

DEPARTMENT OF PLANNING AND PERMITTING  
**CITY AND COUNTY OF HONOLULU**

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DEPUTY DIRECTOR

EUGENE H. TAKAHASHI  
DEPUTY DIRECTOR

November 4, 2021

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

Dear Chair Waters and Councilmembers:

SUBJECT: Status Report on Bill No. 7 (Ordinance 19-8) and Bill No. 1 (Ordinance 21-12)  
Relating to Affordable Housing

Ordinance 19-8 was enacted to incentivize developers to build more affordable housing units on 20,000 square feet or less apartment zoned parcels on Oahu. The Ordinance provided certain exemptions and modification to various codes that would reduce the cost of construction and stimulate interest in building more affordable housing units. Ordinance 19-8 was approved May 21, 2019, and contains a repeal date of May 21, 2024.

Ordinance 21-12 was to supplement Ordinance 19-8 by providing monetary grants from the City to eligible affordable housing projects to offset some of the construction costs and get more affordable housing units built. Ordinance 21-12 was approved April 21, 2021, and contained a repeal date same as Ordinance 19-8, May 21, 2024.

Ordinance 19-8 contained the following reporting requirement:

*No later than two years prior to the repeal date of this ordinance, the Director of Planning and Permitting shall submit to the City Council a report on the number of affordable rental housing units developed under this ordinance, and a recommendation regarding the repeal, modification, or extension of this ordinance.*

Ordinance 21-12 contained the following reporting requirement:

*The director of budget and fiscal services and the director of planning and permitting shall provide reports to the city council every six months beginning on the effective date of this ordinance that at a minimum must include:*

- 1. The number of building permit applications submitted under the grant program established by this article for the six-month period and cumulatively;*

**DEPT. COM. 735**

2. *The number of building permits approved under the grant program for the six-month period and cumulatively;*
3. *The number of grant applications submitted under the grant program at each AMI tier for the six-month period and cumulatively;*
4. *The number of grant claims approved under the grant program for the six-month period and cumulatively;*
5. *The number of affordable rental housing units supported with grants for the six-month period and cumulatively;*
6. *The amount of grant funds disbursed for the six-month period and cumulatively;*
7. *The number of waivers granted under Section 42-4.2(m) for the six-month period and cumulatively;*
8. *The number of affordable rental housing units built under the grant program for the six-month period and cumulatively; and*
9. *A description of any violations of this article discovered during the six-month period and actions taken against the violator.*

Our report to Council, as required by the two ordinances, is attached. We apologize for our delayed response, and will work to meet the deadline on future reports.

Should you have any questions, please contact me at (808)768-8047.

Very truly yours,




Dean Uchida  
Director

Digitally signed by Uchida,  
Dean  
Date: 2021.11.04 11:29:00  
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Attachment

APPROVED:



Michael D. Formby  
Managing Director

Report to Council  
Bill No. 7 (Ordinance 19-8) and Bill No. 1 (Ordinance 21-12)  
Relating to Affordable Housing

November 4, 2021

Ordinance 19-8 was approved May 21, 2019 and contains a repeal date May 21, 2024.

Ordinance 19-8 contained the following reporting requirement:

No later than two years prior to the repeal date of this ordinance, the Director of Planning and Permitting shall submit to the City Council a report on the number of affordable rental housing units developed under this ordinance, and a recommendation regarding the repeal, modification, or extension of this ordinance.

Ordinance 21-12 was approved April 21, 2021, and contained a repeal date same as Ordinance 19-8, May 21, 2024.

Ordinance 21-12 contained the following reporting requirement:

The director of budget and fiscal services and the director of planning and permitting shall provide reports to the city council every six months beginning on the effective date of this ordinance that at a minimum must include:

1. The number of building permit applications submitted under the grant program established by this article for the six-month period and cumulatively;
2. The number of building permits approved under the grant program for the six-month period and cumulatively;
3. The number of grant applications submitted under the grant program at each AMI tier for the six-month period and cumulatively;
4. The number of grant claims approved under the grant program for the six-month period and cumulatively;
5. The number of affordable rental housing units supported with grants for the six-month period and cumulatively;
6. The amount of grant funds disbursed for the six-month period and cumulatively;
7. The number of waivers granted under Section 42-4.2(m) for the six-month period and cumulatively;
8. The number of affordable rental housing units built under the grant program for the six-month period and cumulatively; and
9. A description of any violations of this article discovered during the six-month period and actions taken against the violator.

We apologize for the delay in our reporting; however, much of the delay is due to confusion over how sections of Bill No. 7 are being interpreted by the Bill No. 7 Developers.

Certain exemptions or modifications to various code requirements in the bill created problems for Bill No. 7 developers to comply with either what is provided in Ordinance 19-8 or the applicable codes. We have been working with the proponents of Bill No. 7 on how the bill should be interpreted; however, we have not reached an agreement at this time.

The attached spreadsheet shows the current status of the sixteen projects building permit applications. Two of the sixteen have been approved to date.

The sixteen projects have a total of 445 units priced at the 60 percent to 100 percent AMI. Of the 445 units, 54 units have been permitted.

As construction has not been completed on the two projects, no applications have been made for the \$11.25 per square feet grants.

[illegible]