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# A BILL FOR AN ORDINANCE

RELATING TO HOUSING.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to address housing in the city, including establishing a resident preference in the city's housing programs.

SECTION 2. Chapter 1, Revised Ordinances of Honolulu 2021 ("General Provisions"), is amended by adding a new article to be appropriately designated by the Revisor of Ordinances and to read as follows:

"ARTICLE \_\_: RESIDENT PREFERENCE IN CITY HOUSING PROGRAMS

## § 1-\_\_.1 Purpose.

This article establishes a preference for city residents who participate in various housing programs offered by the city, to the extent allowed by law.

#### § 1-\_\_.2 Definitions.

For the purposes of this article, the following definitions apply unless the context clearly indicates or requires a different meaning.

Affordable Housing Units. Any dwelling unit subject to a restriction imposed by the city, State, or federal government on the income level of the person or persons in the household purchasing or renting the unit; where the income level is at or below 120 percent of the area median income for the applicable household size, as determined by the U.S. Department of Housing and Urban Development.

*City Resident.* Any individual who is a full-time resident of the city, consistent with "residency" as that term is defined in HRS § 235-1 and HRS § 11-13, and as demonstrated by evidence satisfactory to the director of an agency designated by the mayor or the director's authorized representative.

**Converted.** Any conversion of a dwelling unit from a for-rental unit to or from a for-sale unit.

**Dwelling Unit.** Has the same meaning as defined in § 21-10.1.



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**Lost.** A dwelling unit that is no longer available as a for-rental or for-sale housing unit.

Rental or For-Rental. Have the same meaning as defined in § 29-1.2.

Sale or For-Sale. Have the same meaning as defined in § 29-1.2.

### § 1-\_\_.3 Policy Preference.

It is the policy of the city to ensure that every program or initiative that promotes or is intended to promote the provision of housing, and that was created, developed, implemented, administered, required, supervised, managed, or guided by the city must, to the greatest extent allowable under law, include a preference for city residents. This policy installs only a preference for city residents and does not exclude non-city residents from such programs or initiatives. This preference must be construed broadly to effect the intended purpose of installing the aforementioned preference."

SECTION 3. Chapter 32, Article 2, Revised Ordinances of Honolulu 2021 ("Permitted Uses, Development Standards, and Other Requirements"), is amended by adding a new section to be appropriately designated by the Revisor of Ordinances and to read as follows:

#### "§ 32-2.\_\_ Permitted Rates.

For affordable rental housing projects with an affordable housing agreement in place on or before January 1, 2025, the monthly rent for affordable housing units rented to households earning eighty percent of the AMI or lower, not participating in a government affordable housing tax credit or government rental assistance program shall not exceed the Section 8 Fair Market Rents, as determined by the U.S. Department of Housing and Urban Development and approved by the building official.

For affordable rental housing projects that do not have an affordable housing agreement in place on or before January 1, 2025, the monthly rent for affordable housing units rented to households earning eighty percent of the AMI or lower shall not exceed thirty percent of the maximum income of the target income group."

SECTION 4. Section 29-1.5, Revised Ordinances of Honolulu 2021, is amended to read as follows:

"§ 29-1.5 Affordability period.



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- (a) For-rental affordable dwelling units created in compliance with this chapter must be rented to households earning the percentage of the AMI specified in Table 29-1.4 or less, at prices affordable to such households, and must remain affordable for not less than 30 years after the date when the unit is initially rented to a qualified renter.
- (b) For-sale affordable dwelling units created in compliance with this chapter must be offered for sale to households earning the percentage of the AMI specified in Table 29-1.4 or less, at prices affordable to such households, and must remain affordable for not less than the period specified in Table 29-1.4, based on the applicable percentage of the total number of dwelling units in the principal project being provided as affordable dwelling units. For purposes of qualifying to purchase a for-sale affordable dwelling unit, buyers are not subject to any limitation based on the monthly housing payment to gross household income ratio."

SECTION 5. New material is underscored. When revising, compiling, or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the Revisor of Ordinances need not include the brackets, the material that has been bracketed and stricken, or the underscoring.



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SECTION 6. This ordinance takes effect upon its approval.

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DATE OF INTRODUCTION:	X =
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Honolulu, Hawaiʻi	Councilmembers
APPROVED AS TO FORM AND LEGA	LITY:
Deputy Corporation Counsel	
APPROVED thisday of	, 20
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RICK BLANGIARDI, Mayor City and County of Honolulu	
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## **Report Title:**

Housing; Resident Preference; Annual Report; Affordable Rental Housing Projects Rates; For-Sale Affordable Dwelling Units

#### **Description:**

Establishes a resident preference policy for City housing programs. Establish permitted rates for affordable rental housing projects. Clarify eligibility to purchase a for-sale affordable dwelling unit shall not be limited by any monthly housing payment to gross household income ratio.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.