'25JUL23 PM 4:22 CITY CLERK

DEPARTMENT OF HOUSING AND LAND MANAGEMENT
KA ʻOIHANA HOʻOLĀLĀ KŪKULU HALE A ME KA HOʻOKELE ʻĀINA
CITY AND COUNTY OF HONOLULU

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RICK BLANGIARDI
MAYOR
MEIA

KEVIN D. AUGER
DIRECTOR DESIGNATE
PO'O HO'OKOHO'IA

CATHERINE A. TASCHNER
DEPUTY DIRECTOR
HOPE PO'O

July 23, 2025

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

Dear Chair Waters and Councilmembers:

SUBJECT: Ordinance Relating to Multi-Family Rental Housing Program Fees

Attached is a bill for an ordinance (the "**Ordinance**") to establish fees for the City and County of Honolulu's Multi-Family Rental Housing Program (the "**Program**"), as prescribed in Section 20-27-4, Title 20, Chapter 27, City and County of Honolulu Administrative Rules (the "**Rules**"), entitled "Multi-Family Rental Housing Program".

The Program fees established through the Ordinance are consistent with the fees established by the Hawaiʻi Housing Finance and Development Corporation for the administration of similar programs, and collection of the proposed fees will support the continued administration of the Program, which is a critical City resource to support the development of affordable housing.

As of July 1, 2025, the Department of Housing and Land Management ("**DHLM**") assumed all of the powers, duties, and functions relating to the Program, including the administration of all associated contracts, obligations, liabilities, and restrictive covenants. See Resolution 25-86, FD1, Section 8. Accordingly, the Ordinance reflects DHLM as the responsible agency for administration of the Program.

DEPT. COM. 588

Attached is the proposed Ordinance for your review and appropriate action. If you need further information or have any questions, please contact me at (808) 768-4674.

Sincerely,

Kevin D. Auger
Director Designate

Attachment

APPROVED:

Michael D. Formby, Managing Director
Office of the Managing Director

A BILL FOR AN ORDINANCE

RELATING TO MULTI-FAMILY RENTAL HOUSING PROGRAM FEES.

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

SECTION 1. Purpose and intent. The purpose of this ordinance is to establish fees for the City and County of Honolulu's Multi-Family Rental Housing Program.

SECTION 2. Chapter 6, Article 35 of the Revised Ordinances of Honolulu 2021 is hereby adopted to read as follows:

§ 6-35.1 Definitions.

For the purposes of this article, the following definitions apply unless the context clearly indicates or requires a different meaning. All capitalized terms used herein but not otherwise defined shall have the meanings ascribed thereto in the Rules.

Director. The director of [~~community services~~] housing and land management.

Rules. Title 20, Chapter 27, City and County of Honolulu Administrative Rules, entitled "Multi-Family Rental Housing Program".

§ 6-35.2 Fees.

Any person or entity requesting funding under the Program shall pay the following fees:

(a) Application Fee:

(i) Non-refundable initial application fee of $5,000, payable at the time of application.

(ii) An additional non-refundable application fee of $5,000 must be paid for any request for extensions or major modifications to the application.

(b) Administration Fees:

(i) An administration and processing fee of 0.5% of the requested loan amount, with a minimum of $50,000 and am maximum of $100,000, payable at the time of the bond issuance.

(ii) An annual fee of 0.125% of the total allocation amount, due and payable in advance in annual installments, commencing upon bond issuance any payable on July 1st of each year through the term of the regulatory period.

(d) Compliance Fee. A compliance monitoring fee of $35 per unit per year for all project units excluding manager units, will be due and payable in advance, commencing upon the date of the issuance of the certificate of occupancy and payable on July 1st of each year through the term of the regulatory period.

§ 6-35.3 Effective Date.

The authority to charge the Program fees established herein shall have retroactive effect to be coterminous with the effective date of its enabling provision, Section 20-27-4 of the Rules.

SECTION 3. Ordinance material to be repealed is bracketed and stricken. New ordinance 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.

A BILL FOR AN ORDINANCE

SECTION 4. This ordinance takes effect upon its approval.

INTRODUCED BY:

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_____

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_____

DATE OF INTRODUCTION: _____

_____

_____ _____

Honolulu, Hawaii Councilmembers

APPROVED AS TO FORM AND LEGALITY:

_____

Deputy Corporation Counsel

APPROVED this _____day of _____, 20

_____

RICK BLANGIARDI, Mayor
City and County of Honolulu