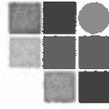


Bill 7
Additional Testimony



Ann H. Kobayashi
Interim Chair
City Council
City and County of Honolulu
530 South King Street
Honolulu, HI 96813

5 March 2019

Re: Bill 7 (2019) Relating to Affordable Rental Housing

Dear Chair Kobayashi and Members of the City Council:

Thank you for the opportunity to address the Council on this important bill. My name is Ikaika Hussey. I am the chairperson of Iliili, a new cooperative association focused on creating affordable low-carbon housing and transportation, restoring healthy food systems, developing a capable and resilient citizenry, and strengthening the urban core.

I am writing in support of Bill 7 as amended with the M&M submittal by the Planning Commission. This legislation will ease the way for traditional and non-traditional developers such as Iliili to build affordable rental units on lands already zoned for multi-family dwellings.

This bill focuses on low to mid-rise, walk-up buildings that can be built economically on small lots (sub 20,000 sq. feet). The Department of Planning and Permitting estimates that



iliili / iliili.org

Iliili is a multi-stakeholder community cooperative working to strengthen our island economy. Our work is focused on creating affordable low-carbon housing and transportation, restoring healthy food systems, developing a capable and resilient citizenry, and strengthening the urban core. Our members are the small pebbles –'ili'ili – which come together to form the foundation of our new island economy.

these proposed changes would allow 14,000 to 21,000 additional units to be built in Apartment-zoned lands. This estimate does not include AMX, B, or BMX lands, so the possible number may in fact be quite higher. This takes us some distance towards the goal of 60,000 new units by the year 2025, all without a government subsidy.

Honorable Councillors, you are in a position to address several of our island's key problems via this legislation: higher quantities of affordable housing will be made available, which helps to cure market demand; urban in-fill will be accomplished, leading to smarter, denser neighborhoods; and we will see demonstrable improvements in public health and wellness through a more walkable, low-carbon urban landscape which residents of all ages and abilities will be able to utilize. Thank you to the authors of the legislation for their leadership on these issues and to the commissioners for considering it for passage.

Me ke aloha pumehana iā kākou a pau,

Ikaika Hussey
1703 Kuikele Street
Honolulu, Hawaii 96819
808-221-2843



 / ilili.org

Ilili is a multi-stakeholder community cooperative working to strengthen our island economy. Our work is focused on creating affordable low-carbon housing and transportation, restoring healthy food systems, developing a capable and resilient citizenry, and strengthening the urban core. Our members are the small pebbles –'ili'ili – which come together to form the foundation of our new island economy.

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March 7, 2019

via internet @ <http://www.honolulu.gov/ccl-testimony-form.html>

Ann H. Kobayashi
Interim Chair
City Council
City and County of Honolulu
530 South King Street
Honolulu, HI 96813

Re: Bill 7 (2019) Relating to Affordable Rental Housing

Chair Kobayashi and Members of the City Council,

My name is Mel Kaneshige. I am a retired Honolulu resident who is concerned about Hawaii's housing crisis.

We have a housing crisis in Hawaii. The State estimates that we will have a shortage of 65,000+ units by 2025 and that a third of that (22,500 units) will be a shortage of affordable rental units. What I am saying is not new to any of us.

This affects all of us. We have kids who move to the mainland and never come back because they can't afford to live here. The lack of affordable housing is a big factor in homelessness as well.

The situation is not getting better. We can't keep doing the "same old, same old" and hope that it works. That is the definition of insanity.

We need new ideas and bold action now, not tomorrow - NOW. We don't need any more studies to tell us we are in trouble. Any fool can see that. We need to change the way we have been doing things to make it better. NOW.

This bill is taking a different approach from past attempts to alleviate the housing crisis. It's not relying on public action. It's looking to the private sector to produce affordable rental units on land that is underutilized and is now available for redevelopment. The bill is relaxing certain requirements to make it easier to

Ann H. Kobayashi, Interim Chair
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develop affordable rentals and provides the same incentives that the City provided to developers of for-sale condos in Bill 59. The idea is to relax the requirements, provide incentives, get out of the way, and see what happens.

The key to the bill is to keep the construction costs down to \$225 per square foot. If this happens, then our analysis shows that rents can be at \$1,350 for a one-bedroom unit and \$1,600 for a two-bedroom unit. These rents are lower than what is being quoted at newer affordable housing projects like 801 South Street and Keauhou Lane. If any more burdens or requirements are imposed, then costs go up, and feasibility goes down, as does the likelihood of anything getting built. This is the driving factor behind our recommended changes to the DPP draft. We are trying to keep the costs down so that the probability of these units being built goes up. It's not rocket science. The more requirements you impose, the harder you make it for an owner to build new affordable units.

The bill doesn't impose burdensome paperwork and impose unnecessary requirements. It aims to let the market decide where these units are going to be built and how much to charge for them. The one requirement is that the units be rented to tenants with 100% AMI or less. Given the financial capability of these tenants, the neighborhoods where these units will be located, the limited sizes and amenities of the units, market forces will keep the rents affordable. There is no need to impose rent caps and the onerous paperwork that goes along with it. That would only impose more "humbug" and prevent owners from participating in this program.

The bill is a pilot program for 5 years so the City can assess whether this is a worthwhile approach or not within a short period of time. If it's working, keep it going. If it needs tweaking, then tweak it. If it doesn't work, then scrap it. Remember that 5 years is not a long time given the time it takes to draw up plans, get financing, get a building permit, demolish the existing improvements and build. We're in a crisis. This approach is worth a shot.

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The first step on the housing ladder is rentals. Young people starting out rent first before buying a place. We don't have enough affordable rentals because rentals are the hardest product to build and make money at. Fee simple condo sales are easier to make money at.

So, where are the rentals that many of us started out in? I am 70 years old and the first place I lived in in my 20s was a 1BR rental apartment in Makiki that I paid \$140 per month for. It was in a small 2 story walkup surrounded by many other 2 and 3 story walkups. It's still there.

Why aren't these being built anymore? Simple - the zoning and building codes changed. You can't build these anymore. The density was reduced, the setbacks were increased, and many other restrictions were put on them. Many of the restrictions were part of a "one size fits all" code that treated small buildings the same as tall high-rises, thereby discouraging the smaller ones from being built.

So, the idea for the bill before you today is to make it easier to build these affordable rental units by relaxing some of the zoning and building codes that discouraged their development. This bill would tailor the zoning and building code requirements to smaller buildings and still meet all fire, life safety standards. This would get away from the "one size fits all" mentality that led us to the crisis that we're in now. This bill is aimed ONLY at affordable rentals. It does not apply to for-sale apartments. All units built under this bill must be rented to families in the 100% Area Median Income or less category. Keep that in mind as you consider this bill.

What's the upside of this bill? It's BIG. DPP estimates that in the Apartment district alone, an additional 14,000 to 21,000 units could be built. These are ADDITIONAL units, and this is in the Apartment district alone. DPP did not do an estimate for the Apartment Mixed Use, Business, Business Mixed Use or school districts which will only add thousands more potential new units.

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We are including Business zoned lands because of the changing nature of retail. Just last month, Payless Shoes announced it was closing 2,100 stores nationwide, including 8 in Hawaii. This follows many other retail store closings like Sears, K-Mart and Toys-R-Us. In fact, in 2018, 145 million square feet of retail space closed nationwide. That's 22 times the size of the giant Pentagon. E commerce is the main culprit and it's getting bigger, not smaller, so retailers will continue to close. This bill presents an opportunity for owners of Business zoned land to use their properties for a productive purpose – affordable rentals. Isn't this better than just letting property sit idle and hoping for a retail tenant? We are in a crisis and should look to be innovative in finding and using all available property for affordable housing.

This is just like the recent announcement that the 1132 Bishop office building downtown will be converted from 100% office use to 100% affordable rental housing. That building is located in a Business Mixed Use district but what's the real difference between the Business and Business Mixed Use districts? Not much when you really look at it so why not let affordable rentals be built in Business districts?

Of special interest is including DOE lands. The State DOE is interested in using this bill to develop teacher housing on its excess school lands as a means of helping to recruit new teachers and retain existing teachers. The DOE submitted testimony before the City Planning Commission in support of our version of the bill which includes DOE lands. DOE states, and I quote,

“From year to year, the DOE is plagued with both teacher recruitment and, even more critical, teacher retention issues. The number one issue that always comes to the forefront is affordable housing. This bill would provide an avenue for the development of affordable housing that our teachers could utilize.” [Emphasis added]

Anecdotally, we have heard that a typical situation involves dilapidated properties being held by third generation owners whose grandparents built multi-family

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buildings in the 1950s and 1960s. These buildings were handed down to their children and then to their grandchildren. Today, there may be more than 10 grandchildren, and they are stuck because they can't rebuild what they have – the zoning and building codes have changed and don't allow it – and a redevelopment with a smaller building doesn't make sense financially. This bill offers a way out for these families and a way to help with our horrendous housing crisis.

This bill will also help with reducing the “monster home” problem we're facing in residential areas. Those “monster homes” are being built because there is such a high demand for housing. The problem is that they're being built in single family zoned lands. This bill is limited to multi-family zoned lands only – where multi-family buildings should be built.

While some regulations are being relaxed in response to our housing crisis, all critical requirements are being met. All fire, life safety requirements are being met. All federal requirements such as Americans with Disabilities Act (ADA) and Fair Housing Act requirements are being met. Indeed, this bill cannot change any federal requirements since the City has no power to do that.

We have proposed changes to the City's bill and have provided an alternative version to the Planning Commission which the Planning Commission has recommended. We have also provided a comparison chart showing the major differences between our draft and the City's draft. Lastly, we have provided a highlighted version showing the differences in our draft highlighted in yellow for easy reference. We are happy to go over each and every difference if you wish.

Thank you for this opportunity to testify. I am happy to answer any questions.

A handwritten signature in black ink, appearing to read 'Mel Kaneshige', with a stylized flourish at the end.

Mel Kaneshige

COMPARISON CHART – DPP VERSION V. PROPOSED AMENDED VERSION

Provision	DPP Version	Amended Version	Comment
Lease term for tenants	Lease of no less than 6 months with no subleasing. [Sec. 1.10(c)]	Lease can be less than 6 months if rented to Hawaii resident. [Sec. 1.40(c)]	More flexibility for Hawaii residents who may find alternative housing. This prevents Airbnb situation.
Owner Certification re Use as Affordable Rental Housing	Requires expansive, recorded Declaration of Restrictive Covenants. [Sec. 1.10]	Requires annual certification that owner is renting to 100% AMI tenants [Sec. 1.40(d)]	Recorded Declaration of Restrictive Covenants is overkill regulation. Requiring DRC will intimidate and discourage owners from redeveloping. Will be seen as too much paperwork. Simple declaration with penalties for violations is all that is required.
Permitted Use in only in certain Zoning Districts	Permitted in Apartment, Apartment Mixed Use, Business Mixed Use districts. Not permitted in TOD zones. [Sec. 2.20]	Also include Business districts as well as in all other zoning districts in which public elementary, intermediate and high schools are permitted. [Sec. 2.10]	-Retail is changing quickly. Many storefronts are vacant. Use otherwise vacant buildings and lots for badly needed rental housing. -Public schools have a problem retaining teachers because of the high cost of housing. Use otherwise unused school lands to build affordable rental housing for teachers and others. State DOE in support of this initiative.
Conflicts	DPP bill contains no clear language that the provisions of the Affordable Rental Housing bill supersede all conflicting provisions in the LUO and the Building Code.	These development standards and off-street parking and loading requirements shall supersede any conflicting requirements established by the land use ordinance,	This Bill is a response to an emergency situation – we need to build more affordable rental housing in Honolulu. As such, its provisions should override all conflicting requirements in the

COMPARISON CHART – DPP VERSION V. PROPOSED AMENDED VERSION

			including without limitation, those applicable to special districts. All other applicable development standards and off-street parking and loading standards established by the land use ordinance not in conflict with the foregoing will continue to apply. [Sec. 2.10]	LUO and Building Code to jump start development. This language is necessary to make it clear that the provisions of this Bill supersede all conflicting provisions.
Minimum Front Yard	10 feet with 5-foot encroachments for one loading space and fire exit stairs and corridors allowed. [Sec. 2.30]		Different treatment for TOD zones as suggested by TOD staff of DPP. No limit on extent of encroachment for loading spaces or fire exit stairs or corridors. [Sec. 2.20]	Every lot is different. Design flexibility required for loading as well as fire exit stairs and corridors to keep the construction costs down.
Minimum Side and Rear Yards	5 feet. [Sec. 2.30]		5 feet with encroachments allowed for fire exit stairs and corridors. [Sec. 2.20]	Every lot is different. Design flexibility required for loading as well as fire exit stairs and corridors to keep the construction costs down.
Off-street Loading	Minimum of 1 space for garbage pickup and garbage bin storage. [Sec. 2.30]		No required off-street loading but any provided loading and garbage storage must be accommodated on site. [Sec. 2.20]	Let owner decide where any loading and garbage storage, if any, will be located.
Maximum Number of Dwelling Units	None.		Divide maximum floor area by 800 to get maximum number. [Sec. 2.30]. 5,000 sf lot would allow maximum of 25 units. 20,000 sf lot would allow maximum of 100 units.	Impose maximum number of units to limit density of units on a lot and to encourage variety of units (e.g., studios, 1 BR, 2BR etc.)
Maximum Sizes of Dwellings	None.		Limit maximum size of units from	Impose maximum size of units to

COMPARISON CHART – DPP VERSION V. PROPOSED AMENDED VERSION

			500 sf for a studio to 1,350 sf for a 4BR unit.	incentivize affordability (i.e., smaller units translate to lesser rents). The maximum sizes for units disqualify occupancy by wealthy retirees, who desire larger unit sizes and additional amenities.
Condominium Property Regime	Prohibited. [Sec. 1.20]		Prohibited only in TOD Zones. [Sec. 2.90]	CPR is an ownership structure like holding property as tenants in common but with financing and family ownership flexibility. Allows families to split property ownership up among siblings and finance separately. All are required to rent to 100% AMI tenants or live in them so will provide more housing.
Enforcement of CPR Prohibition	Declaration of Restrictive Covenants recorded to enforce against violation of CPR prohibition. [Sec. 1.30]		Same except CPR prohibition only in TOD Zones. [Sec. 2.90]	CPR prohibited only in TOD Zones.
Fire rated Entry Doors	One-hour fire rated entry doors to units with automatic closure mechanisms. [Sec. 3.20(c)(3)]		Twenty-minute fire rated entry doors to units with automatic closure mechanisms. [Sec 3.30(c)(3)]	Fire Code requires 20-minute fire rated entry doors so change made.
Fire rated Door to Booster Pump Room	Two-hour fire rated walls and door in the booster pump room described in Section 3.30(d)(5). [Sec. 3.20(c)(7)]		Two-hour fire rated walls and ninety-minute fire rated door in the booster pump room described in Section 3.30(d)(5). [Sec 3.30(c)(7)]	Fire Code requires 90-minute fire rated door in this situation so change made.
Fire and Smoke Alarm Systems	None.		Smoke detectors with audio alarms that are electronically powered shall be installed in	Changes to fire and smoke alarm systems required because of modified sprinkler system.

COMPARISON CHART – DPP VERSION V. PROPOSED AMENDED VERSION

		bedrooms and kitchens of low-rise multifamily affordable rental dwellings. An alarm pull box is to be installed on each floor of the building which shall be electronically connected to set off bell alarms on all floors of the building. [Sec 3.30(e)]		
Means of Egress	Exterior corridors and balconies that are open with guards of a minimum one-hour fire rated construction or other noncombustible fascia surfaces may be constructed up to five feet from the property line. [Sec. 3.20(e)]	Exterior corridors and balconies that are open with railings or other fascia surfaces may be constructed up to five feet from the property line. [Sec 3.30(f)]	Plain language.	
Fire Escape Stairs (Width)	The minimum width for at least one fire exit stair shall be 48 inches and the other fire exit stairs shall be no less than 36 inches in width if no elevator is provided. [Sec 3.20(f)(2)]	The minimum width for at least one fire exit stair shall be 36 inches and the other fire exit stairs shall be no less than 30 inches in width. [Sec. 3.30(g)(2)]	Minimum widths adequate for fire, life safety purposes, as well as to reduce costs of construction to keep rents low.	
Fire Escape Stairs (One Exit Stair)	Buildings with 35 units or less and less than three stories in height may have one fire exit stair exiting to the ground floor, provided that the one exit stair shall be at least 48 inches wide, shall be made of non-combustible or Heavy Timber construction; provided further that the total length of the	Buildings with 35 units or less may have one fire exit stair exiting to the ground floor, provided that the one exit stair shall be at least 48 inches wide, shall be made of non-combustible or Heavy Timber construction, shall also have an exit to the roof with a standard-sized door at the roof top exit,	One fire exit with separate roof top exit adequate for smaller buildings for fire, life safety purposes, as well as to reduce costs of construction to keep rents low.	

COMPARISON CHART – DPP VERSION V. PROPOSED AMENDED VERSION

Elevators	building shall not be greater than 100 feet. [Sec. 3.20(f)(3)]	and shall have a railed-off waiting area on the roof; provided further that the total length of the building shall not be greater than 100 feet. [Sec. 3.30(f)(3)]	
	Design of building and facilities shall be in conformance with the Fair Housing Act. Elevators shall not be required unless mandated by Section 1007.2.1 of the International Building Code. Sec. 3.20(h)	No elevators shall be required unless required by the Fair Housing Act. [Sec. 3.30(i)]	City's stated purpose is "to accelerate the construction of affordable rental housing . . . by relaxing zoning and building code standards." Elevators are expensive to install. Need to make it clear that elevators are not required except as required by the Fair Housing Act. No need to "backdoor" any requirement for an elevator.
GET Exemption	None.	Requires City to file GET exemption with HHFDC. [Art. 4]	Additional incentive to spur construction.
10-Year Real Property Tax Exemption	<ul style="list-style-type: none"> -References in DPP Sec. 8.10 ___ to a Declaration of Restrictive Covenants. -Subsection (d) also requires a certification that rents are at or below the rental rate limits established by HUD for 100% AMI households. 	<ul style="list-style-type: none"> -Delete references in DPP Sec. 8.10 ___ to a Declaration of Restrictive Covenants since it is not required and replace it with language re the certificate required to be filed by the owner every year pursuant to Sec. 1.10(d). -No rent limits required. The market will decide rents. 	<ul style="list-style-type: none"> -See comments above re owner certification in Section 1.40(d). -Concept behind this bill is to let the market decide what to build and what to charge. The only limits are that the units need to be rented (not sold) and that the tenants need to be 100% AMI and less. The location, size, type of construction, lack of amenities and other factors will dictate rent. This is what is needed to kickstart private enterprise development of these units which do not have a high rate of

COMPARISON CHART – DPP VERSION V. PROPOSED AMENDED VERSION

<p>Real Property Tax Exemption During Construction and Marketing</p>	<p>Same comments as above.</p>	<p>Same comments as above.</p>	<p>return. Same comment as above.</p>
<p>Penalty for Noncompliance</p>	<p>DPP proposes a penalty of 10 times the amount of the real property assessed for the years of noncompliance in Section 1.30(d), but DPP also proposes a penalty of 10% on real property tax exemption amounts in Section 8-10.__(f) for noncompliance.</p>	<p>Use the penalty found in DPP Section 8.10.__(f).</p>	<p>Penalty of 10x the real property tax exemption is draconian. City should recoup lost real property taxes with interest. Remember that housing units will have been built and families housed because of this Bill. Technical violations of this Bill should not result in disproportionate penalties.</p>

A BILL FOR AN ORDINANCE
[YELLOW HIGHLIGHTED SECTIONS SHOW MAJOR CHANGES FROM DPP DRAFT]

RELATING TO AFFORDABLE RENTAL HOUSING

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

SECTION 1. Purpose. The purpose of this ordinance is to increase the production of affordable rental housing and to encourage dispersal of affordable rental housing throughout the City and County of Honolulu by amending zoning and building code standards and offering financial incentives.

SECTION 2. Findings. For decades, the City and County of Honolulu has grappled with a critical shortage of affordable rental housing. This problem grows worse by the year and threatens to undermine our quality of life and permanently erode the City's social and economic foundations so as to jeopardize its order and security. The Mayor's Affordable Housing Strategy (September 2015) summarized these affordable housing needs and proposed strategic actions relating to policies, incentives, regulations, programs, financial tools, and investments.

The *Affordable Rental Housing Report and Ten-Year Plan* dated July 2018 published by the Special Action Team on Affordable Rental Housing Report pursuant to Act 127 (Session Laws of Hawai'i 2016) stated that ". . . unless the planning, funding, and delivery of affordable rental housing becomes an overarching priority for the legislature, governor, mayors, housing agencies, developers, and public and private funding sources, 70% of Hawai'i's families will soon be excluded from affordable, safe, and sanitary housing – a key component of quality of life that is taken for granted by the top 25% of households in the state."

The *Affordable Rental Housing Report and Ten-Year Plan* went on to state "The Special Action Team understands that the scarcity of safe, sanitary, and affordable rental housing constitutes a crisis for nearly two-thirds of the state's residents. This report urges state and county officials to act on issues that affect the affordability of housing." The Report further stated "Act 127 is unequivocal that the 'lack of supply leads to higher rents for households of all income levels, leaving all tenants with less disposable income, increasing the personal stress of tenants, reducing tenant quality of life, and exacerbating the overcrowded living conditions. Without sufficient affordable rental housing, the future social, community, and economic consequences for Hawai'i may be dire."

Act 127 stated "Although many reasons contribute to the lack of affordable rental units for low- and moderate-income households, the primary reason is a poor rate of return for investments in affordable rental housing projects. As the Affordable Rental Housing Study Update, 2014, succinctly states, simply put, affordable rental housing is unprofitable, so the market won't address the need by itself. Government regulations

that restrict affordable housing development and lengthen the time tenants qualify for affordable rental housing also contribute to the lack of affordable rental housing.”

This ordinance recognizes that the cost of land and construction in Honolulu is one of the highest in the country and there are many small parcels which are zoned for multifamily dwellings which have limited development potential due to the high cost of development of affordable rental housing which could be addressed by a comprehensive and concentrated effort to encourage the development of affordable rental housing units. The objective of this ordinance is to encourage the annual development of at least 500 new affordable rental housing units on these small multifamily zoned parcels.

Therefore, it is proposed that there be a new chapter added to the Revised Ordinances of the City and County of Honolulu to specifically address development and construction standards for low-rise multifamily affordable rental housing and other provisions of the Revised Ordinances be amended to provide financial incentives for that purpose.

SECTION 3. The Revised Ordinances of Honolulu 1990 is amended by adding a new chapter to be appropriately designated by the Revisor of Ordinances as Chapter ___ to read as follows:

Chapter __. Affordable Rental Housing

Article 1. General Provisions

Sections:

- __-1.10 Title.**
- __-1.20 Purpose and Intent.**
- __-1.30 Administration.**
- __-1.40 Definitions.**
- __-1.50 Application and Conflicts.**

Section __-1.10 Title.

The provisions of this chapter, inclusive of any amendments, shall be known as the Affordable Rental Housing ordinance of the City and County of Honolulu.

Sec. __-1.20 Purpose and Intent.

The purpose and intent of the affordable rental housing ordinance is to encourage the development of affordable rental housing in low-rise multifamily dwelling unit buildings in the apartment, apartment mixed use, business, business mixed use districts, as well as in all other zoning districts in which public elementary, intermediate and high schools are permitted, to increase the supply of affordable rental housing and reduce the proliferation of excessively large homes in the residential districts.

Sec. ___-1.30 Administration.

The director of the department of planning and permitting shall administer the provisions of this Chapter. The director may designate duties established under this Chapter.

Section __-1.40 Definitions.

For the purposes of this chapter, words used in the present tense shall include the future; words used in the singular include the plural, and the plural the singular. The use of any gender shall be applicable to all genders. The word "shall" is mandatory; the word "may" is permissive; the word "land" includes inland bodies of water and marshes.

Where a proposed use is not specifically listed in this chapter or included in a definition in this article, the director will review the proposed use and, based upon the characteristics of the use, determine which listed and/or defined use is equivalent to that proposed.

Unless otherwise expressly stated, whenever used in this chapter, the following terms shall have the meanings set forth below.

"Affordable rental housing" means a building or buildings containing multi-family dwelling units that meets the following criteria:

(a) At least 80 percent of the total number of dwelling units are rented to households earning 100 percent and below of the median income, as determined by the United States Department of Housing and Urban Development annually for the Honolulu Metropolitan Statistical Area, adjusted for household size;

(b) No more than 20 percent of the dwelling units are occupied by the property owner or owners or persons who are related by blood, marriage, or adoption to the property owner or owners, or designated authorized representative(s). For purposes of this section, "designated authorized representative(s)" means the person or persons designated by the property owner or owners to the department of planning and permitting, who are responsible for managing the property.

(c) Households in affordable rental housing units must have a lease with a term of no less than six months with a prohibition against subleasing; provided, however, that a lease may have a term of less than six months if the tenant is a Hawaii resident as certified by the landlord.

(d) The owner of affordable rental housing shall file an annual certification with the director on a form provided by the department affirming that at least 80 percent of the total number of dwelling units in the affordable rental housing are affordable rental housing units and no more than 20

percent are occupied by the property owner or owners or persons who are related by blood, marriage, or adoption to the property owner or owners, or designated authorized representative(s).

"Affordable rental housing unit" means each dwelling unit in an affordable rental housing building or buildings that meets the criteria that qualifies the building or building as "affordable rental housing."

"Area Median Income" or "AMI" means the current area median income determined by the United States Department of Housing and Urban Development annually for the Honolulu Metropolitan Statistical Area, adjusted for household size.

"Department" means the department of planning and permitting.

"Director" means the director of the department of planning and permitting."

"Bathroom" means a room that is equipped for taking a bath or shower and that includes a sink and toilet. A 0.5 bathroom means a room that is equipped with a sink and toilet, but without a bath or shower."

Sec. __-1.50 Application and Conflicts.

Unless otherwise specifically noted herein, all requirements, standards, and processes under Chapters 21, 21A, 22, 23, and 25, Revised Ordinances of Honolulu, shall apply, including definitions, standards, procedures, and permit requirements, appeals, and variances. Where there appears to be a conflict across applicable provisions, the provisions of this Chapter shall prevail.

Article 2. Permitted Use, Development and Other Standards

Sections:

- __-2.10 Permitted Use.**
- __-2.20 Development Standards.**
- __-2.30 Maximum Number of Dwelling Units.**
- __-2.40 Parking.**
- __-2.50 Maximum Sizes of Dwellings.**
- __-2.60 Examples of Maximum Building Area and Yards. [Figure __-2.60]**
- __-2.70 Examples of Maximum Building Height. [Figure __-2.70]**
- __-2.80 Bicycle Parking.**
- __-2.90 Prohibition Against Condominium Property Regime in TOD Zones.**
- __-2.100 Expedited Processing.**

Section __2.10 Permitted Use.

Affordable rental housing shall be a permitted use in the apartment, apartment mixed use, business, and business mixed use zoning districts, as well as in all other zoning districts in which public elementary, intermediate and high schools are permitted.

Section _-2.20 Development Standards.

Affordable rental housing is subject to the following development standards and off-street parking and loading requirements:

Development Standard	Requirement
Maximum lot area	20,000 sq. ft.
Minimum front yard	10 ft. except in TOD zones where no front yard is required and at least two-thirds of the total length of the building façade along the street shall be devoted to residential or commercial (non-parking) use. Fire exit stairs and corridors leading to the fire exit stairs, as well as any loading spaces, may also encroach into the front yard.
Minimum side and rear yards	5 ft. except that fire exit stairs and corridors leading to the fire exit stairs may encroach into the side and rear yards.
Maximum building area	80% of the zoning lot
Maximum building height	60 ft.
Maximum density	4.0 FAR
Height setbacks	None
Off-street parking	None
Off-street loading	None, except that any loading and garbage storage shall be accommodated on site.

(See Figures _-2.60 and _-2.70 for examples).

These development standards and off-street parking and loading requirements shall supersede any conflicting requirements established by the land use ordinance, including without limitation, those applicable to special districts. All other applicable development standards and off-street parking and loading standards established by the land use ordinance not in conflict with the foregoing will continue to apply.

Section _-2.30 Maximum Number of Dwelling Units.

The maximum number of affordable rental housing units for each zoning lot is determined by dividing the square footage equivalent of the maximum allowable FAR for that zoning lot, excluding any public open space bonus FAR, by a factor of 800, and rounding down to the nearest whole number.

Section _-2.40 Parking.

Parking, if any, may extend into the side and rear yards, provided a solid wall of at least four feet but no more than six feet in height is built along the property boundary where the parking extends into the side and rear yards.

Section _-2.50 Maximum Sizes of Dwellings.

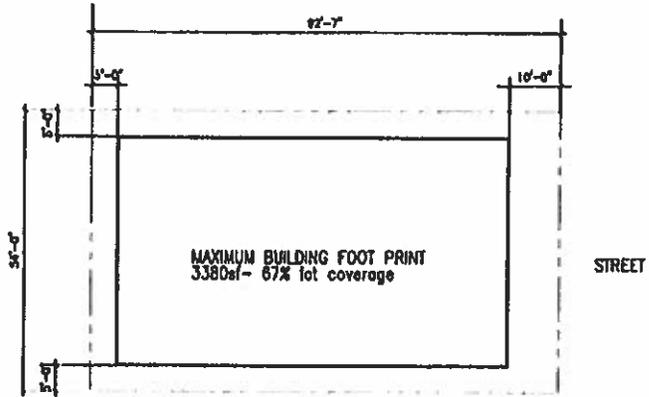
The maximum size of an affordable rental housing unit is as follows:

Number of Bedrooms and Bathrooms	Maximum Floor Area (square feet)
Studio with 1 bathroom	500
One bedroom with 1 bathroom	650
One bedroom with 1.5 bathrooms	700
One bedroom with 2 bathrooms	750
Two bedrooms with 1 bathroom	800
Two bedrooms with 1.5 bathrooms	900
Two bedrooms with 2 bathrooms	1,000
Three bedrooms with 1.5 bathroom	1,100
Three bedrooms with 2 bathrooms	1,200
Three bedrooms with 2.5 bathrooms	1,250
Four bedrooms with 2 bathrooms	1,300
Four bedrooms with 2.5 bathrooms	1,350

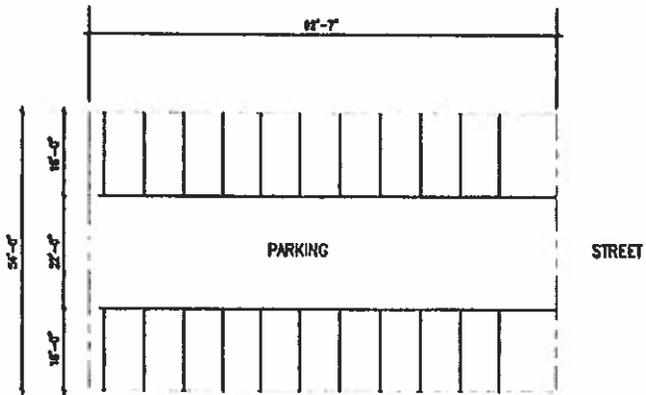
Section _-2.60 Examples of Maximum Building Area and Yards.

The following illustrate possible configurations of maximum building area and required yards. They do not necessarily reflect acceptable parking configurations or compliance with all other development standards.

Figure _-2.60
5,000 SQUARE FOOT LOT

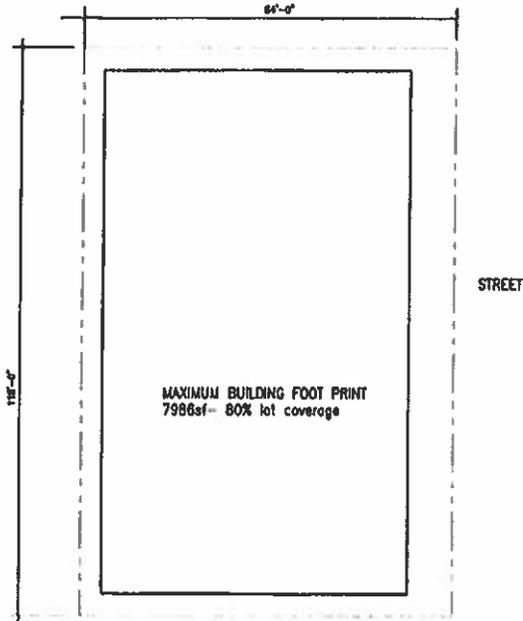


PLOT PLAN

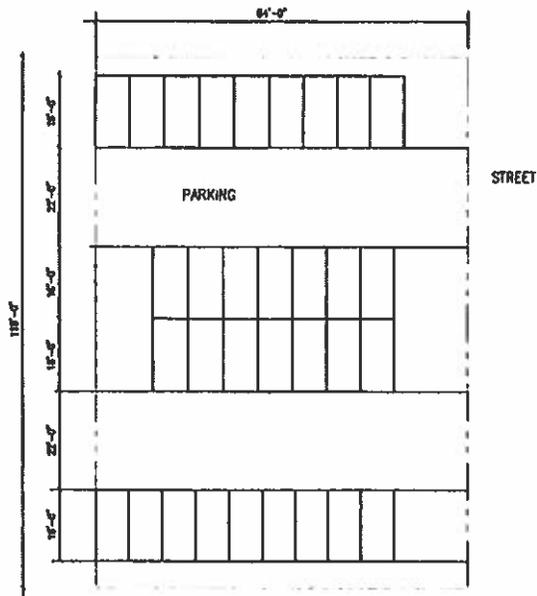


PLOT PLAN
5000 SF LOT

Figure -2.60
10,000 SQUARE FOOT LOT

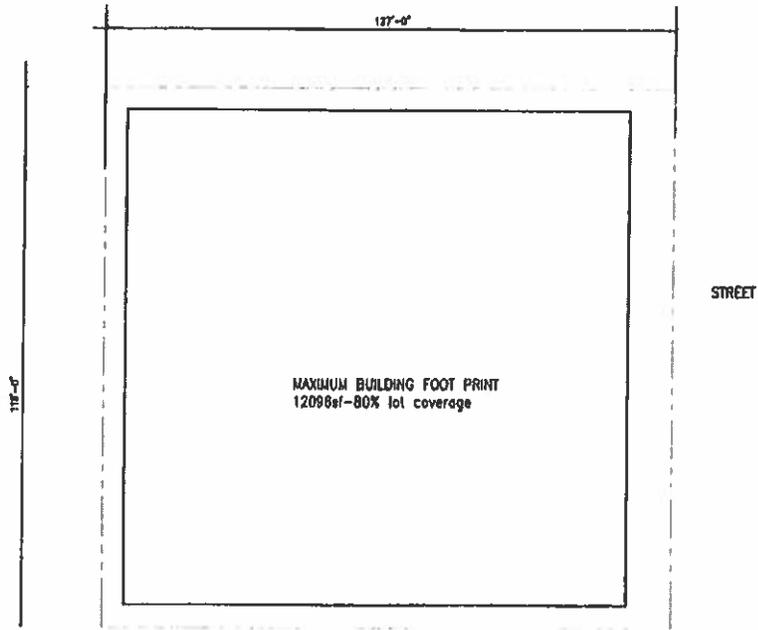


PLOT PLAN
10,000 SF LOT

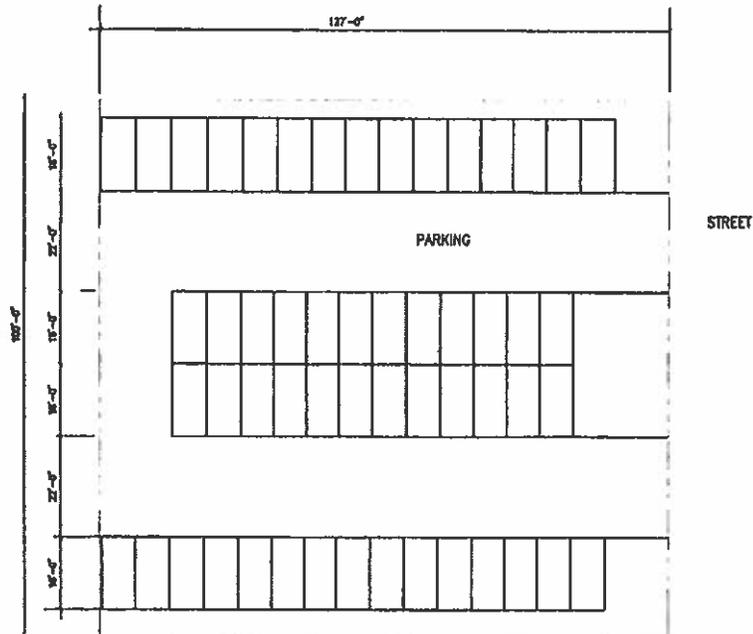


PLOT PLAN
10,000 SF LOT

Figure -2.60
15,000 SQUARE FOOT LOT

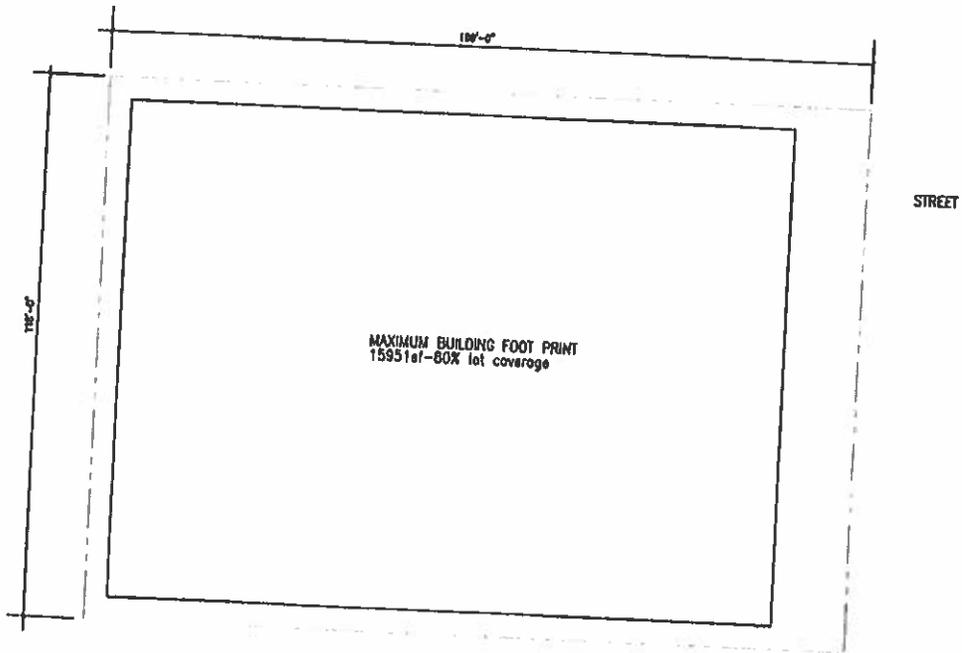


PLOT PLAN
15,000 SF LOT

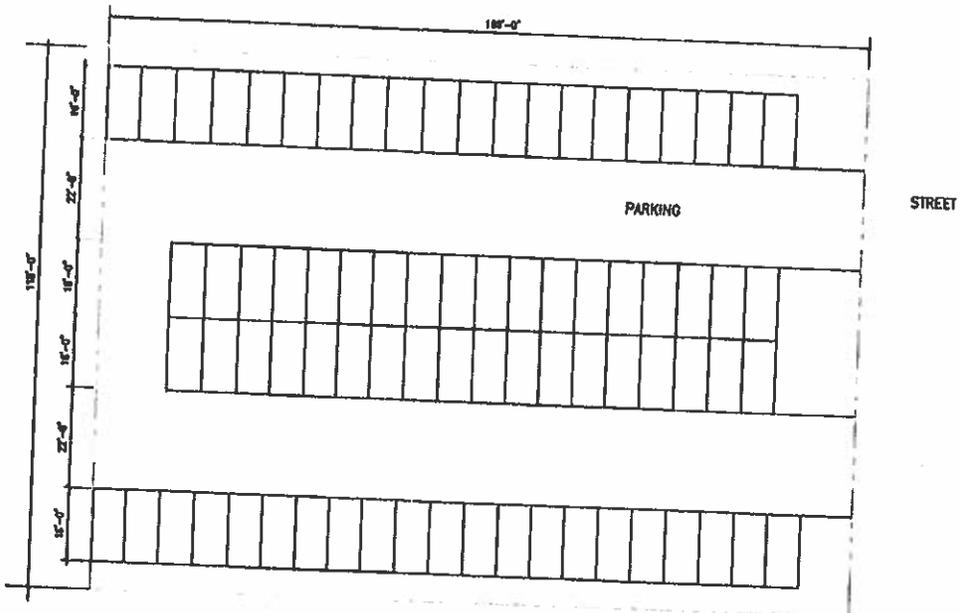


PLOT PLAN
15,000 SF LOT

Figure 2.60
20,000 SQUARE FOOT LOT



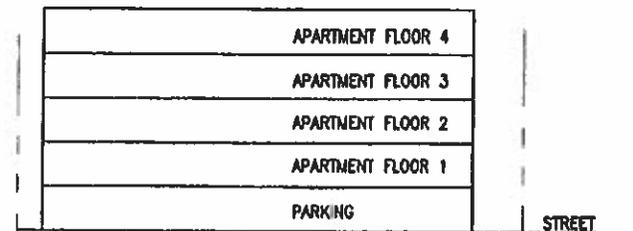
PLOT PLAN
20,000 SF LOT



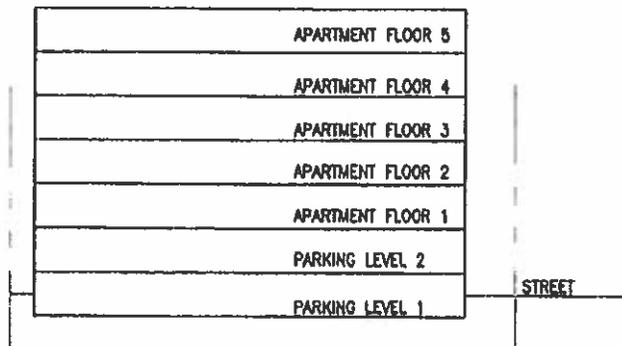
PLOT PLAN
20,000 SF LOT

Section _-2.70 Examples of Maximum Building Height.

Figure _-2.70



SECTION OF 45 FEET MAXIMUM HIGH BUILDING



SECTION OF 60 FEET MAXIMUM HIGH BUILDING

Section _-2.80 Bicycle Parking.

Section 21-6.150, ROH, regarding bicycle parking, shall not apply but, if bicycle parking is provided, it may encroach into any required yards.

Section _-2.90 Prohibition Against Condominium Property Regime in TOD Zones.

The owner or owners of the lot on which affordable rental housing is built pursuant to this chapter and which is located in a TOD Zone (as defined in Section 21-9.100, ROH) shall record in the bureau of conveyances of the State of Hawaii, or if the lot is subject to land court registration under HRS Chapter 501, in the land court, a covenant that neither the owner or owners, nor the heirs, successors or assigns of the owner or owners, shall submit the lot or any portion thereof to the condominium property

regime established by HRS Chapter 514B, as amended or replaced. The covenant must be recorded on a form approved by or provided by the director and may contain such terms as the director deems necessary to ensure its enforceability. The failure of an owner or of an owner's heir, successor or assign to abide by such a covenant will be deemed a violation of Chapter ___ and be grounds for enforcement of the covenant by the director pursuant to Section ___-_____, et seq., and will be grounds for an action by the director to require the owner or owners to remove, pursuant to HRS Section 514B-47, the property from a submission of the lot or any portion thereof to the condominium property regime made in violation of the covenant.

Section _-2.100 Expedited Processing.

Upon acceptance of a completed application for a building permit application to construct affordable rental housing the department of planning and permitting must either approve or disapprove the application within 90 calendar days. Failure on the part of the department to approve or disapprove within 90 days shall constitute approval of the application.

Article 3. Building Construction Standards

Sections:

- _ -3.10 Intent**
- _ -3.20 Scope**
- _ -3.30 Standards**

Section _-3.10 Intent.

The intent of this article is to provide special construction requirements for the construction of affordable rental housing as permitted in this chapter.

Section _-3.20 Scope.

In addition to the requirements of the building and housing codes, the provisions of this article shall apply to the construction of affordable rental housing. Where there is a conflict between the provisions of this article and the provisions of the building and housing codes, Chapters 16 and 27, the provisions of this article shall prevail. The requirements set forth herein are minimum requirements. All other provisions of the building and housing codes shall apply.

Section -3.30 Standards.

- (a) **Building Heights and Areas.** The height permitted by Table _A shall be increased in accordance with Section 504 of the building code. The area of a one-story building shall not exceed the limits set forth in Table _A, except as provided in Section 506 of the building code.

TABLE _A

TYPE OF CONSTRUCTION	ALLOWABLE HEIGHT AND BUILDING AREAS FOR MID-RISE MULTI-FAMILY RESIDENTIAL BUILDINGS.				
	Height Limitations shown as stories and feet above grade plane. Area limitations as determined by the definition of "Area, building," per story				
	IB	IIA	IIIA	HT	VA
	MAXIMUM HEIGHT (feet)				
	60	60	60	60	50
Height/Area	Maximum Height (stories) and Maximum Area (sq. ft.)				
H	7	7	7	7	5
A	80% of land area	80% of land area	80% of land area	80% of land area	80% of land area

(b) **Type of Construction.**

Types of Construction. The minimum type of construction shall be in accordance to Chapter 6 of the building code and Table _A.

(c) **Fire-Resistance Rated Construction and Requirements.**

- (1) Where an exterior wall is less than 10 feet from the property line, one-hour fire rated exterior walls with no greater than 25% openings per wall surface; provided further that the windows in the openings may be unrated.
- (2) One-hour fire rated corridor walls for double loaded corridors and demising walls between units.
- (3) Twenty-minute fire rated entry doors to units with automatic closure mechanisms.
- (4) Unrated fire interior walls within each dwelling unit.
- (5) One-hour fire rated floors and roof or Heavy Timber.
- (6) Two-hour fire rated walls between units and building stairs or passenger elevators.
- (7) Two-hour rated walls and ninety-minute fire rated door in the booster pump room described in Section __-3.30(d)(5).
- (8) All domestic water and fire sprinkler piping shall be made of non-combustible material.

(d) **Fire Protection System.**

The installation of automatic sprinkler systems for protection against fire hazards shall be designed and installed in accordance with Section 903 of the building code, or for residential occupancies up to and including seven stories in height in buildings not exceeding 60 feet in height above grade an automatic sprinkler system shall be provided as follows:

- (1) A common sprinkler/domestic main shall installed throughout the building.

- (2) Vertical risers shall be provided with a secured shutoff valve locked in the open position. All required outages shall be provided with a fire watch.
- (3) All sprinkler heads shall be installed prior to the last plumbing fixture served within the unit. All sprinkler piping serving a sprinkler head shall be kept to a minimum and no greater than 16" in length.
- (4) The discharge density shall be 0.05 gpm/sf with a maximum of four sprinkler heads within a compartment.
- (5) A booster pump shall be provided to accommodate the domestic water and greatest hydraulic demanding sprinklers within a unit. The booster pump shall provide a minimum of 40 psi at the top of the riser.
- (6) A manual wet stand pipe shall be pre-charged from a domestic water supply tap. The stand pipe shall be located in an exterior open stairwell with two-hour rated walls.
- (7) For exterior walls that are between five and ten feet from the property line with greater than a 10% wall opening, there must be a sprinkler head at all wall openings to provide a water curtain when the sprinkler head is activated.
- (8) For buildings over 40 feet in height with Type VA construction, an NFPA 13 sprinkler system shall be required.
- (9) A mechanical engineer licensed in the State of Hawaii shall prepare the plans for the automatic sprinkler system required by this section.

(e) **Fire and smoke alarm systems.**

Smoke detectors with audio alarms that are electronically powered shall be installed in bedrooms and kitchens of low-rise multifamily affordable rental dwellings. An alarm pull box is to be installed on each floor of the building which shall be electronically connected to set off bell alarms on all floors of the building.

(f) **Means of Egress.**

Exterior corridors and balconies that are open with railings or other fascia surfaces may be constructed up to five feet from the property line.

(g) **Fire Escape Stairs.**

- (1) All fire stair exits may be open provided that the walls adjoining any residential unit are two-hour fire rated walls.
- (2) The minimum width for at least one fire exit stair shall be 36 inches and the other fire exit stairs shall be no less than 30 inches in width.
- (3) Buildings with 35 units or less may have one fire exit stair exiting to the ground floor, provided that the one exit stair shall be at least 48 inches wide, shall be made of non-combustible or Heavy Timber construction, shall also have an exit to the roof with a standard-sized door at the roof top exit, and shall have a railed-off waiting area on the roof; provided further that the total length of the building shall not be greater than 100 feet.

- (4) Alternative fire exits in lieu of a second fire exit stair, including a drop ladder system and smaller sized stairs, may be approved by the Fire Chief.
- (h) **Exterior Glass.**
Exterior glass in affordable rental housing shall be exempt from the requirements of the Building Energy Conservation Code, Chapter 32, ROH.
- (i) **Accessibility.**
No elevators shall be required unless required by the Fair Housing Act.

Article 4. Exemption from General Excise Taxes

Sections:

- _4.10 Intent**
- _4.20 Application**

Section _4.10 Intent.

The intent of this article is to provide an additional incentive to spur the construction of affordable rental housing as permitted in this Chapter.

Section _4.20 Application.

A developer of affordable rental housing may file with the department an application for an exemption from State of Hawaii general excise taxes under the provisions of Section 201H-38, Hawaii Revised Statutes, and the department shall file the application with the Hawaii Housing Finance and Development Corporation to obtain the State of Hawaii general excise tax exemption.

Article 5. Incentives

Sections:

- _5.10 Exemption from Real Property Taxes**
- _5.20 Waiver of Wastewater System Facility Charges**
- _5.30 Waiver of Plan Review and Building Permit Fees**
- _5.40 Waiver of Park Dedication Requirement**

Section _5.10 Exemption from Real Property Taxes

Chapter 8, Article 10, Revised Ordinances of Honolulu 1990 ("Real Property Tax Exemptions"), is amended by adding new sections to be designated by the Revisor of Ordinances and to read as follows:

"Sec. 8-10.____ Exemption – Qualifying affordable rental housing.

- (a) For the purposes of this section:

"Affordable rental housing" shall have the same meaning as defined and permitted under Chapter ___, ROH.

"Affordable rental housing unit" shall have the same meaning as defined and permitted under Chapter ___, ROH.

"Area Median Income" or "AMI" shall mean the current area median income determined by the United States Department of Housing and Urban Development annually for the Honolulu Metropolitan Statistical Area as adjusted for household size.

"Regulated period" means the ten-year period commencing upon the effective date of the claim for exemption approved by the director and ending on June 30th of the last year of the ten-year period.

- (b) Real property improved with affordable rental housing may qualify for an exemption under this section. The director's approval of a claim for exemption will exempt real property from real property taxes during the regulated period. The exemption amount is calculated by multiplying the total assessed value of the real property by a fraction, the numerator of which is the number of square feet contained in all affordable rental housing units rented to households earning 80 percent and below of the median income determined by the United States Department of Housing and Urban Development annually for the Honolulu Metropolitan Statistical area as adjusted for household size, and the denominator of which shall be the total number of square feet of all dwelling units in the real property.
- (c) Real property determined by the director to be exempt as described in subsection (b) above will be exempt from property taxes for the duration of the regulated period. If the project fails to meet the requirements under this section at any time during the regulated period, the exemption will be canceled, and the real property will be subject to taxes and penalties pursuant to subsection (g)(3) below.
- (d) Notwithstanding any provision in this chapter to the contrary, any real property determined by the director to be exempt from property taxes under subsection (b) above will be exempt from property taxes effective as of the date the application is filed with the director; provided that the initial application for an exemption must be filed with the director within 60 days after any certificate of occupancy is issued for the real property by the department of planning and permitting. In the event property taxes have been paid in advance to the city for real property that subsequently qualifies for the exemption, the director shall refund to the owner that portion of the taxes attributable to and paid for the period after the effective date of the exemption. Where a claim for exemption is filed more than 60 days after any certificate of occupancy has been issued but on or before September 30, the

effective date of an exemption approved by the director shall be July 1 of the succeeding tax year.

- (e) After the initial year for which the real property has qualified for an exemption, a claim for a continued exemption must be filed annually on or before September 30th, together with a certification from the applicant certifying that the project continues to be in compliance with the applicable requirements of Chapter ____.
- (f) The director may, after 30-days written notice to the owner of the affordable rental housing, audit the records of the real property exempt from taxes under this section. An owner's refusal or failure to cooperate and produce all records requested by the director may result in cancellation of the exemption and subject the real property to the taxes and penalties determined in subsection (g)(3) below.
- (g) **Cancellation of Exemption-Penalties.**
 - (1) **Notice by Director.**

Following the initial year for which real property has qualified for an exemption under this section, if an owner fails to file a claim for continued exemption by the September 30th deadline, the director shall promptly mail a notice to the owner at the owner's address of record stating that unless a claim for continued exemption and all the necessary documents are received by the director by November 15th of the same year, the exemption will be canceled.
 - (2) **Cancellation of Exemption.**
 - (A) An owner who has been sent a notice under subdivision (1) by the director and who fails to file for an exemption by the November 15th deadline will have the exemption canceled and the project will be subject to taxes and penalties pursuant to subdivision (3).
 - (B) In the event the director finds that the initial or a subsequent claim for exemption contains false or fraudulent information, the project fails to meet the requirements during the regulated period, or the owner fails to file annually during the regulated period as required under this section, the director shall cancel the exemption retroactive to the effective date of the application which contains false or fraudulent information, the date the project fails to meet the requirements during the regulated period, or the date upon which the last application approved by the director shall expire, and the project will be subject to the taxes and penalties determined in subdivision (3).
 - (3) **Back Taxes and Penalties.**

In the event a project is subject to taxes and penalties, as provided in subdivision (2), the differences in the amount of taxes that were paid and those that would have been due but for the exemption allowed are

payable, together with a penalty in the form of interest at 10 percent per annum, from the respective dates that these payments would have been due. The taxes and penalties due will be a paramount lien upon the real property. In the event a claim for an exemption is submitted after the September 30th deadline but on or before the November 15th deadline, a late filing penalty of \$500 will be imposed.

- (h) If an exemption is granted under this section, an exemption for the same property may not be granted under any other section.”

Sec. 8-10. __ Exemption – During construction work for and marketing of affordable rental housing

- (a) As used in this section:

“Affordable rental housing” shall have the same meaning as defined and permitted under Chapter __.

“Qualifying construction work” means work to construct affordable rental housing.

- (b) Any incremental increase in the valuation of the real property primarily attributable to qualifying construction work will be exempt from property taxes.
- (c) A claim for exemption must be filed with the director on or before September 30th preceding the first tax year for which the exemption is claimed on a form as may be prescribed by the department, and must be supported by documentation establishing the date of the issuance of the building permit for demolition, if applicable, or the building permit for new buildings or portions thereof, additions, or substantial rehabilitations.
- (d) The claim for exemption, once allowed, shall expire:
 - (1) two calendar years after issuance of a building permit for a new building;
 - (2) upon issuance of a certificate of completion; or
 - (3) upon issuance of any certificate of occupancy;whichever occurs first. The director may extend this exemption for good cause.”

Section 5.20 Waiver of Wastewater System Facility Charges

APPENDIX 14-D under Section 14-10, Revised Ordinances of Honolulu 1990, is amended to read as follows

- (a) Wastewater system facility charges, as set forth in Appendix 14-D of this chapter will be waived for the following:

- (1) Affordable dwelling units as defined in and as provided on-site or off-site pursuant to Chapter ___;
- (2) Affordable dwelling units provided pursuant to a planned development-transit permit pursuant to Section 21-9.100-10, or an interim planned development-transit permit pursuant to Section 21-9.100-5; or
- (3) Affordable rental dwelling units developed in compliance with HRS Section 201H-36(a)(5); or
- (4) Affordable rental housing as defined in Chapter ___.

Section 5.30 Waiver of Plan Review and Building Permit Fees

Section 18-6.5, Revised Ordinances of Honolulu 1990, is amended to read as follows:

"Sec.18-6.5 Exemptions.

- (a) The city, all agencies thereof and contractors therewith will be exempt from the requirement of paying plan review and permit fees.
- (b) The building official may grant an exemption from the requirement of paying plan review and permit fees for any person seeking to restore or reconstruct a structure damaged or destroyed as a result of a major disaster. For the purposes of this section:
 - (1) "Major Disaster" means any hurricane, tornado, storm, flood, high water, tsunami, earthquake, volcanic eruption, landslide, mud slide, fire, explosion or other catastrophe occurring in any part of the city that causes damage, suffering, and loss to such a degree that:
 - (A) The President of the United States has declared, pursuant to the Disaster Relief Act of 1974, P.L. 93- 288, that a major disaster exists such that the city or any part thereof is eligible for federal disaster assistance programs;
 - (B) The governor of the State of Hawaii has declared pursuant to HRS Chapter 209 that a major disaster has occurred;
 - (C) The mayor has issued a proclamation declaring the existence of a major disaster; or
 - (D) The council has adopted a resolution declaring the existence of

a major disaster.

- (2) "Restore and reconstruct" means any repair or other work performed to return a structure to its former condition that does not increase the floor area of the structure beyond that of the structure prior to the major disaster, is in conformance with the building code, flood hazard regulations, land use ordinance, and other applicable laws, and is started within two years of the major disaster.
 - (3) The burden of proof that work to be performed qualifies for an exemption from the payment of building permit fees due to a major disaster will be on the owner of the structure. An applicant filing for such exemption must certify in writing that the work to be performed will be in conformance with the requirements of this section.
- (c) All owners and their contractors will be exempt from paying that portion of any building permit fee for permits issued after September 15, 1994 attributable to the installation of ultra-low flush toilets that they install on their properties to replace existing non-ultra-low flush toilets.
 - (d) The building official shall waive the collection of any building permit fee for a period of three years where the business has been certified to be a qualified business pursuant to Section 35-1.3.
 - (e) The building official shall waive the collection of any building permit fee for any person seeking to replace a dilapidated dwelling unit located on homestead land leased under the Hawaiian Homes Commission Act of 1920. For the purposes of this section:
 - (1) "Dilapidated dwelling unit" means any residential home that has significantly deteriorated because of age, termites, or other causes, which make the home unsafe, uninhabitable, or unhealthy.
 - (2) The burden of proof that a dwelling unit is dilapidated and qualifies for an exemption from the payment of building permit fees will be on the owner of the unit. An applicant filing for such exemption shall attach acceptable proof that the dwelling unit is dilapidated to the building permit application.
 - (3) The replacement home may increase the floor area of the originally demolished or removed structure.
 - (f) The building official shall waive the collection of any plan review and building permit fees exclusively for the creation of an "accessory dwelling unit," as defined in Section 21-10.1. The plan review and building permit fees that were collected for the creation of "accessory dwelling units" after September 14, 2015 will be reimbursed if requested by the permittee. Building permit fees and plan review

fees will not be waived where a permit was required and work started or proceeded without obtaining a permit. In these cases, fees will be required pursuant to Section 18-6.2(d).

- (g) The building official shall waive the collection of the plan review and building permit fees for the residential portion of a project equal to:
 - (1) The percentage of affordable dwelling units as defined in and as provided within the project pursuant to Chapter __: or
 - (2) The percentage of affordable dwelling units provided pursuant to a planned development-transit permit pursuant to Section 21-9.100-10. or an interim planned development-transit permit pursuant to Section 21-9.100-5.
- (h) The building official shall waive the collection of the plan review and building permit fees for the residential portion of a project that is in compliance with HRS Section 201H-36(a)(5).
- (i) The building official shall waive the collection of the plan review and building permit fees for affordable rental housing as defined in Chapter __.

Section 5.40 Waiver of Park Dedication Requirement

Section 22-7.3, Revised Ordinances of Honolulu 1990 ("Subdivision of Land - Scope"), is amended to read as follows:

"Sec. 22-7.3 Scope.

- (a) Every subdivider, as a condition precedent to the:
 - (1) Approval of a subdivision by the director; or
 - (2) Issuance of a building permit for multiple-family development by the department of planning and permitting;

shall provide land in perpetuity or dedicate land for park and playground purposes, for joint use by the occupants of lots or units in subdivisions as well as by the public. The dedication of land for a park will be subject to the maximum ceiling in land or money in lieu thereof, calculated in accordance with the formula designated in Sections 22-7.5 and 22-7.6. In lieu of providing land in perpetuity or dedicating land, the director may permit a subdivider to pay a fee equal to the value of the land that would otherwise have been required to be provided in perpetuity or dedicated, or combine the payment of a fee with the provision or dedication of land, the total value of such combination being not less than the total value of the land that would otherwise have been required to be provided in perpetuity or dedicated

- (b) This article applies to all subdivision of land into two or more lots for residential purposes, including developments under Section 21-8.30, and to construction of multiple-family developments. When a new building or group of buildings containing dwelling or lodging units is added to an existing multiple-family development, approved prior to October 16, 1976, the provisions of this article will apply only to such new additions, and not to the previously approved multiple-family development.
- (c) When an existing building in a multiple-family development, approved prior to October 16, 1976, is enlarged or altered to increase the number of dwelling or lodging units, the provisions of this article will apply to the number of dwelling or lodging units added to the enlarged or altered building.
- (d) When an existing building in a multiple-family development, approved prior to October 16, 1976, is enlarged or altered without increasing the total number of dwelling or lodging units, and the cost of such work exceeds 50 percent of the total replacement cost of the building at the time of the building permit application, the provisions of this article will apply to the total number of dwelling or lodging units contained in the enlarged or altered building. The 50 percent replacement cost is calculated on each individual building, and not on the total replacement cost of the multiple-family development. The percentage will be cumulative for each building after October 16, 1976. The provisions of this article apply to all new or existing units in an enlarged or altered building whenever the cumulative 50 percent replacement cost is exceeded.
- (e) Upon acceptance of the land by the city, the city shall thereafter assume the cost of improvements and their maintenance. Fees received will be disbursed for the acquisition or development of parks and playgrounds, including physical facilities.
- (f) This article also applies to any change in the use of buildings to multiple-family dwelling use subsequent to October 16, 1976.
- (g) In any zoning district or special district where mixed uses of business, commercial, office, and dwelling units are permitted, the provisions of this article apply to all units where kitchen and bathroom facilities are provided, or electrical and plumbing systems are located and designed so that these units may be readily converted to dwelling units without securing a new building permit or without undertaking any major alterations or renovation work.
- (h) This article does not apply to those units where legal documents are drawn up by the applicant to assure that the units will not be converted to dwelling units. The legal documents must be recorded as covenants running with the land and subject to the review and approval of the director of planning and permitting and

the corporation counsel. The legal documents must be fully executed and recorded with the registrar of the bureau of conveyances or the assistant registrar of the land court, or both, as appropriate, and proof of such recordation must be submitted to the director of planning and permitting prior to the issuance of building permits.

- (i) This article applies to any conversion in use of any existing nondwelling unit to a dwelling unit, and such conversion cannot be undertaken unless the provisions of this article have been met.
- (j) This article also does not apply to the following dwelling units:
 - (1) Affordable dwelling units as defined in and as provided on-site or off-site pursuant to Chapter ___;
 - (2) Affordable dwelling units provided pursuant to a planned development transit permit pursuant to Section 21-9.100-10, or an interim planned development-transit permit pursuant to Section 21-9.100-5; ~~or~~
 - (3) Affordable rental dwelling units provided in compliance with HRS Section 201H-36(a)(5); ~~or~~
 - (4) Affordable rental housing as defined in Chapter ___.

SECTION 4. Ordinance material to be repealed is bracketed and stricken. 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 material that has been bracketed and stricken, or the underscoring. The Revisor of Ordinances shall, pursuant to the Revisor's authority under ROH Section 1-16.3(b)(6) replace reference numbers to agree with newly numbered chapters or sections.

SECTION 5. This ordinance takes effect upon its approval and will be repealed five years after its effective date. No later than two years prior to the repeal date of this ordinance, the director of planning and permitting shall submit to the City Council a report on the number of additional affordable rental housing units developed under this ordinance, and a recommendation regarding the repeal, modification, or extension of this ordinance. Upon the repeal of this ordinance, any affordable rental housing use and structure developed pursuant to this ordinance shall be considered a nonconforming use and structure, respectively, as provided under Chapter 21-4.110.

INTRODUCED BY:

DATE OF INTRODUCTION:

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

R

From: CLK Council Info
Sent: Friday, March 08, 2019 9:44 AM
Subject: Council/Public Hearing Speaker Registration/Testimony

Speaker Registration/Testimony

Name Racquel Achiu
Phone 8083309120
Email rhachiu@gmail.com
Meeting Date 03-08-2019
Council/PH Committee Council
Agenda Item BILL 7
Your position on the matter Comment
Representing Organization Self
Do you wish to speak at the hearing? Yes

Written Testimony

I honestly haven't decided whether I'm for or against this yet. I have **SIGNIFICANT CONCERN** for easing guidelines that enable "developers" to expedite building contracts. I fear that this provides a window allowing developers investors etc to continue to pursue illegal construction, monster homes that ultimately result in illegal rentals. I believe eased guidelines to permitting and construction should be looked at for the established (long time) residential homeowners who try to pursue enhancement, improvements etc to their homes that ultimately provide/ for their own families/children. Bills/Resolutions like this need to really have close attention to it.

Testimony Attachment

Accept Terms and Agreement 1