

# **REPORT OF THE COMMITTEE ON HOUSING AND THE ECONOMY**

## **Voting Members**

Esther Kia'aina, Chair; Calvin Say, Vice-Chair;  
Radiant Cordero, Augie Tulba, Andria Tupola

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Committee Meeting Held  
January 11, 2022

Honorable Tommy Waters  
Chair, City Council  
City and County of Honolulu

Mr. Chair:

Your Committee on Housing and the Economy, which considered Resolution 22-3 entitled:

"REQUESTING THE CITY ADMINISTRATION TO PROVIDE AN UPDATE TO THE COUNCIL ON THE STATUS OF THE CITY'S IMPLEMENTATION OF THE RECOMMENDATIONS FROM THE AFFORDABLE RENTAL HOUSING REPORT AND TEN-YEAR PLAN AND OTHER EFFORTS TO ADDRESS THE AFFORDABLE HOUSING CRISIS,"

introduced on January 5, 2022, reports as follows:

The purpose of Resolution 22-3 is to request the City Administration to provide an update to the Council on the City's implementation of the recommendations of the Affordable Rental Housing Report and Ten-Year Plan, including the status of the development of the City's priority projects. The City Administration is also requested to update the Council on its other efforts to address the affordable housing crisis, including the implementation of Ordinances 18-1, 18-37, and 19-8, as amended, and the identification of City, State, and private parcels suitable for affordable housing development.

At your Committee's meeting, the Director of Community Services, the Director of Land Management, and the Deputy Director of Planning and Permitting provided comments on the Resolution.

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## **CITY COUNCIL**

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ADOPTED ON **JAN 26 2022**

COMMITTEE REPORT NO. **3**

# REPORT OF THE COMMITTEE ON HOUSING AND THE ECONOMY

## Voting Members

Esther Kia'aina, Chair; Calvin Say, Vice-Chair;  
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Committee Meeting Held  
January 11, 2022  
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Your Committee considered a hand-carried CD1 version of the Resolution that makes the following amendments:

- A. In the 11<sup>th</sup> WHEREAS clause, corrects the reference to the ordinance imposing affordable housing requirements as Bill 58 (2017), CD2, enacted as Ordinance 18-10 on April 3, 2018.
- B. In the first BE IT RESOLVED clause, corrects the reference to Ordinance 18-10.
- C. Makes miscellaneous technical and nonsubstantive amendments.

No oral public testimony was received on the Resolution.

Written testimony in support of the Resolution was received from Hawai'i Health and Harm Reduction Center, Catholic Charities Hawai'i, Faith Action for Community Equity, and the Council for Native Hawaiian Advancement.

Your Committee on Housing and the Economy is in accord with the intent and purpose of Resolution 22-3, as amended herein, and recommends its adoption in the form attached hereto as Resolution 22-3, CD1. (Ayes: Cordero, Kia'aina, Say, Tulba – 4; Noes: None; Excused: Tupola – 1.)

Respectfully submitted,

  
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Committee Chair

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**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ADOPTED ON JAN 26 2022

COMMITTEE REPORT NO. 3



# CITY COUNCIL

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

No. 22-3, CD1

## RESOLUTION

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REQUESTING THE CITY ADMINISTRATION TO PROVIDE AN UPDATE TO THE COUNCIL ON THE STATUS OF THE CITY'S IMPLEMENTATION OF THE RECOMMENDATIONS FROM THE AFFORDABLE RENTAL HOUSING REPORT AND TEN-YEAR PLAN AND OTHER EFFORTS TO ADDRESS THE AFFORDABLE HOUSING CRISIS.

WHEREAS, in 1970, the Hawai'i State Legislature ("Legislature"), recognizing the importance of affordable housing for the residents of the State of Hawai'i ("State"), enacted Act 105, Session Laws of Hawaii 1970, to address the severe shortfall of affordable housing for lower- and middle-income residents; and

WHEREAS, more than 50 years later, the State's residents continue to experience a shortage of affordable housing, a shortage which has grown to crisis proportions; and

WHEREAS, a 2015 State Department of Business, Economic Development and Tourism study projected that the State would need to develop 64,693 housing units to meet the demand for housing by 2025, with nearly 70 percent of those units needed for low-income households earning 80 percent or less of area median income ("AMI") for the State, as determined by the U.S. Department of Housing and Urban Development; and

WHEREAS, on June 29, 2016, Governor David Ige signed Act 127, Session Laws of Hawaii 2016 ("Act 127"), which established a goal of developing 22,500 affordable rental units statewide to be ready for occupancy by December 31, 2026; and

WHEREAS, Act 127 also established a temporary Special Action Team on Affordable Rental Housing ("Special Action Team"), made up of State and county officials, housing developers, and other stakeholders, to recommend actions to achieve the State's affordable rental housing goal; and

WHEREAS, in July 2018, the Special Action Team presented the "Affordable Rental Housing Report and Ten-Year Plan" ("Report and Plan") to the Legislature; and

WHEREAS, the Report and Plan examined the barriers to the production of affordable rental units, established production goals within each county (including a production goal of 9,002 units for the City and County of Honolulu), recommended specific implementation actions to support an increased supply of affordable rental housing and to guide State and county decision makers as they select priority areas, and clearly identified the entities responsible for ensuring progress; and



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WHEREAS, the Report and Plan identified, analyzed, and mapped State, county, and private land parcels suitable and available for affordable housing development, and further ranked the parcels into priority tiers using criteria that included minimum parcel size, land ownership, State and county land use designations, and infrastructure capacity; and

WHEREAS, the Report and Plan identified 11 properties owned by the City and County of Honolulu ("City") as high-priority parcels suitable and available for affordable rental housing (see Report and Plan p. 72); and

WHEREAS, according to the "Hawai'i Housing Planning Study, 2019" ("Housing Study"), published by the Hawai'i Housing Finance and Development Corporation ("HHFDC"), the City would need to develop 22,168 additional housing units by 2025 to meet the projected housing demand, with 12,046 (54%) of those units for low-income households earning 80 percent or less of the AMI, including 11,857 units needed for rentals, with 8,351 (70%) of those rental units needed for low-income households earning 80 percent or less of the AMI; and

WHEREAS, to address the City's shortage of affordable housing, the City Council ("Council") has recently adopted the following legislation:

- Bill 59 (2017), CD2, FD1 (enacted as Ordinance 18-1 on February 15, 2018), as amended by Bill 7 (2019), CD2, FD1 (enacted as Ordinance 19-8 on May 21, 2019), establishing financial incentives, including property tax exemptions, wastewater system facility charge waivers, plan review and building permit fee waivers, and park dedication waivers, to encourage building and maintaining a diverse stock of affordable housing;
- Bill 58 (2017), CD2 (enacted as Ordinance 18-10 on April 3, 2018), establishing affordable housing requirements for development projects that have 10 or more dwelling units, which can be fulfilled through development of on-site or off-site affordable units that remain affordable for five to 30 years, or through conveyance of land if development of on-site or off-site units is not feasible; and
- Bill 7 (2019) (enacted as Ordinance 19-8 on May 21, 2019), as amended by Bill 60 (2019), CD1 (enacted as Ordinance 20-13 on June 4, 2020), and as further amended by Bill 1 (2021), CD1, FD1 (enacted as Ordinance 21-12 on April 21, 2021), establishing a temporary program to accelerate the construction of affordable rental housing in the apartment and business mixed-use zoning districts by relaxing certain zoning and



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HONOLULU, HAWAII

No. 22-3, CD1

## RESOLUTION

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building code standards, offering certain financial incentives such as fee waivers, and providing grants to incentivize the construction of affordable rental housing; and

WHEREAS, the Council finds that, in the three years since the Report and Plan was published, the City Administration has made progress in the development of some of the identified City-owned properties into affordable housing, such as the development of the 'Aiea Sugar Mill and Kapolei Lot 7 properties; and

WHEREAS, the Council further finds that an update on the City's progress in implementing the recommendations set forth in the State's Report and Plan, as well as the requirements of the above-cited legislation, is necessary to assist the Council in addressing the City's critical shortage of affordable rental housing; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it requests the City Administration to provide an update to the Council on:

1. The status of the City's implementation of the recommendations from the Affordable Rental Housing Report and Ten-Year Plan, including the status of the development of the properties identified in the attached Exhibit A (the City's Priority Projects); and
2. The implementation of Ordinances 18-1, 18-10, and 19-8, as amended; and

BE IT FURTHER RESOLVED that the City Administration is also requested to:

1. Update the Council on the number of affordable units developed in the City on private or City-owned property in 2021;
2. Provide the Council with information as to any additional actions, plans, and programs the Administration is implementing to address the affordable housing crisis; and
3. Identify City, State, and private parcels, in addition to those identified in Exhibit A attached hereto, suitable for affordable housing development to be included, reviewed, and prioritized in an updated action plan not later than six months after the adoption of this resolution; and



# CITY COUNCIL

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No. 22-3, CD1

## RESOLUTION

BE IT FINALLY RESOLVED that copies of this resolution be transmitted to the Mayor, the Managing Director, the Director of Community Services, the Director of Planning and Permitting, and the Director of Land Management.

INTRODUCED BY:

Esther Kia'aina

Tommy Waters

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DATE OF INTRODUCTION:

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January 5, 2022  
Honolulu, Hawaii

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Councilmembers

Table 10 – City and County of Honolulu Priority Projects (City-Owned Properties)

TMK	Project	Total Area (acres)	Zoning	Approx #of Units		Years to Completion	Notes
				Min	Max		
1-7-27:2	'A'ala Park	3.049	P-2	700	700	5-75	
23039016 to 17	Ala Moana Transit Hub	0.860	Not stated	500	500	5-75	
2-1-17:8	Alii Place	0.440	BMX-4	500	500	4-5	
9-9-78: 6 to 14	'Aiea Sugar Mill	6.846	I-2	400	400	5	
9-1-160:18	City Lands in Kapolei (all)	38.300	BMX-3	1125	1125	5-75 to 7-75	
9-1-160:18 (portion)	City Lands in Kapolei (Lot 7 only)	4.230	BMX-3	130	130	5-75 to 7-75	
9-1-17:111	'Ewa Villages Golf Course Surplus Lands	176.000	AG-1	36	69	5-75	Portion of total acreage
			6-12 dwelling units per acre				
9-4-8: 27 to 30	Okada Trucking Waipahu	18.581	A-2	375	375	5-75	
9-8-9: 5, 14-17	Pearlridge Transit Center	2.600	I-2	300	300	5-5	
9-1-122: 2, 4, 6, 7	West Loch, Final Phase	11.400	AG-1	280	280	5-75	
9-1-17:113	Varona Village	26.359	AG-1	93	93	4-25	46 rehab 47 new
<b>Total City-owned Land</b>		<b>288.665</b>		<b>4439</b>	<b>4472</b>		

## Exhibit A