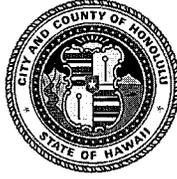


OFFICE OF THE MAYOR  
CITY AND COUNTY OF HONOLULU

530 SOUTH KING STREET, ROOM 300 \* HONOLULU, HAWAII 96813  
PHONE: (808) 768-4141 \* FAX: (808) 768-4242 \* INTERNET: [www.honolulu.gov](http://www.honolulu.gov)



KIRK CALDWELL  
MAYOR

ROY K. AMEMIYA, JR.  
MANAGING DIRECTOR  
  
GEORGETTE T. DEEMER  
DEPUTY MANAGING DIRECTOR

March 30, 2015

Mr. Glen Takahashi  
Acting City Clerk  
Office of the City Clerk  
530 South King Street  
Honolulu, Hawaii 96813

RECEIVED  
CITY CLERK  
& C OF HONOLULU  
2015 MAR 30 AM 8:59

Dear Mr. Takahashi:

SUBJECT: Approved Bills

The following bills are approved and returned herewith:

- Bill 1, CD1 Relating to real property tax relief for properties used for low-income rental housing.
- Bill 2, CD1 Relating to the other post-employment benefits reserve fund.

Sincerely,

A handwritten signature in black ink, appearing to read "Kirk Caldwell", is written over a horizontal line.

Kirk Caldwell  
Mayor



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A BILL FOR AN ORDINANCE

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RELATING TO REAL PROPERTY TAX RELIEF FOR PROPERTIES USED FOR LOW-INCOME RENTAL HOUSING.

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

SECTION 1. Purpose. The purpose of this ordinance is to provide real property tax relief for certain properties that are used as low-income rental housing.

SECTION 2. Chapter 8, Revised Ordinances of Honolulu 1990 ("Real Property Tax"), is amended by adding a new section to read as follows:

**"Sec. 8-7.6 Property dedicated for low-income rental housing.**

- (a) For the purposes of this section, "low-income rental housing" means housing rented at or below the rental rate limits established by the United States Department of Housing and Urban Development for households earning 80 percent of the city's area median income for the applicable household size, or less.
- (b) An owner of real property classified as Residential A used as low-income rental housing may make a five-year dedication of the property for low-income rental housing use and have the property classified as Residential provided that:
- (1) The property has an assessed valuation of less than \$1,300,000 at the time the owner files the petition;
  - (2) The property is exclusively used during the dedication period as a rental home or apartment unit with a lease period of at least one year; and
  - (3) The rental home or apartment unit is rented at a rate that meets the requirements of low-income rental housing as defined in subsection (a).
- (c) The owner of real property who wishes to dedicate such property for low-income rental housing shall petition the director and declare in such petition that if the petition is approved, the owner shall meet the applicable requirements of subsection (b) pertaining to the property.



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A BILL FOR AN ORDINANCE

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- (d) Any owner desiring to dedicate the owner's property for low-income rental housing shall petition the director, describing the property to be dedicated, providing evidence that the property is currently used exclusively for affordable rental housing, and certifying that such use will continue in the dedicated tax years.
- (e) The director shall prescribe the form of the petition. The petition for the following tax year shall be filed with the director by September 1<sup>st</sup> of any calendar year and shall be approved or disapproved by October 31<sup>st</sup> of that calendar year. If the petition is approved, the assessment based upon the use requested in the dedication shall be effective on October 1<sup>st</sup> of the same calendar year and apply to the following tax year.
- (f) The director shall make a finding whether the property is and will be maintained and used for the sole purpose of providing low-income rental housing. That finding shall be based on the rental agreement or agreements and such other evidence required of and provided by the owner as the director may deem pertinent.
- (g) The approval of the petition by the director shall constitute a forfeiture on the part of the owner of any right to change the use of the owner's real property for low-income rental housing for the dedication period. The dedication period may be renewed in the same manner as the initial petition.
- (h) The owner may appeal any disapproved petition as in the case of an appeal from an assessment.
- (i) (1) Failure of the owner to observe the restrictions on the use of such person's real property will cancel the exemption retroactive to the date of the initial dedication, and all differences between the amount of taxes that were paid and the amount that would have been due from assessment without the dedication will be payable with a 10 percent per year penalty from the respective dates that these payments would have been due. Failure to observe the restrictions on the use means any failure of 45 consecutive days or more during the tax year of the exemption to use the real property in the manner certified in the petition or the overt act of changing the use for any period. Nothing in this subsection precludes the city from pursuing any other remedy to enforce the covenant on the use of the real property.



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A BILL FOR AN ORDINANCE

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- (2) The additional taxes and penalties, due and owing as a result of failure to use or any other breach of the dedication shall be a paramount lien upon the property as provided for by this chapter.
- (i) Prior to September 1st in each of the five years of the dedication, the owner shall submit to the director a copy of the rental agreement to be in force in the upcoming tax year.
- (k) The director shall make and adopt necessary rules and regulations to administer this section."

SECTION 3. 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 underscoring.



A BILL FOR AN ORDINANCE

SECTION 4. This ordinance takes effect upon its approval and applies to the tax years beginning July 1, 2016 and thereafter.

INTRODUCED BY:

Ann Kobayashi

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DATE OF INTRODUCTION:

January 22, 2015  
Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Susan A. Bender  
Deputy Corporation Counsel Susan A. Bender

APPROVED this 30th day of March, 2015.

Kirk Caldwell  
KIRK CALDWELL, Mayor  
City and County of Honolulu

CITY COUNCIL  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII  
CERTIFICATE

ORDINANCE

BILL 1 (2015), CD1

Introduced: 01/22/15

By: ANN KOBAYASHI

Committee: BUDGET

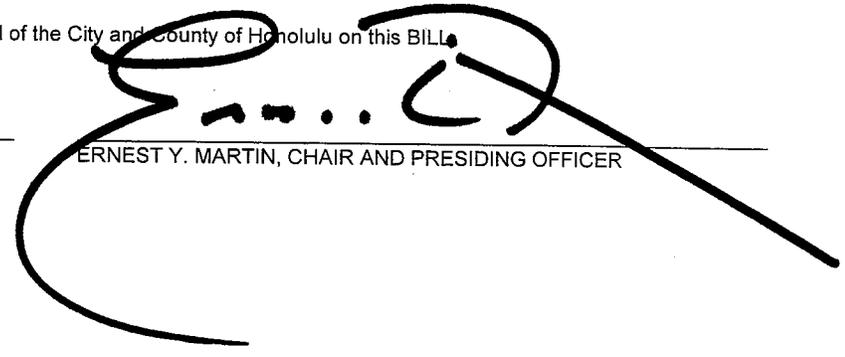
Title: A BILL FOR AN ORDINANCE RELATING TO REAL PROPERTY TAX RELIEF FOR PROPERTIES USED FOR LOW-INCOME RENTAL HOUSING.

Voting Legend: \* = Aye w/Reservations

01/28/15	COUNCIL	BILL PASSED FIRST READING AND REFERRED TO COMMITTEE ON BUDGET. 8 AYES: ELEFANTE*, FUKUNAGA, KOBAYASHI, MANAHAN, MARTIN, MENOR, OZAWA, PINE. 1 ABSENT: ANDERSON
02/07/15	PUBLISH	PUBLIC HEARING NOTICE PUBLISHED IN THE HONOLULU STAR-ADVERTISER.
02/11/15	BUDGET	CR-44 – BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON SECOND READING AND SCHEDULING OF A PUBLIC HEARING.
02/18/15	COUNCIL/PUBLIC HEARING	CR-44 ADOPTED. BILL PASSED SECOND READING, PUBLIC HEARING CLOSED AND REFERRED TO COMMITTEE ON BUDGET. 8 AYES: ANDERSON, FUKUNAGA, KOBAYASHI, MANAHAN, MARTIN, MENOR, OZAWA, PINE. 1 NO: ELEFANTE.
02/25/15	PUBLISH	SECOND READING NOTICE PUBLISHED IN THE HONOLULU STAR-ADVERTISER.
03/04/15	BUDGET	CR-75 – BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON THIRD READING AS AMENDED IN CD1 FORM.
03/11/15	COUNCIL	CR-75 ADOPTED AND BILL 1 (2015), CD1 PASSED THIRD READING. 7 AYES: ANDERSON, FUKUNAGA, KOBAYASHI, MANAHAN, MARTIN, MENOR, OZAWA. 1 NO: ELEFANTE. 1 ABSENT: PINE.

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this BILL.

  
GLEN TAKAHASHI, ACTING CITY CLERK

  
ERNEST Y. MARTIN, CHAIR AND PRESIDING OFFICER



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**A BILL FOR AN ORDINANCE**

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RELATING TO ARTICLE 64 OF CHAPTER 6, REVISED ORDINANCES OF HONOLULU 1990, RELATING TO THE OTHER POST-EMPLOYMENT BENEFITS RESERVE FUND.

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

SECTION 1. Purpose. The purpose of this ordinance is to repeal Article 64 of Chapter 6, Revised Ordinances of Honolulu 1990, relating to the Other Post-Employment Benefits Reserve Fund ("Reserve Fund").

SECTION 2. Findings and Determinations. The Reserve Fund was established to accumulate, invest, appropriate, and manage funds to meet the costs of providing health care, life insurance and other post-employment benefits, other than pension obligations, to retirees and their dependents.

The City is now required to pay its Other Post-Employment Benefits contributions into the State Employer-Union Health Benefits Trust Fund OPEB trust fund.

Presently, there is no money in the Reserve Fund and there is no intention to use the Reserve Fund in the future.

As the Reserve Fund is no longer needed, the City now seeks to repeal Article 64 of Chapter 6, Revised Ordinances of Honolulu 1990, relating to the Other Post-Employment Benefits Reserve Fund.

SECTION 3. Article 64 of Chapter 6, Revised Ordinances of Honolulu 1990 ("Other Post-Employment Benefits Reserve Fund"), is repealed.



A BILL FOR AN ORDINANCE

SECTION 4. This ordinance takes effect upon its approval.

INTRODUCED BY:

Ernest Martin (BR)

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DATE OF INTRODUCTION:

January 22, 2015  
Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Amy R. Kondo  
Deputy Corporation Counsel **AMY R. KONDO**

APPROVED this 30<sup>th</sup> day of March, 2015.

Kirk Caldwell  
KIRK CALDWELL, Mayor  
City and County of Honolulu

CITY COUNCIL  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII  
CERTIFICATE

ORDINANCE

BILL 2 (2015), CD1

Introduced: 01/22/15

By: ERNEST MARTIN (BR)

Committee: BUDGET

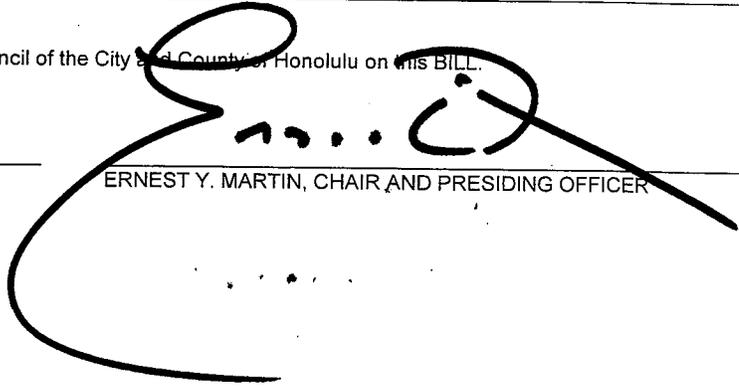
Title: A BILL FOR AN ORDINANCE RELATING TO ARTICLE 64 OF CHAPTER 6, REVISED ORDINANCES OF HONOLULU 1990, RELATING TO THE OTHER POST-EMPLOYMENT BENEFITS RESERVE FUND.

Voting Legend: \* = Aye w/Reservations

01/28/15	COUNCIL	BILL PASSED FIRST READING AND REFERRED TO COMMITTEE ON BUDGET. 8 AYES: ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MARTIN, MENOR, OZAWA, PINE. 1 ABSENT: ANDERSON
02/07/15	PUBLISH	PUBLIC HEARING NOTICE PUBLISHED IN THE HONOLULU STAR-ADVERTISER.
02/11/15	BUDGET	CR-45 – BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON SECOND READING AND SCHEDULING OF A PUBLIC HEARING AS AMENDED IN CD1 FORM.
02/18/15	COUNCIL/PUBLIC HEARING	CR-45 ADOPTED. BILL PASSED SECOND READING AS AMENDED, PUBLIC HEARING CLOSED AND REFERRED TO COMMITTEE ON BUDGET. 9 AYES: ANDERSON, ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MARTIN, MENOR, OZAWA, PINE.
02/25/15	PUBLISH	SECOND READING NOTICE PUBLISHED IN THE HONOLULU STAR-ADVERTISER.
03/04/15	BUDGET	CR-76 – BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON THIRD READING.
03/11/15	COUNCIL	CR-76 ADOPTED AND BILL 2 (2015), CD1 PASSED THIRD READING. 8 AYES: ANDERSON, ELEFANTE, FUKUNAGA, KOBAYASHI, MANAHAN, MARTIN, MENOR, OZAWA. 1 ABSENT: PINE

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this BILL.

  
GLEN TAKAHASHI, ACTING CITY CLERK

  
ERNEST Y. MARTIN, CHAIR AND PRESIDING OFFICER