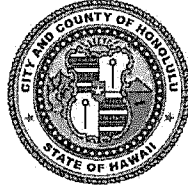


DEPARTMENT OF BUDGET AND FISCAL SERVICES  
**CITY AND COUNTY OF HONOLULU**  
530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813  
PHONE: (808) 768-3900 • FAX: (808) 768-3179 • INTERNET: www.honolulu.gov

'21JAN21 PM 4:21 CITY CLERK

RICK BLANGIARDI  
MAYOR



ANDREW T. KAWANO  
DIRECTOR DESIGNATE

KELLI J. NISHIMURA  
ACTING DEPUTY DIRECTOR

January 21, 2021

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

Dear Chair Waters and Councilmembers:

SUBJECT: Proposed Bill for an Ordinance – Amend Chapter 42  
Relating to Grants for the Construction Affordable Rental Housing Units

Submitted herewith for your consideration is a bill for an ordinance to amend Chapter 42 by adding a new article relating to grants for the construction affordable rental housing units.

The proposed amendments would allow the director of the Department of Budget and Fiscal Services to award incentive grants to qualifying affordable housing projects constructed under the provisions of Chapter 42. Incentive payments made to individual projects as well as the aggregate total of monies made available would be limited and the program would sunset on May 21, 2024.

Your favorable and expedient consideration of the attached proposed bill is appreciated.

If you have any questions, please call me at 768-3901.

Sincerely,

A handwritten signature in black ink, appearing to read "A. T. Kawano".

Digitally signed by  
Kawano, Andy  
Date: 2021.01.21 11:32:41  
-10'00'

Andrew T. Kawano, Director Designate  
Budget and Fiscal Services

Attachments

APPROVED:

A handwritten signature in black ink, appearing to read "Michael D. Formby".

Michael D. Formby  
Managing Director Designate

DEPT. COM. 42



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## A BILL FOR AN ORDINANCE

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RELATING TO GRANTS INCENTIVIZING THE CONSTRUCTION OF  
AFFORDABLE RENTAL HOUSING.

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 provide a grant to incentivize the construction of affordable rental housing. There are no zoning, planning, housing, building or other changes being made to Ordinances 19-8 or 20-13.

The Council finds that, since the adoption of Ordinances 19-8 and 20-13 which were passed to address a segment of the shortage of affordable rental housing in the City and County of Honolulu, the economic and social effects of the current COVID-19 pandemic have and continue to exacerbate that shortage. Owners and developers considering the development of affordable rental housing projects under Ordinances 19-8 and 20-13 are hesitant to move forward due to the economic uncertainties presented by the COVID-19 pandemic.

Accordingly, the Council finds that additional financial incentives are necessary to accelerate the construction of affordable rental housing in these uncertain times.

SECTION 2. CHAPTER 42 of the Revised Ordinances of Honolulu 1990 is amended by adding a new Article 4 to read as follows:

**“Article 4. Grants**

**Sec. 42-4.1 Administration.**

The director of budget and fiscal services, or the director's duly appointed representative shall administer this article.

**Sec. 42-4.2 Grants.**

- (a) A grant is established for the purpose of incentivizing the completion of construction of affordable rental housing units provided for in this chapter.
- (b) The amount of the incentive shall be \$11.25 per square foot of dwelling floor area contained in the building permit issued by the department of planning and permitting for the affordable rental housing project.

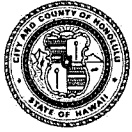


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## A BILL FOR AN ORDINANCE

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- (c) Grants authorized under this article shall not exceed \$9,000.00 per dwelling unit within an eligible project.
- (d) The aggregate of grant payments made under this article shall not exceed Ten Million Dollars (\$10,000,000.00).
- (e) All grants payable to the owner of an eligible affordable rental housing project shall only be authorized upon issuance of a certificate of occupancy for that project.
- (f) An intent to claim a grant under this article shall be submitted upon the filing of a building permit application.
- (g) The intent to claim shall be made to the director of planning and permitting on a form prescribed by the director of planning and permitting. The director of planning and permitting shall forward the intent to claim and estimated amount of the grant to the director of budget and fiscal services no later than thirty (30) days after receipt of the intent to claim.
- (h) A claim for the grant shall be made by the owner of an affordable rental housing project no earlier than the date of issuance of a certificate of occupancy for the affordable rental housing project and no later than one (1) year after the issuance of the certificate of occupancy provided that an initial intent for claim was submitted pursuant to subsection (f) of this section.
- (i) A claim for the grant shall be made to the director of planning and permitting on a form prescribed by the director of planning and permitting and must be supported by documentation establishing the number of square feet of dwelling space permitted by the building permit for the project and a copy of the certificate of occupancy for the project. The director of planning and permitting shall forward the amount determined to be paid as a grant to the director of budget and fiscal services no later than thirty (30) days after receipt of a claim and the director of budget and fiscal services shall pay the grant amount to the claimant no later than thirty (30) days after receipt of the information from the director of planning and permitting.
- (j) No claim for a grant payment shall be made for an affordable rental housing project with a certificate of occupancy issued after the repeal of this chapter.



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

ORDINANCE \_\_\_\_\_

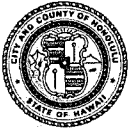
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**A BILL FOR AN ORDINANCE**

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- (k) The director of budget and fiscal services may waive the requirements of subsection (f) of this section for affordable rental housing projects containing one or more grant-eligible units for which a building permit application had been submitted, or a building permit was issued, prior to the effective date of this ordinance if the waiver is consistent with the purpose of this article and in the public interest."



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

ORDINANCE \_\_\_\_\_

BILL \_\_\_\_\_

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**A BILL FOR AN ORDINANCE**

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SECTION 3. Effective date; repeal. This ordinance takes effect upon its approval and will be repealed on the repeal date of Ordinance 19-8.

INTRODUCED BY:

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DATE OF INTRODUCTION:

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\_\_\_\_\_  
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