawaii housing planning study estimated that Honolulu needs 27,710 new units built between 2023 and 2027 to keep up with demand.[2]

Bill 18 (2026) also aligns with the city's 2025-2028 Strategic Housing Plan, which sets a goal to "Identify opportunities for maximizing urban land use through adjustments to density standards in the Land Use Ordinance," and states that "Enhancing predictability for developers is also critical, with a focus on methods to streamline and standardize processes."[3]

Likewise, this bill supports the housing goals laid out in the city's Primary Urban Center Development Plan.

Policy H-1.3 in that plan aims to "Encourage a greater variety of housing types, including low or middle-density multifamily housing, ADUs and ohana units, mid-rise apartment buildings and shared housing models," and policy H-2.1 aims to "Expand the supply of income-restricted affordable housing through requirements, incentives and public-private partnerships."[4]

Grassroot also appreciates many of the CD2 amendments offered by Chair Tupola and Councilmember Matt Weyer and makes the following comments.

First, Grassroot supports the restoration of language that increases the maximum number of units that can be built in a Bill 7 project, including bonus units for projects built near a high-service bus stop.

That language would advance policy H-1.1 of the Primary Urban Center Development Plan, which is to "Enable and incentivize residential infill development in transit-accessible planned growth areas."[5] It would also address a weakness of the Bill 7 program identified by the University of Hawai'i Economic Research Organization: its lack of transit-oriented or rail-corridor-specific development standards. [6]

Second, Grassroot believes the height limit currently in the bill would provide for a flexible standard that preserves the current program's 60-feet limit in places where it makes sense and allows taller buildings where they are already permitted.

But if the committee does want to change the height limits, Grassroot believes Councilmember Weyer's amendment features a simple standard: All Bill 7 projects would have to comply with the height limit set for the zoning district in which they are located; but projects in the Primary Urban Center Development Plan area,

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[2] "Hawaii Housing Planning Study 2024," prepared by SMS Research and Marketing Services, Inc., FSR Consulting LLC and Ward Research, Inc. for the Hawai'i Housing Finance and Development Corporation, Table 39A, p. 124.
[3] "Strategic Housing Plan 2025-2028," Prepared by the Mayor's Office of Housing with CommunityScale, January 2025, p. 70.
[4] "Primary Urban Development Center Development Plan," Honolulu Department of Planning and Permitting, April 2025, p. 158.
[5] Ibid, p. 158.
[6] Trey Gordner, Edith Prager and Rafael Ceilio Munoz, "Draft report: Assessing Honolulu's 'Bill 7' Infill/Workforce Housing Program," University of Hawai'i Economic Research Organization, p. 16.

a TOD special district or recommended for inclusion in a TOD district would be allowed to be up to 75 feet tall or comply with the underlying zoning, whichever is taller.

Notably, Councilmember Weyer's amendment is preferable to Chair Tupola's because it addresses the fact that some special districts — such as various TOD districts and parts of the Chinatown and Waikiki — specify a maximum height greater than the current limit, and it does not make sense to restrict Bill 7 projects to a shorter height than the underlying zoning code allows.

Third, Grassroot appreciates that both drafts increase the floor-area ratio to 5.0, which will give homebuilders more flexibility to maximize the housing potential of a given site.

In general, Grassroot recommends extending the sunset date of the Bill 7 program beyond 2030. Because of delays in obtaining financing and permits, a four year window could doom many beneficial projects. Making this program permanent would be best, but extending the sunset date to 2050 would at least give homebuilders more certainty to plan for future projects.

We also have concerns with two provisions found in the amendments.

Chair Tupola's draft would add extra rules for Bill 7 projects located in B-1 and B-2 zones, along with parking requirements for projects with more than 60 units. These conditions would undercut the flexibility the rest of the bill is meant to provide.

Likewise, Councilmember Weyer's amendment would require elevators in any Bill 7 building over 40 feet tall. While well-intentioned, this requirement would significantly increase construction costs and could make some otherwise viable affordable housing projects infeasible.

Grassroot recommends removing both provisions from the final version of the bill.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii