



A BILL FOR AN ORDINANCE

A BILL FOR AN ORDINANCE TO AMEND CHAPTER 6, REVISED ORDINANCES OF HONOLULU 1990, AS AMENDED, RELATING TO THE RENT-TO-OWN CONVERSION FUND.

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

SECTION 1. The purpose of this ordinance is to create a fund to serve as a depository from which low or zero interest loans will be made to qualified low and moderate income individuals and families to purchase residential properties which are or had been owned by the city.

SECTION 2. Chapter 6, Revised Ordinances of Honolulu 1990, is amended by adding a new article to be appropriately designated by the revisor of ordinances and to read as follows:

"Article. Rent-to-Own Conversion Fund

Section 3- .1 Creation.

There is hereby created and established a fund to be known as the "rent-to-own conversion fund."

Section 3- .2 Purpose.

The purpose of the rent-to-own conversion fund is to serve as a depository from which low or zero interest loans will be made to qualified low and moderate income individuals and families to purchase the residential units which are or had been owned and designated for sale by the city.

Section 3- .3 Definitions.

As used in this article, unless the context clearly requires otherwise:

"Department" means the department of community services.

"Designated housing projects" means those housing projects designated by the council.

Rent-to-own.R05



A BILL FOR AN ORDINANCE

“Director” means the director of community services.

“Rent-to-Own Conversion Fund means a housing loan fund authorized under HRS Section 46-15.2, established by the city.

Section 3- .4 Deposit.

There shall be deposited into the rent-to-own conversion fund:

- (1) Federal Community Development Block Grant or HOME Investment Partnerships Funds appropriated for the purpose stated in Section 3- .2.
- (2) All monies received from the sale of designated housing projects proportionately attributable to the federal funds that were used to assist the housing project.
- (3) Funds from repayment of loans originating from the rent-to-own conversion fund.

Section 3- .5 Expenditure.

All expenditures from this fund, which shall operate as a revolving fund, shall be for the purposes stated in Section 3- 2. All monies in this fund are hereby appropriated when expended for the purpose stated in Section 3- 2, or, when deemed to be in excess, upon transfer to the Community Development Fund or the Federal Grants Fund by the director of budget and fiscal services.

Section 3- .6 Restrictions.

The use of this fund is restricted to providing available loan funds to qualified low and moderate income individuals and families for the purpose of purchasing the residential units, which are or had been owned and designated for sale by the city. For purposes of this article, low and moderate income individuals and families are those individuals and families whose total incomes are equal to or less than eighty percent of the median income in the City and County of Honolulu for individuals or for families of the same size, as determined by the U.S. Department of Housing and Urban Development and subject to further qualification requirements as may be prescribed in rules promulgated by the department in accordance with HRS Chapter 91. Loans



A BILL FOR AN ORDINANCE

provided by this fund shall comply with all Community Development Block Grant and HOME Investment Partnerships program regulations.

Section 3- .7 Administration

The director of community services shall be responsible for the administration of the rent-to-own conversion fund under such procedures as may be prescribed by the director of budget and fiscal services. In accordance with HRS Chapter 91, the department of community services shall adopt rules for the implementation and administration of this fund, including but not limited to, establishing policies for loans, allotment of funds available for loans, borrower qualifications, repayment schedules, and standards for accepting collateral and security. The department may adopt rules relating to costs that may be allowed in a loan. The department shall submit a quarterly report to the city council to provide information on all receipts and disbursements from the fund."

SECTION 3. Severability.

If any provision of this ordinance, or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this ordinance that can be given effect without the invalid provision or application, and to this end, the provisions of this ordinance are severable.



A BILL FOR AN ORDINANCE

SECTION 4. This ordinance shall take effect upon its approval.

INTRODUCED BY:

Brian Marshall BK

Councilmembers

DATE OF INTRODUCTION:

MAR 02 2004

Honolulu, Hawaii

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of

_____, 2004.

JEREMY HARRIS, Mayor
City and County of Honolulu

FILED
MAR 02 2004
PURSUANT TO ROH Sec. 1-2.4

CITY COUNCIL
 CITY AND COUNTY OF HONOLULU
 HONOLULU, HAWAII
 CERTIFICATE

FILED
 MAR 02 2006

IN PURSUANT TO ROH Sec. 1-24

ORDINANCE

BILL 17 (2004)

Introduced: 3/2/04 By: BARBARA MARSHALL (BY REQUEST) Committee: BUDGET

Title: A BILL FOR AN ORDINANCE TO AMEND CHAPTER 6, REVISED ORDINANCES OF HONOLULU 1990, AS AMENDED, RELATING TO THE RENT-TO-OWN CONVERSION FUND.

Links: [Bill 17 \(2004\)](#)
[MM-9](#)
[Related Communications](#)

Council	3/24/04	Passed first reading and referred to Committee on Budget.
		Cachola Y Dela Cruz Y Djou Y Gabbard Y Garcia ... Y Kobayashi.... Y Marshall N Okino N Tam Y
Publish	3/27/04	Public hearing notice published in the Honolulu Star-Bulletin
Budget	4/15/04	Deferred in Budget Committee.

Cachola	Dela Cruz	Djou	Gabbard	Garcia ...
Kobayashi....	Marshall	Okino	Tam	

Cachola	Dela Cruz	Djou	Gabbard	Garcia ...
Kobayashi....	Marshall	Okino	Tam	

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.

 DENISE C. DE COSTA, CITY CLERK

 DONOVAN M. DELA CRUZ, CHAIR AND PRESIDING OFFICER