



A BILL FOR AN ORDINANCE

RELATING TO THE HOUSING DEVELOPMENT SPECIAL FUND.

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

SECTION 1. The purpose of this ordinance is to specify that moneys received to satisfy affordable housing requirements must be deposited in the housing development special fund.

SECTION 2. Section 6-46.1, Revised Ordinances of Honolulu 1990, is amended to read as follows:

"Sec. 6-46.1 Creation.

There is created and established a special fund to be known as the "housing development special fund." There is established in the special fund a separate account to be designated as the "housing development account[.]" and a separate account to be designated as the "public housing development account."

SECTION 3. Section 6-46.2, Revised Ordinances of Honolulu 1990, is amended to read as follows:

"Sec. 6-46.2 Purpose.

Moneys in the housing development special fund shall be used for the development of housing for sale or for rental in the City and County of Honolulu.

[There shall be established in the aforesaid special fund a separate account to be designated the "housing development account]."

SECTION 4. Section 6-46.3, Revised Ordinances of Honolulu 1990 is amended to read as follows:

"Sec. 6-46.3 Receipts and expenditures.

- (a) The proceeds of general obligation bonds and bond anticipation notes authorized and issued for the purpose of developing housing for sale or for rental in the City and County of Honolulu, including, without limitation, paying the cost of construction of housing for sale or for rental in the [City and County of Honolulu] city and the acquisition of land therefor, [shall] must be deposited in the housing development special fund and credited to the housing development account



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therein. Moneys on credit to the housing development account [shall] must be expended solely for the purpose of developing housing for sale or for rental in the [City and County of Honolulu,] city including all expenses incurred in connection with and related to the issuance of general obligation bonds or bond anticipation notes issued for such purpose; provided, that the proceeds of general obligation bonds and bond anticipation notes [shall] must be applied solely to the particular project or projects for which such bonds and notes are authorized.

- (b) Moneys from the sale or rental of housing developed from moneys on deposit in the housing development special fund and credited to the housing development account therein, including housing developed from the proceeds of general obligation bonds and bond anticipation notes of the [City and County of Honolulu] city authorized and issued for such purpose, [shall] must be deposited in the housing development special fund as and when received.
- (c) Moneys in the housing development special fund, other than moneys on credit to the housing development account therein, may be expended in such amounts as appropriated in the annual executive operating and capital budget ordinances and amendments thereto for the following purposes:
 - (1) For rebate to the United States of America to the extent and as required by federal law;
 - (2) For additional credits to the housing development account for the development of additional housing for sale or for rental in the [City and County of Honolulu,] city;
 - (3) For the retirement of general obligation bonds or bond anticipation notes issued for the purpose of, and the proceeds of which have been applied to, the development of housing for sale or for rental in the [City and County of Honolulu,] city;
 - (4) For transfers to the general fund of the [City and County of Honolulu] city as reimbursement of the principal of and interest on general obligation bonds or bond anticipation notes issued for, and the proceeds of which have been applied to, the development of housing for sale or rental in the [City and County of Honolulu,] city; and
 - (5) For payment of all expenses incurred in connection with and related to the issuance of general obligation bonds or bond anticipation notes issued for



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the development of housing for sale or rental in the [City and County of Honolulu.] city.

- (d) Pending the expenditure of moneys on deposit [on] in the housing development special fund or on credit to the housing development account therein, the director of budget and fiscal services shall, to the extent reasonable and practicable, invest and reinvest such moneys in accordance with law. Income from or earnings on the investment and reinvestment of such moneys [shall] must be deposited in the housing development special fund and [shall] must be expended as are all other moneys on deposit therein.
- (e) In lieu fees or any other moneys received to satisfy city affordable housing requirements must be deposited in the housing development special fund and must be credited to the public housing development account. Moneys on credit in the public housing development account must be expended to increase the stock of affordable public rental housing in the city by city or state agencies or by private persons under the sponsorship of or in partnership with city or state agencies.
- [(e)] (f) [Land] Except for land acquired using moneys from the public housing development account, land acquired using moneys from the fund may be exchanged with another government entity for other land of equivalent value if the land disposed of by exchange is used for the development of housing for sale or rental in the City and County of Honolulu, provided first that such exchange [shall] must be approved by council resolution, and second, that if the land acquired by the city through such exchange is subsequently leased or sold by the city, the proceeds of the lease or sale [shall] must be deposited in the fund to the credit of the housing development account. Land acquired by such exchange need not be used for the development of housing."

SECTION 5. Ordinance material to be repealed is bracketed; 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 bracketed material, or the underscoring.



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ORDINANCE _____
BILL 58 (2016)

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SECTION 6. This ordinance shall take effect upon its approval.

INTRODUCED BY:

Ami Koyama
Carol Fukumasa

DATE OF INTRODUCTION:

SEP 23 2016

Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20 _____.

KIRK CALDWELL, Mayor
City and County of Honolulu