

Parcel ID (Tax Map Key No.)



REAL PROPERTY ASSESSMENT DIVISION
DEPARTMENT OF BUDGET
AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU

Enter 12-digit Parcel ID ("Subject Property")
Please include: -SL at end of numbers
For example: 210630150000-SL

INITIAL CLAIM FOR EXEMPTION
Low-Income Rental Housing
(ROH Sections 8-10.20 & 8-10.21)

Form with fields: Name of Housing Project, Name of Owner/Organization, Site Address, Mailing Address, Managing Agent's Name, Title, Telephone, Email, Regulatory Agency's Name, Representative, Telephone, Email. Includes checkboxes for Fee Simple and Leasehold.

Total # Units in Project: # Units Reserved for Low-Income Tenants: % Low-Income Units:
Is any part of the Subject Property used for purposes other than low-income rental housing? Yes No DHHL Land? Yes No
If "Yes," explain below and state the total area (in square feet) used for each purpose. Attach a plot plan illustrating the location of each area (in square feet) and indicating the specific use of each area.

REQUIRED ATTACHMENTS: Submit the following supporting documents:

- Recorded Regulatory Agreement (required)
Recorded Lease (if applicable)
Plot Plan (if applicable)
Restrictive Covenants (if applicable)
Other documents necessary to determine qualification (if applicable)

CERTIFICATION

I declare, under penalty of law, that all statements in this claim are true and correct to the best of my knowledge. I also hereby certify that the Housing Project is in compliance with: 1) the current regulatory agreement with a governmental agency and 2) applicable low-income rental requirements set forth in ROH Section 8-10.20. I understand that any misstatement of facts will be grounds for disqualification and the imposition of a penalty.

Signature of Owner/Agent Printed Name of Owner/Agent Date

Complete this claim form and deliver or mail via USPS with supporting documentation to one of the following addresses, within 60 days of qualification for this exemption or by September 30 preceding the tax year for which you are claiming this exemption.

Real Property Assessment Division
842 Bethel Street, Basement
Honolulu, HI 96813
Telephone: (808) 768-3799

OR

Real Property Assessment Division
1000 Uluohia Street #206
Kapolei, HI 96707
Telephone: (808) 768-3169

This claim cannot be filed by facsimile transmission or via email. For a receipted copy, submit with a self-addressed stamped envelope.

IMPORTANT INFORMATION REGARDING SUBSEQUENT FILING OF CLAIM FORMS:

In order to claim this exemption after the initial year for which it has been granted, Form BFS-RP-P5A1: ANNUAL CLAIM AND CERTIFICATION FOR CONTINUED EXEMPTION - Low-Income Rental Housing must be completed and filed annually by the applicable deadline. If ownership of the parcel, or any portion thereof, has been transferred or there has been a change to the parcel, such as subdivision or consolidation with another parcel, your existing exemption may be cancelled and you must file a new BFS-RP-P-5A INITIAL CLAIM FOR EXEMPTION - Low-Income Rental Housing form and any required documentation with the Real Property Assessment Division.

For Tax Year FOR OFFICIAL USE ONLY Appraiser Initial: Approved Disapproved

Received By: Date Received (post office cancellation mark):

- DOCUMENTS ATTACHED: Recorded Regulatory Agreement, Restrictive Covenants, Recorded Lease Agreement, Other Applicable Documents, Plot Plan

Building # Building Ex. % Building # Building Ex. % Land Ex. %

DHHL PRORATED EXEMPTION: Effective Date: Percent Prorated: Prorated (Amended) Assessment: \$

PURPOSE

Form BFS-RP-P-5A *Initial Claim for Exemption – Low-Income Rental Housing* is used in the initial filing to claim the tax exemption for real property that meets the criteria for low-income rental housing and that did not receive the Low-Income Rental Housing exemption in the preceding tax year.

INSTRUCTIONS

1. Complete one Form BFS-RP-P-5A *Initial Claim for Exemption – Low-Income Rental Housing* for each Parcel ID (Tax Map Key Number):
 - Enter Parcel ID (tax map key number), project/organization name, property address, contact information for claimant organization and the managing agent, and information regarding the regulatory agency that oversees the low-income rental housing project.
 - Indicate the total number of rental units in the project, the number of units reserved for low-income tenants, the percentage of units reserved for low-income tenants, and whether the project is located on Hawaiian Home Lands (DHHL).
 - Indicate whether any area(s) of land and building(s) are used for purposes other than low-income rentals; if yes, indicate the total area of land and building(s) used exclusively for each purpose and attach a plot plan showing the location of building(s) and area (in square feet), and indicating their specific use.
 - Carefully read the certification section prior to signing and dating form.
2. Attach all required supporting documents to completed Form BFS-RP-P-5A:
 - Recorded Regulatory Agreement (required; must be with a governmental agency)
 - Restrictive Covenants (required if separate from the regulatory agreement or lease)
 - Recorded lease (if applicable)
 - Plot Plan (if portions of the parcel are used for purposes other low-income rental housing)
 - Other documents as necessary to determine exemption qualification
3. Deliver or mail via USPS the completed claim form with supporting documentation to:

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842 Bethel Street, Basement
Honolulu, HI 96813
Telephone: (808) 768-3799

OR

Real Property Assessment Division
1000 Uluohia Street #206
Kapolei, HI 96707
Telephone: (808) 768-3169

Any change in facts affecting an exemption must be reported within 30 days. Failure to report by November 1st preceding the tax year in which the owner or the property no longer qualifies for the exemption, will result in the imposition of a penalty and may result in the levy of taxes due on the property, and additional penalties and/or interest on past due amounts. Please refer to the ordinance pertaining to a specific exemption for more information.

This form cannot be filed by facsimile transmission or via email. For a receipted copy, submit with a self addressed stamped envelope. Additional forms are available at the Real Property Assessment Division, Satellite City Halls, and the City and County of Honolulu's website at www.realpropertyhonolulu.com.

ORDINANCE

Sec. 8-10.20 Exemption--Low income rental housing.

- (a) For the purposes of this section:
- "Dwelling unit" means a room or rooms connected together, constituting an independent living unit and containing a single kitchen and at least one bathroom. A dwelling unit shall not include a unit used for time sharing or as a transient vacation unit.
- "Housing project" means a rental housing project where at least 20 percent of the dwelling units are reserved for low income residents. The housing project must be situated on (i) a single parcel of land, (ii) multiple parcels of land that are contiguous, or (iii) noncontiguous multiple parcels of land which are separated from each other only by a road or roads. If the housing project is comprised of multiple parcels of land, or is comprised of individual dwelling units, each situated upon a subdivided parcel of land, the regulatory agreement must specifically identify each such parcel of land or dwelling units as comprising the housing project.
- "Kitchen" means a facility in a dwelling unit that exists when there are fixtures, appliances or devices for all of the following: (1) heating or cooking of food, (2) washing of utensils used for dining and food preparation and/or for washing and preparing food, and (3) refrigeration of food.
- "Low-income" means the annual income of a household that does not exceed 80 percent of the area median income for the county as determined by the United States Department of Housing and Urban Development.
- "Nonprofit or limited distribution mortgagor" means a mortgagor who qualifies for and obtains mortgage insurance under Sections 202, 221(d)(3) or 236 of the National Housing Act as a nonprofit or limited distribution mortgagor.
- "Owner" shall include a lessee of the property whose lease term extends at least as long as the regulated period.
- "Regulatory agreement" means an agreement between an owner and the federal government, state government or a political subdivision of the state government, or agency of the federal government, agency of the state government or agency of the political subdivision of the state government, embodying provisions regulating rents, charges, profits, dividends, development costs, and methods of operation, in accordance with the laws, policies, or rules of the federal government, state government or of the political subdivision of the state government, or agency of the federal government, agency of the state government or agency of the political subdivision of the state government.
- "Regulated period" means the period during which a housing project is subject to a regulatory agreement, which shall not be less than 15 years.
- (b) Real property which is owned and operated by (i) a nonprofit, limited distribution mortgagor, or (ii) a person, corporation, trust, partnership or association which is used for a housing project that is subject to a regulatory agreement shall be exempt from property taxes for the duration of the regulated period. This exemption shall be incorporated into any and all agreements, including regulatory and loan agreements as applicable.
- (1) If the qualifying housing project is comprised of multiple parcels of land, each parcel comprising the housing project shall be exempt from property taxes.
 - (2) If the housing project fails to meet the requirements under this section at any time during the regulated period, the exemption shall be cancelled and the housing project shall be subject to taxes and penalties as determined in Section 8-10.21(c).
 - (3) If any portion of the housing project that qualifies for an exemption under this section is transferred during the regulated period, the exemption shall be cancelled and the entire housing project, including the portion retained, if any, and the portion transferred, shall be subject to the taxes and penalties pursuant to Section 8-10.21(c)(3). The taxes and penalties shall not apply to any portion of the housing project for which a new claim is filed for an exemption for low-income rental housing as described in this section within 30 days of the recordation or filing of the sale or transfer with the registrar of the bureau of conveyances or the assistant registrar of the land court, whichever is applicable, and the exemption is granted by the director.

- (4) If the entire housing project is sold or otherwise transferred during the regulated period, a new claim for exemption must be filed within 30 days of the recordation of filing of such sale or transfer with the registrar of the bureau of conveyances or the assistant registrar of the land court, whichever is applicable. Failure to file a new claim for exemption or meet the qualifications under this section shall result in cancellation of the exemption and taxes and penalties imposed pursuant to Section 8-10.21(c).
- (c) The exemption provided in this section shall not apply to any portion of the property that is used for commercial or other purposes, and not for the primary use of the tenants of the housing project.
- (d) Where a housing project is situated upon a single parcel of land, if any portion of the property is ineligible for the property tax exemption under this section:
 - (1) The remaining eligible portion shall not be deprived of the exemption;
 - (2) The ineligibility of a portion of the property for exemption under this section shall not disqualify that portion from exemption under any other law; and
 - (3) The tax shall be assessed upon so much of the value of the building and land thereunder as the proportion of the nonexempt floor area bears to the total floor area of the building.
- (e) Exemptions claimed under this section shall disqualify the same property from receiving an exemption under HRS Section 53-38. (Sec. 8-10.20, R.O. 1978 (1983 Ed.); Am. Ord. 90-31, 02-68)

Sec. 8-10.21 Claim for exemption.

- (a) Notwithstanding any provision in this chapter to the contrary, any real property determined by the director to be exempt from property taxes under Section 8-10.20 shall be exempt from property taxes effective as of the date the application is filed with the director; provided, that the initial application for exemption shall be filed with the director within 60 days of the qualification or in the failure thereof by September 30th preceding the tax year for which the exemption is claimed. A copy of the regulatory agreement that has been recorded with the registrar of the bureau of conveyances or filed with the assistant registrar of the land court, whichever is applicable, shall be filed with the application along with any additional documents determined by the director to be necessary to supplement the application. As used herein, the date of the qualification shall be the earlier of: (i) the date when the mortgage made by the nonprofit or limited distribution mortgagor and insured under Section 202, 221(d)(3) or 236 of the National Housing Act is recorded or (ii) the date the regulatory agreement is recorded with the registrar of the bureau of conveyances or the assistant registrar of the land court of the state, whichever is applicable.
For a housing project that qualified for an exemption from real property taxation under Section 8-10.20 before December 20, 2002,* the first application filed after December 20, 2002* shall be deemed the initial filing under this subsection. After the initial year for which the real property has qualified for an exemption, a claim for an exemption shall be filed annually on or before September 30th, together with a document from the agency regulating the housing project certifying that the housing project continues to be in compliance with the initial regulatory agreements and is in compliance with the applicable low-income rental requirements in the manner provided by applicable law or rule.
- (b) In the event property taxes have been paid to the county in advance 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 qualification.
- (c) Cancellation of Exemption—Penalties.
 - (1) Notice by Director.
Following the initial year for which real property has qualified for an exemption, 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 shall be cancelled.
 - (2) Cancellation of Exemption.
An owner who has been sent a notice under paragraph (1) by the director and who fails to file for an exemption by the November 15th deadline shall have the exemption cancelled and the housing project shall be subject to taxes and penalties pursuant to paragraph (3).
In the event the director finds that the initial or subsequent claim for exemption contains false or fraudulent information, the housing project fails to meet the requirements of Section 8-10.20 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 date the exemption was first granted pursuant to an initial filing under subsection (a), and the housing project shall be subject to the taxes and penalties determined in paragraph (3).
- (3) Back Taxes and Penalties.
In the event a housing project is subject to taxes and penalties as provided in paragraph (2), the differences in the amount of taxes that were paid and those that would have been due but for the exemption allowed shall be payable, together with interest at 10 percent per annum, from the respective dates that these payments would have been due. The taxes and penalties due shall be a paramount lien upon the real property.
In addition, 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 \$500.00 shall be imposed.

(Sec. 8-10.21, R.O. 1978 (1983 Ed.); Am. Ord. 02-68)

[*Editor's Note: "December 20, 2002" is substituted for "the effective date of this ordinance."]