SUMMARY OF PROPOSED COMMITTEE DRAFT:

BILL 29 (2025)
RELATING TO AFFORDABLE HOUSING.

The PROPOSED CD1 makes the following amendments:

A. In SECTION 2 of the bill, allows any exemptions granted pursuant to ROH Section 8-10.33 prior to the effective date of this ordinance to be extended by five years (from 10 years to 15 years).

B. Adds a new SECTION 3 of the bill, which amends SECTION 8 of Ordinance 18-1 to extend the repeal date for ROH Section 8-10.33 to June 1, 2030. Renumbers subsequent sections accordingly.

C. In the renumbered SECTION 5 of the bill, clarifies that:

   1. The amendments made in SECTION 2 of the bill do not affect the repeal date of Ordinance 18-1; and

   2. Exemptions granted pursuant to ROH Section 8-10.33 prior to its repeal will remain in effect throughout the regulated period.

D. Makes miscellaneous technical and nonsubstantive amendments.

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

ORDINANCE _____

BILL **29 (2025), CD1**
PROPOSED

A BILL FOR AN ORDINANCE

RELATING TO AFFORDABLE HOUSING.

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

SECTION 1. Purpose. The purpose of this ordinance is to amend provisions related to affordable housing.

SECTION 2. Section 8-10.33, Revised Ordinances of Honolulu 2021 ("Exemption—Qualifying affordable rental dwelling units or affordable rental housing units") is amended by amending subsection (a) to read as follows:

"(a) For the purposes of this section, the following definitions [~~shall~~] apply unless the context clearly indicates or requires a different meaning.

Affordable Housing Agreement. An affordable housing agreement as described in § 29-1.8, or a "regulatory agreement" as defined in § 8-10.17(a).

Declaration of Restrictive Covenants. Has the same meaning as defined in Chapter 32.

Exemption Period. The [~~ten-year~~] 15-year period 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 of the [~~ten-year~~] 15-year period. Any exemptions granted pursuant to § 8-10.33 prior to the effective date of this ordinance will be extended by five years.

Regulated Period. The period during which a project is subject to an affordable housing agreement."

SECTION 3. SECTION 8 of Ordinance 18-1 is amended to read as follows:

"SECTION 8. Effective Date; repeal.

(1) This ordinance takes effect upon its approval; provided that the provisions of the ROH sections in SECTIONS 2, 3, 4, 5, and 6 of this ordinance relating to application of those ROH sections to affordable dwelling units required pursuant to [~~Chapter __ by Bill 58 (2017),~~] ROH Chapter 29, said provisions being set forth below, take effect on [~~the effective date of Bill 58 (2017), either in its original or amended form:~~] April 3, 2018:

A BILL FOR AN ORDINANCE

SECTION 2 – New ROH Section [~~8-10._(b)(1);~~] 8-10.33(b)(1);
SECTION 3 – New ROH Section [~~8-10._(b)(1);~~] 8-10.34(b)(1);
SECTION 4 – New ROH Section [~~14-10._(a)(1);~~] 43-10.8(a)(1);
SECTION 5 – New ROH Section 18-6.5(g)(1); and
SECTION 6 – New ROH Section 22-7.3(j)(1).

(2) This ordinance will be repealed on June 30, 2027; provided that [~~the following will not be repealed~~]:

(a) The amendments made to ROH Sections 18-6.5(e) and (f) in SECTION 5 of this ordinance[~~; and~~] will not be repealed;

(b) The amendments made to ROH Sections 22-7.3(a) through (i) in SECTION 6 of this ordinance[~~.~~] will not be repealed; and

(c) The ROH Section added by SECTION 2 of this ordinance will be repealed on June 1, 2030.

Notwithstanding the foregoing, any real property tax exemptions granted pursuant to SECTION 2 of this ordinance prior to its repeal on [~~June 30, 2027,~~] June 1, 2030, will continue for the regulated period, subject to the provisions in ROH Section [~~8-10.__ in SECTION 2 of this ordinance~~] 8-10.33 relating to ongoing requirements and the consequences of failing to meet those requirements."

SECTION 4. Ordinance material to be repealed is bracketed and stricken. 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. In SECTION 2 of this ordinance, the Revisor of Ordinances shall, pursuant to the Revisor's authority under Section 1-16.3(b)(1), Revised Ordinances of Honolulu 2021, replace the phrase "the effective date of this ordinance" or similar phrase used in the codified language of this ordinance with the actual date on which the ordinance takes effect.

SECTION 5. This ordinance takes effect upon its approval, provided that:

(1) The amendments made in SECTION 2 of this ordinance do not affect the repeal date of Ordinance 18-1; and

A BILL FOR AN ORDINANCE

(2) Any real property tax exemptions granted pursuant to ROH Section 8-10.33 prior to its repeal will continue for the regulated period, subject to the provisions in ROH Section 8-10.33 related to ongoing requirements and the consequences of failing to meet those requirements.

INTRODUCED BY:

Matt Weyer

DATE OF INTRODUCTION:

March 13, 2025
Honolulu, Hawai'i

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____day of _____, 20 ___ .

RICK BLANGIARDI, Mayor
City and County of Honolulu

Report Title:
Real Property; Affordable Housing; Tax Exemption; Exemption Period; Revised Ordinances of Honolulu 2021 ("ROH")

Description:
Extends the real property tax exemption for qualifying affordable rental dwelling units or affordable rental housing units from 10 years to 15 years and allows exemptions granted prior to the effective date of this ordinance to be extended by five years. Extends the repeal date for ROH Section 8-10.33 to June 1, 2030.

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