

BILL040(26)
Testimony

MISC. COMM. 431

*BUDGET (BUD)

***BUDGET (BUD) Meeting**

Meeting Date: Oct 20, 2026 @ 09:00 AM

Support: 7

Oppose: 1

I wish to comment: 11

Name: Jared Miyashiro	Email: jtmiya@gmail.com	Zip: 96813
Representing: Self	Position: I wish to comment	Submitted: Oct 16, 2026 @ 11:56 PM

Name: Andrew Sutton	Email: andrewcsutton@gmail.com	Zip: 96813
Representing: Self	Position: I wish to comment	Submitted: Oct 17, 2026 @ 06:30 AM

Testimony:

Aloha Councilmembers,

My name is Andrew Sutton, and I am a resident at Ulana Ward Village. While I am in strong support of the spirit of Bill 40 and its intent to provide fair and equitable real property tax relief for myself and my neighbors, I oppose the insufficient form of relief that is currently proposed to remedy this issue. I humbly request that Bill 40 be restored to its original form, offering a retroactive home exemption to all Ulana owners.

Section 1 highlights the grounds for eligibility of a home exemption:

“To ensure that these affordable housing units are purchased by City residents who intend to reside in the units, many of these programs require that the affordable housing units be owner-occupied for a minimum period of time. Owner-occupancy is one of the eligibility criteria for the real property tax home exemption allowed under Section 8-10.3, Revised Ordinances of Honolulu 2021.”

Despite affirming that our units should normally have qualified for homeowner exemptions, Bill 40 stops short of offering this important money-saving exemption that all other homeowners in Honolulu are entitled to. This does not correct the primary issue at hand, that:

“... due to the timing of their home purchase and the deadline for homeowners to file for a home exemption, homeowners may miss the deadline to file for a home exemption for the upcoming tax year . . .”

The proposed remission offers to refund owners the difference between the real property taxes imposed had their units been taxed at the RESIDENTIAL tax classification instead of RESIDENTIAL A. Home exemptions are the only mechanism for standard residential properties to change from the RESIDENTIAL A to RESIDENTIAL tax classification, so Bill 40 as it stands is already tantamount to granting this exemption in all but name.

By fully granting a home exemption to all Ulana units, all owners will also benefit from the included \$120k assessment exemption (or \$160k for seniors). This is equivalent to tax savings of \$560 for seniors) per resident, which will only cost the City anywhere between \$293,000 to \$342,000 in total lost property tax revenue. The impact from this miniscule reduction in the City's over \$300 million in tax revenue will be nominal, but the financial relief for myself and my neighbors, who are already stretched thin with rising expenses, will be immense.

As assessments currently stand on July 8, Ulana owners pay more real property taxes than owners in the neighboring Ke Kilohana workforce housing project and in nearby mixed or full luxury projects including Aalii, Ililani, The Collection, and Keauhou Place. The following table shows how much more taxes Ulana owners pay on average in comparison to equivalent units in these nearby projects:

Studio

1-Bedroom

2-Bedroom

3-Bedroom

Ke Kilohana

No Studios

\$1,038

\$3,117

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Ililani

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\$834

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No 3BRs

The Collection

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\$76

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Keauhou Place

No Studios

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\$401

Owner-occupancy in these towers average 64%. Ulana owners, who are required to be owner-occupants, pay a greater tax burden than owners in all of these projects, of which many are second-home buyers and investors. The assessment reduction that would be granted with a home exemption would help to close this unjust gap.

The current remission structure only benefits the 364 units in the project (52%) that were assessed over \$1 million. Ulana units assessed under \$1 million, but still higher than nearby comparable workforce and superior luxury projects, receive no relief at all since they were always below the threshold for the RESIDENTIAL A tax classification. With Bill 40 in its current form, these 333 unit owners fall through the cracks. This is neither fair nor equitable as all workforce housing owners deserve some assistance. With the home exemption, these owners will at least get the benefit from the \$120k/\$160k portion of their assessments exempted.

I respectfully request that you consider these issues in your review and that Bill 40 can be perfected to provide the sufficient relief that we so urgently need.

Mahalo for your time and consideration,

Andrew Sutton,
Ulana Ward Village Resident

Name:	Email:	Zip:
Kawika Machida	kawikakmmachida@gmail.com	96813
Representing:	Position:	Submitted:
Self	I wish to comment	Oct 17, 2026 @ 12:39 PM

Testimony:

Aloha Councilmembers,

My name is Kawika Machida and I am a resident at Ulana Ward Village. While I am in strong support of the spirit of Bill 40 and its intent to provide fair and equitable real property tax relief for myself and my neighbors, I oppose the insufficient form of relief that is currently proposed to remedy this issue. I humbly request that Bill 40 be restored to its original form, offering a retroactive home exemption to all Ulana owners.

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Despite affirming that our units should normally have qualified for homeowner exemptions, Bill 40 stops short of offering this important money-saving exemption that all other homeowners in Honolulu are entitled to. This does not correct the primary issue at hand, that: “. . . due to the timing of their home purchase and the deadline for homeowners to file for a home exemption, homeowners may miss the deadline to file for a home exemption for the upcoming tax year . . .”

The proposed remission offers to refund owners the difference between the real property taxes imposed had their units been taxed at the RESIDENTIAL tax classification instead of RESIDENTIAL A. Home exemptions are the only mechanism for standard residential properties to change from the RESIDENTIAL A to RESIDENTIAL tax classification, so Bill 40 as it stands is already tantamount to granting this exemption in all but name.

By fully granting a home exemption to all Ulana units, all owners will also benefit from the included \$120k assessment exemption (or \$160k for seniors). This is equivalent to tax savings of \$420 (\$560 for seniors) per resident, which will only cost the City anywhere between \$293,000 to \$342,000 in total lost property tax revenue. The impact from this miniscule reduction in the City's over \$300 million in tax revenue will be nominal, but the financial relief for myself and my neighbors, who are already stretched thin with rising expenses, will be immense.

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I respectfully request that you consider these issues in your review and that Bill 40 can be perfected to provide the sufficient relief that we so urgently need.

Mahalo for your time and consideration,

Kawika Machida, Ulana Ward Village Resident

Name:

Alesha Parker

Email:

aleshas@hawaii.edu

Zip:

96813

Representing:

Self

Position:

I wish to comment

Submitted:

Oct 18, 2026 @ 10:33 AM

Name:

Napali Parker

Email:

napali.parker@gmail.com

Zip:

96813

Representing:

Self

Position:

I wish to comment

Submitted:

Oct 18, 2026 @ 10:35 AM

Name: Seungjun Lee	Email: alohaflynn@gmail.com	Zip: 96815
Representing: Self	Position: I wish to comment	Submitted: Oct 18, 2026 @ 10:56 PM
Testimony: Honorable Chair and Members of the Budget Committee, My name is Seungjun Lee, a unit owner at Ulana Ward Village, Unit 1401. I am submitting this testimony to comment on Bill 40 (26). I appreciate the intent behind this bill — to provide one-time tax relief to new homeowners who recorded after the home exemption deadline. However, I am concerned that the bill in its current form helps only 364 unit owners (52%) assessed over \$1 million, while the remaining 333 owners (48%) receive nothing. I respectfully ask the Council to pause and reconsider, and to work toward a fair and equitable solution that provides relief to all affected homeowners, not just a subset. Thank you for your time and consideration. Seungjun Lee Ulana Ward Village, Unit 1401		
Name: May Fan	Email: nina2beach@yahoo.com	Zip: 96817
Representing: Self	Position: Support	Submitted: Oct 19, 2026 @ 09:11 AM
Testimony: Aloha City Councilmembers, I am writing in STRONG SUPPORT for Bill 40. Please ensure homeowners receive the \$120,000 or \$160,000 home exemption immediately on top of granting RESIDENTIAL status to every affordable housing unit. It is not their fault that local homeowners missed the home exemption filing deadline due to poor timing outside of their control. Passage of this bill will 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: Michael Fan	Email: mike26fan@outlook.com	Zip: 96817
Representing: Self	Position: Support	Submitted: Oct 19, 2026 @ 09:12 AM
Testimony: Aloha City Councilmembers, I am writing in STRONG SUPPORT for Bill 40. Please ensure homeowners receive the \$120,000 or \$160,000 home exemption immediately on top of granting RESIDENTIAL status to every affordable housing unit. It is not their fault that local homeowners missed the home exemption filing deadline due to poor timing outside of their control. Passage of this bill will 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, Michael Fan		
Name: Michelle K	Email: michellek303@yahoo.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Oct 19, 2026 @ 09:38 AM
Name: Ted Kefalas	Email: tkefalas@grassrootinstitute.org	Zip: 96813
Representing: Grassroot Institute of Hawaii	Position: Support	Submitted: Oct 19, 2026 @ 10:24 AM
Name: Sherry Menor	Email: smenor@cochawaii.org	Zip: 96813
Representing: Chamber of Commerce Hawaii	Position: Support	Submitted: Oct 19, 2026 @ 11:00 AM
Name: Eli Tsukayama	Email: eli.tsukayama@gmail.com	Zip: 96813
Representing:	Position:	Submitted:

Self	Support	Oct 19, 2026 @ 02:10 PM								
Testimony: Aloha Councilmembers, My name is Eli Tsukayama, and I am a resident at Ulana Ward Village. While I am in strong support of the spirit of Bill 40 and its intent to provide fair and equitable real property tax relief for myself and my neighbors, I oppose the insufficient form of relief that is currently proposed to remedy this issue. I humbly request that Bill 40 be restored to its original form, offering a retroactive home exemption to all Ulana owners. Section 1 highlights the grounds for eligibility of a home exemption: “To ensure that these affordable housing units are purchased by City residents who intend to reside in the units, many of these programs require that the affordable housing units be owner-occupied for a minimum period of time. Owner-occupancy is one of the eligibility criteria for the real property tax home exemption allowed under Section 8-10.3, Revised Ordinances of Honolulu 2021.” Despite affirming that our units should normally have qualified for homeowner exemptions, Bill 40 stops short of offering this important money-saving exemption that all other homeowners in Honolulu are entitled to. This does not correct the primary issue at hand, that: “... due to the timing of their home purchase and the deadline for homeowners to file for a home exemption, homeowners may miss the deadline to file for a home exemption for the upcoming tax year ...” The proposed remission offers to refund owners the difference between the real property taxes imposed had their units been taxed at the RESIDENTIAL tax classification instead of RESIDENTIAL A. Home exemptions are the only mechanism for standard residential properties to change from the RESIDENTIAL A to RESIDENTIAL tax classification, so Bill 40 as it stands is already tantamount to granting this exemption in all but name. By fully granting a home exemption to all Ulana units, all owners will also benefit from the included \$120k assessment exemption (or \$160k for seniors). This is equivalent to tax savings of \$420 (\$560 for seniors) per resident, which will only cost the City anywhere between \$293,000 to \$342,000 in total lost property tax revenue. The impact from this miniscule reduction in the City’s over \$300 million in tax revenue will be nominal, but the financial relief for myself and my neighbors, who are already stretched thin with rising expenses, will be immense. As assessments currently stand on July 8, Ulana owners pay more real property taxes than owners in the neighboring Ke Kilohana workforce housing project and in nearby mixed or full luxury projects including Aalii, Ililani, The Collection, and Keauhou Place. The following table shows how much more taxes Ulana owners pay on average in comparison to equivalent units in these nearby projects: <table><tr><td>Studio</td><td></td></tr><tr><td>1-Bedroom</td><td></td></tr><tr><td>2-Bedroom</td><td></td></tr><tr><td>3-Bedroom</td><td></td></tr></table>			Studio		1-Bedroom		2-Bedroom		3-Bedroom	
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Owner-occupancy in these towers average 64%. Ulana owners, who are required to be owner-occupants, pay a greater tax burden than owners in all of these projects, of which many are second-home buyers and investors. The assessment reduction that would be granted with a home exemption would help to close this unjust gap.

The current remission structure only benefits the 364 units in the project (52%) that were assessed over \$1 million. Ulana units assessed under \$1 million, but still higher than nearby comparable workforce and superior luxury projects, receive no relief at all since they were always below the threshold for the RESIDENTIAL A tax classification. With Bill 40 in its current form, these 333 unit owners fall through the cracks. This is neither fair nor equitable as all workforce housing owners deserve some assistance. With the home exemption, these owners will at least get the benefit from the \$120k/\$160k portion of their assessments exempted.

I respectfully request that you consider these issues in your review and that Bill 40 can be perfected to provide the sufficient relief that we so urgently need.

Mahalo for your time and consideration,

Eli Tsukayama, Ulana Ward Village Resident

Name: Luis Omphroy, Jr.	Email: luisomphroy23@gmail.com	Zip: 96813
Representing: Self	Position: I wish to comment	Submitted: Oct 19, 2026 @ 04:20 PM

Name: Helena Chow	Email: hchow143@gmail.com	Zip: 96813
Representing: Self	Position: I wish to comment	Submitted: Oct 19, 2026 @ 05:41 PM

Testimony:

Aloha Councilmembers,

My name is Helena Chow and I am a resident at Ulana Ward Village. While I am in strong support of the spirit of Bill 40 and its intent to provide fair and equitable real property tax relief for myself and my neighbors, I oppose the insufficient form of relief that is currently proposed to remedy this issue. I humbly request that Bill 40 be restored to its original form, offering a retroactive home exemption to all Ulana owners.

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The proposed remission offers to refund owners the difference between the real property taxes imposed had their units been taxed at the RESIDENTIAL tax classification instead of RESIDENTIAL A. Home exemptions are the only mechanism for standard residential properties to change from the RESIDENTIAL A to RESIDENTIAL tax classification, so Bill 40 as it stands is already tantamount to granting this exemption in all but name.

By fully granting a home exemption to all Ulana units, all owners will also benefit from the included \$120k assessment exemption (or \$160k for seniors). This is equivalent to tax savings of \$420 (\$560 for seniors) per resident, which will only

cost the City anywhere between \$293,000 to \$342,000 in total lost property tax revenue. The impact from this miniscule reduction in the City's over \$300 million in tax revenue will be nominal, but the financial relief for myself and my neighbors, who are already stretched thin with rising expenses, will be immense.

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I respectfully request that you consider these issues in your review and that Bill 40 can be perfected to provide the sufficient relief that we so urgently need.

Mahalo for your time and consideration.

Helena Chow, Ulana Ward Village Resident

Name:	Email:	Zip:
Jarod Ishimi	jarod.ishimi@gmail.com	96813
Representing:	Position:	Submitted:
Self	I wish to comment	Oct 19, 2026 @ 05:50 PM
Name:	Email:	Zip:
Vivian Lee	28vlee@gmail.com	96813
Representing:	Position:	Submitted:
Self	I wish to comment	Oct 19, 2026 @ 06:40 PM
Name:	Email:	Zip:
Jessica Jeong	jessicajpennington@gmail.com	96813
Representing:	Position:	Submitted:
Self	I wish to comment	Oct 19, 2026 @ 08:43 PM
Name:	Email:	Zip:
Jaejun Choe	jjnchoe@yahoo.com	96813
Representing:	Position:	Submitted:

Self	Support	Oct 19, 2026 @ 09:50 PM
Testimony: Subject:Testimony in support of Bill 40(2026),CD1 Dear Chair okimoto and Members of the Budget Committee. I'm writing in support of Bill40(2026),CD1, related to real property taxation for eligible affordable housing condominium purchasers. I purchased my condominium at Ulana as an affordable housing unit, and I currently live in the unit as my primary residence. My property was initially assessed at over 1.4 million. Following my appeal, the assessed value was reduced to \$1,173,500, but I disagreed with that valuation and am awaiting further reconsideration. I am over 65 years old and have applied for the Home Exemption. I believe that residents who purchase affordable housing and live in their homes should receive fair and consistent property tax treatment. I respectfully urge the City Council to pass Bill 40 and provide clear guidance to eligible affordable housing homeowners about how to receive the one-time remission. also ask the City to clarify whether qualifying initial purchasers at Ulana can benefit from this legislation. Thank you for your time and consideration. Sincerely, Choe,Jaejun		
Name:	Email:	Zip:
Natalie Iwasa	iwasajunk@mail.com	96825
Representing:	Position:	Submitted:
Self	Oppose	Oct 20, 2026 @ 04:03 AM

Aloha Councilmembers,

My name is Jared Miyashiro, and I am a lifelong resident of Honolulu and a first-time homeowner at Ulana Ward Village. While I am in strong support of the spirit of Bill 40 and its intent to provide fair and equitable real property tax relief for myself and my neighbors, I oppose the insufficient form of relief that is currently proposed to remedy this issue. I humbly request that Bill 40 be restored to its original form, offering a retroactive home exemption to all Ulana owners.

Section 1 highlights the grounds for eligibility of a home exemption:

“To ensure that these affordable housing units are purchased by City residents who intend to reside in the units, many of these programs require that the affordable housing units be owner-occupied for a minimum period of time. Owner-occupancy is one of the eligibility criteria for the real property tax home exemption allowed under Section 8-10.3, Revised Ordinances of Honolulu 2021.”

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“... due to the timing of their home purchase and the deadline for homeowners to file for a home exemption, homeowners may miss the deadline to file for a home exemption for the upcoming tax year ...”

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Owner-occupancy in these towers average 64%. Ulana owners, who are required to be owner-occupants, pay a greater tax burden than owners in all of these projects, of which many are second-home buyers and investors. The assessment reduction that would be granted with a home exemption would help to close this unjust gap.

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Mahalo for your time and consideration,

Jared Miyashiro, Ulana Ward Village Resident

Aloha Councilmembers,

My name is **Alesha Parker**, and I am a resident at Ulana Ward Village. While I am in strong support of the spirit of Bill 40 and its intent to provide fair and equitable real property tax relief for myself and my neighbors, I oppose the insufficient form of relief that is currently proposed to remedy this issue. I humbly request that Bill 40 be restored to its original form, offering a retroactive home exemption to all Ulana owners.

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Mahalo for your time and consideration,

Alesha Parker, Ulana Ward Village Resident

Aloha Councilmembers,

My name is **Napali Parker**, and I am a resident at Ulana Ward Village. While I am in strong support of the spirit of Bill 40 and its intent to provide fair and equitable real property tax relief for myself and my neighbors, I oppose the insufficient form of relief that is currently proposed to remedy this issue. I humbly request that Bill 40 be restored to its original form, offering a retroactive home exemption to all Ulana owners.

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By fully granting a home exemption to all Ulana units, all owners will also benefit from the included \$120k assessment exemption (or \$160k for seniors). This is equivalent to tax savings of \$420 (\$560 for seniors) per resident, which will only cost the City anywhere between \$293,000 to \$342,000 in total lost property tax revenue. The impact from this miniscule reduction in the City's over \$300 million in tax revenue will be nominal, but the financial relief for myself and my neighbors, who are already stretched thin with rising expenses, will be immense.

As assessments currently stand on July 8, Ulana owners pay more real property taxes than owners in the neighboring Ke Kilohana workforce housing project and in nearby mixed or full luxury projects including Aalii, Ililani, The Collection, and Keauhou Place. The following table shows how much more taxes Ulana owners pay on average in comparison to equivalent units in these nearby projects:

	<u>Studio</u>	<u>1-Bedroom</u>	<u>2-Bedroom</u>	<u>3-Bedroom</u>
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Owner-occupancy in these towers average 64%. Ulana owners, who are required to be owner-occupants, pay a greater tax burden than owners in all of these projects, of which many are second-home buyers and investors. The assessment reduction that would be granted with a home exemption would help to close this unjust gap.

The current remission structure only benefits the 364 units in the project (52%) that were assessed over \$1 million. Ulana units assessed under \$1 million, but still higher than nearby comparable workforce and superior luxury projects, receive no relief at all since they were always below the threshold for the RESIDENTIAL A tax classification. With Bill 40 in its current form, these 333 unit owners fall through the cracks. This is neither fair nor equitable as all workforce housing owners deserve some assistance. With the home exemption, these owners will at least get the benefit from the \$120k/\$160k portion of their assessments exempted.

I respectfully request that you consider these issues in your review and that Bill 40 can be perfected to provide the sufficient relief that we so urgently need.

Mahalo for your time and consideration,

Napali Parker, Ulana Ward Village Resident

Aloha Councilmembers,

My name is Michelle K., and I am a resident at Ulana Ward Village. I am in STRONG SUPPORT of Bill 40 and its intent to provide fair and equitable real property tax relief for myself and my neighbors, and I also humbly request that Bill 40 be restored to its original form, offering a retroactive home exemption to all Ulana owners.

By fully granting home exemption to all Ulana units, all owners will benefit from the included \$120k assessment exemption (or \$160k for seniors). This is equivalent to tax savings of \$420 (\$560 for seniors) per resident, which will only cost the City anywhere between \$293,000 to \$342,000 in total lost property tax revenue. The impact from this miniscule reduction in the City's over \$300 million in tax revenue will be nominal, but the financial relief for myself and my neighbors, who are already stretched thin with rising expenses, will be immense.

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The current remission structure will benefit the 364 units in the project (52%) that were assessed over \$1 million. Ulana units assessed under \$1 million, but still higher than nearby comparable workforce and superior luxury projects, receive no relief since they were always

below the threshold for the RESIDENTIAL A tax classification. With Bill 40 in its current form, these 333 unit owners fall through the cracks. This is neither fair nor equitable as all workforce housing owners deserve some assistance. With the home exemption, these owners will at least get the benefit from the \$120k/\$160k portion of their assessments exempted.

I respectfully request that you consider these issues in your review and that Bill 40 can be perfected to provide the sufficient relief that we so urgently need.

Mahalo for your time and consideration,

Michelle K.

Ulana Ward Village Resident

Oct. 20, 2026, 9 a.m.

Honolulu Hale

To: Honolulu City Council Committee on Budget

Val A. Okimoto, Chair

Scott Y. Nishimoto, Vice Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

RE: Bill 40 (2026), CD1 — 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 \(2026\), CD1](#), 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 immediately receive the homeowner exemption if the unit is purchased after the Sept. 31 deadline to file for the exemption, which would stick the new owners 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 new home.

Thank you for the opportunity to testify.

Ted Kefalas

Director of Strategic Campaigns

Grassroot Institute of Hawaii

October 19, 2026

Testimony to Honolulu City Council Budget Committee (BUD)

Hearing: Tuesday, October 20, 2026, 9:00 a.m., Committee on Budget (BUD),
City Council Chamber (Agenda 744, Item 3)

RE: Bill 40 (2026), CD1, Relating to Real Property Taxation (SUPPORT)

Aloha Chair Okimoto, Vice Chair Nishimoto, and Committee Members:

Chamber of Commerce Hawaii **supports** Bill 40 (2026), CD1.

Buyers of new affordable condominium units are required to live in them, but when a sale records after the home exemption filing deadline, the unit is taxed at the higher Residential A rate for a year. The bill gives the first buyer a one-time remission of the difference, as long as the sale closes within a year of the certificate of occupancy and the developer or sales agent submits an eligibility list by December 31.

Why this matters to Honolulu business and the economy

1. **Keeps affordable homeownership affordable.** A surprise tax bill of thousands of dollars in a buyer's first year undercuts the purpose of the affordable housing programs the City and State fund.
2. **Narrow and verifiable.** The remission is one-time, tied to the initial owner, not transferable, and confirmed by the Director against the developer's records.
3. **Supports the for-sale housing pipeline.** Predictable costs for buyers make affordable for-sale projects easier to market and finance.

Alignment with the 2030 Blueprint for Hawaii

The **2030 Blueprint for Hawaii**¹ is a data-driven economic action plan to strengthen Hawaii's competitiveness, create jobs, and support local businesses.

¹ <https://www.cochawaii.org/2030-blueprint/>



Chamber *of* Commerce HAWAII



Bill 40 supports the Blueprint's housing and workforce retention goals by removing a timing penalty that raises costs for working families buying their first affordable home in Honolulu.

We respectfully urge the Committee on Budget to pass Bill 40 (2026), CD1, at its October 20 meeting.

Mahalo for the opportunity to testify.

Aloha Councilmembers,

My name is Luis Omphroy, Jr., and my wife Jaylene Omphroy are residents at Ulana Ward Village. While we are in strong support of the spirit of Bill 40 and its intent to provide fair and equitable real property tax relief for ourselves and our neighbors, we oppose the insufficient form of relief that is currently proposed to remedy this issue. We humbly request that Bill 40 be restored to its original form, offering a retroactive home exemption to all Ulana owners.

Section 1 highlights the grounds for eligibility of a home exemption:

“To ensure that these affordable housing units are purchased by City residents who intend to reside in the units, many of these programs require that the affordable housing units be owner-occupied for a minimum period of time. Owner-occupancy is one of the eligibility criteria for the real property tax home exemption allowed under Section 8-10.3, Revised Ordinances of Honolulu 2021.”

Despite affirming that our units should normally have qualified for homeowner exemptions, Bill 40 stops short of offering this important money-saving exemption that all other homeowners in Honolulu are entitled to. This does not correct the primary issue at hand, that:

“... due to the timing of their home purchase and the deadline for homeowners to file for a home exemption, homeowners may miss the deadline to file for a home exemption for the upcoming tax year...”

The proposed remission offers to refund owners the difference between the real property taxes imposed had their units been taxed at the RESIDENTIAL tax classification instead of RESIDENTIAL A. Home exemptions are the only mechanism for standard residential properties to change from the RESIDENTIAL A to RESIDENTIAL tax classification, so Bill 40 as it stands is already tantamount to granting this exemption in all but name.

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Owner-occupancy in these towers average 64%. Ulana owners, who are required to be owner-occupants, pay a greater tax burden than owners in all of these projects, of which many are second-home buyers and investors. The assessment reduction that would be granted with a home exemption would help to close this unjust gap.

The current remission structure only benefits the 364 units in the project (52%) that were assessed over \$1 million. Ulana units assessed under \$1 million, but still higher than nearby comparable workforce and superior luxury projects, receive no relief at all since they were always below the threshold for the RESIDENTIAL A tax classification. With Bill 40 in its current form, these 333 unit owners fall through the cracks. This is neither fair nor equitable as all workforce housing owners deserve some assistance. With the home exemption, these owners will at least get the benefit from the \$120k/\$160k portion of their assessments exempted.

We respectfully request that you consider these issues in your review and that Bill 40 can be perfected to provide the sufficient relief that we so urgently need.

Mahalo for your time and consideration,

Luis and Jaylene Omphroy, Ulana Ward Village Residents.

Aloha Councilmembers,

My name is Jarod Ishimi and I am a resident at Ulana Ward Village. While I am in strong support of the spirit of Bill 40 and its intent to provide fair and equitable real property tax relief for myself and my neighbors, I oppose the insufficient form of relief that is currently proposed to remedy this issue. I humbly request that Bill 40 be restored to its original form, offering a retroactive home exemption to all Ulana owners.

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The proposed remission offers to refund owners the difference between the real property taxes imposed had their units been taxed at the RESIDENTIAL tax classification instead of RESIDENTIAL A. Home exemptions are the only mechanism for standard residential properties to change from the RESIDENTIAL A to RESIDENTIAL tax classification, so Bill 40 as it stands is already tantamount to granting this exemption in all but name.

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I respectfully request that you consider these issues in your review and that Bill 40 can be perfected to provide the sufficient relief that we so urgently need.

Mahalo for your time and consideration,

Jarod Ishimi, Ulana Ward Village Resident

Aloha Councilmembers,

My name is Vivian Lee and I am a resident at Ulana Ward Village. While I am in strong support of the spirit of Bill 40 and its intent to provide fair and equitable real property tax relief for myself and my neighbors, I oppose the insufficient form of relief that is currently proposed to remedy this issue. I humbly request that Bill 40 be restored to its original form, offering a retroactive home exemption to all Ulana owners.

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I respectfully request that you consider these issues in your review and that Bill 40 can be perfected to provide the sufficient relief that we so urgently need.

Mahalo for your time and consideration,

Vivian Lee, Ulana Ward Village Resident

Aloha Council members,

My name is Jessica, and I am a resident at Ulana Ward Village. I am thankful to you for moving forward with Bill 40, as I am one of the people that it will really help. My husband and I were hoping to save up money to put towards childcare and our dream of starting a family, and the increased tax would really hurt our efforts. Though it will help me, I know that this bill will not be able to help 48% of my friends and neighbors in the building with their overtax issue. I humbly request that Bill 40 be restored to its original form, offering a retroactive home exemption to all Ulana owners.

Section 1 highlights the grounds for eligibility of a home exemption:

"To ensure that these affordable housing units are purchased by City residents who intend to reside in the units, many of these programs require that the affordable housing units be owner-occupied for a minimum period of time. Owner-occupancy is one of the eligibility criteria for the real property tax home exemption allowed under Section 8-10.3, Revised Ordinances of Honolulu 2021."

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I respectfully request that you consider these issues in your review and that Bill 40 can be perfected to provide the sufficient relief that we so urgently need.

Mahalo for your time and consideration,

Jessica Jeong, Ulana Ward Village Resident

TO: Members Budget Committee of the Honolulu City Council

FROM: Natalie Iwasa, CPA, CFE
808-395-3233

DATE: Tuesday, October 20, 2026

SUBJECT: Bill 40, CD1, Temporary Real Property Tax Exemption - **OPPOSED**

Aloha Chair Okimoto and Councilmembers,

Thank you for allowing testimony on Bill 40, CD1, which creates a one-time retroactive homeowner exemption for certain purchasers of condominiums that are in the Residential A classification.

What about other purchasers of homes who fall into the same situation with the Residential A classification and were not able to meet the deadline due to the timing of purchase?

What about the city's police department running short on their current budget?

What about future home purchasers who run into this same problem?

Why are you singling out this one very specific group?

This bill is not fair to other purchasers or taxpayers.

Please vote "no" on this bill and remove the Residential A classification altogether.

Also note that the retroactive effective date on this bill is not good fiscal policy.