SUMMARY OF PROPOSED COMMITTEE DRAFT:

Bill 55 (2025), CD1
RELATING TO MULTI-FAMILY RENTAL HOUSING PROGRAM FEES.

The PROPOSED CD2 makes the following amendments:

A. In SECTION 4 of the bill, amends references to "HRS Chapter 356D" to "HRS Chapter 201H."

B. In SECTION 5 of the bill, provides that fees collected must be deposited into a special account in the General Fund (rather than deposited into the proposed new Multi-Family Rental Housing Program account of the Housing Development Special Fund).

C. Deletes SECTION 6 and SECTION 7 of the bill, which would have established the proposed new Multi-Family Rental Housing Program account in the Housing Development Special Fund and established other related provisions.

Renumbers subsequent SECTIONS of the bill.

D. Makes miscellaneous technical and nonsubstantive amendments.

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

ORDINANCE _____

BILL **55 (2025), CD2**
PROPOSED

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

The City Council ("Council") finds that the shortage of affordable housing within the City and County of Honolulu ("City") is a longstanding and complex issue. In order to address the ongoing affordable housing shortage, the Council adopted Resolution 25-86, FD1, which approved the amendment of the Revised Charter of the City and County of Honolulu 1973 (Amended 2017 Edition), as amended ("Charter"). This Charter amendment created a new Department of Housing and Land Management and authorized the Director of Housing and Land Management to, among other things, manage and operate projects within the City's housing inventory, as well as administer programs for affordable housing.

The Council further finds that the City has restarted its Multi-Family Rental Housing Program ("Program") and has adopted rules for the administration of the Program. These rules, which took effect on February 4, 2022, allow the City to charge program fees that are established via ordinance. Thus, the City may now codify the fees for the Program within the appropriate section of the Revised Ordinances of Honolulu 2021.

SECTION 2. Section 6-34.1, Revised Ordinances of Honolulu 2021 ("Definitions"), is amended as follows:

1. By adding new definitions of "Multi-Family Rental Housing Program" and "Regulatory Period" to be appropriately inserted and to read as follows:

"***Multi-Family Rental Housing Program.*** The multi-family rental housing program authorized under HRS Chapter 201H and established by the city pursuant to § 6-34.6."

"***Regulatory Period.*** The term of the regulatory agreement as defined in the multi-family rental housing program rules."

2. By amending the definition of "Director" to read as follows:

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

SECTION 3. Section 6-34.6, Revised Ordinances of Honolulu 2021, is amended to read as follows:

"**§ 6-34.6 Establishment of the multi-family rental housing** [~~loan~~] **program.**

This section establishes a loan program for the construction of multi-family rental housing units by using tax exempt revenue bonds."

SECTION 4. Section 6-34.7, Revised Ordinances of Honolulu 2021, is amended to read as follows:

"**§ 6-34.7 Adoption of** [~~rules of~~] **multi-family rental housing** [~~loan~~] **program**[~~.~~] **rules.**

The director [~~of community services~~] is authorized and directed, under and pursuant to and upon compliance with HRS Chapters [~~356D,~~] 201H, 91, and 92, as amended, and the Charter, to adopt from time to time rules for the multi-family rental housing program [~~for the city~~]. The multi-family rental housing program rules must further the purposes of the multi-family rental housing program as set forth in HRS Chapter [~~356D,~~] 201H, as amended, and be consistent with the purposes of this section. The multi-family rental housing program rules will have the force and effect of law. The director shall file in the office of the city clerk no fewer than three copies of the multi-family rental housing program rules."

SECTION 5. Chapter 6, Article 34, Revised Ordinances of Honolulu 2021 ("Housing Loan and Mortgage Programs"), is amended by adding a new Section 6-34.8 to read as follows:

"**§ 6-34.8 Multi-family rental housing program fees.**

(a) *Fees due.* Any person who participates in the multi-family rental housing program shall pay the following fees, as applicable:

(1) *Application fees.*

(A) *Initial application fee.* A non-refundable fee of $5,000, payable at the time the application is submitted.

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(B) *Application extension or modification fee.* A non-refundable fee of $5,000 for any request for extension of or major modification to the application.

(2) *Administration fees.*

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

(B) *Annual fee.* An annual fee of up to 0.125 percent of the total allocation amount, due and payable in arrears in annual installments, commencing upon bond issuance and payable on July 1 of every year through the term of the regulatory period. The annual fee will automatically increase by 3 percent effective as of the beginning of the second year and annually thereafter through the term of the regulatory period.

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

(b) *Deposits*. The fees collected under this section must be deposited into a special account in the general fund, and may only be used for the administration and implementation of the multi-family rental housing program."

SECTION 6. 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.

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SECTION 7. This ordinance takes effect retroactive to February 4, 2022.

INTRODUCED BY:

Tommy Waters (br)

DATE OF INTRODUCTION:

July 30, 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:
Multi-Family Rental Housing Program; Fees; General Fund; Department of Housing and Land Management ("HLM")

Description:
Creates fees for the Multi-Family Rental Housing Program that must be deposited into a special account in the general fund. Specifies that the Director of Housing and Land Management, instead of the Director of Community Services, is authorized to adopt rules for the Multi-Family Rental Housing Program.

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