



## **AFFORDABLE RENTAL HOUSING PROGRAM INFORMATION**

### **Qualifications**

Residential rent at or below the designated rates for the entire calendar year.

### **General Information/Requirements**

- An application, RP Form 19-53(h) must be filed annually to the Real Property Tax Division no later than December 31 preceding the tax year for which the classification is claimed.
- A separate application for each unit must be filed and all units must meet the affordable rental housing rate requirements.
- The owner shall submit proof of the monthly rent with a document such as the rental agreement signed by the renter.
- All owners or representative with an authorized document such as a power of attorney must sign the application.
- Uses that do not qualify as “affordable rental housing” include: (1) real property valued according to its nondedicated agricultural use, (2) real property which is dedicated to an agricultural use or native forest use, (3) real property used for commercial or income-producing purposes, except uses which is legally permitted as a home occupation in accordance with the zoning code.

### **Benefits**

- The property will be classified in the homeowner land classification if it meets the provisions of this land category including being the owner’s principal residence and the rental unit(s) meet the affordable rental housing rate requirements.
  - The year after being classified in the homeowner class category, the assessed value will not increase by more than 3% if the owner continues to own and occupy the property as the principal residence and reapplies to remain in this program.
- The property will be classified in the affordable rental housing classification if the rental or all rentals meet the qualifications of this program.
  - The year after being classified as affordable rental housing, the assessed value will not increase by more than 3% if the owner continues to own the property and reapplies to remain in the program.

### **Breach Conditions**

- The rental of any unit during the calendar year exceeds the affordable rental rate.
- The ownership of the parcel changes and the transfer is subject to the conveyance tax under the terms of Chapter 247, Hawai'i Revised Statutes.

### **Retroactive Taxes**

- Breach of the classification shall cancel the tax assessment retroactive to the date of the classification, but not for more than two years plus the current year.
- When a breach occurs, the retroactive taxes will be the difference between the amount of taxes paid and taxes that would have been due from the assessment in the higher classification in addition to a ten percent penalty.