



AFFORDABLE RENTAL HOUSING (ARH) 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 and annually updated, by the renter. The agreement must be current and have a minimum of 6 months on the original lease.
- 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 used for commercial or income-producing purposes, except uses which is legally permitted as a home occupation in accordance with the zoning code. (2) short term or transient accommodation rental activity as defined by the State of Hawaii.

Owners’ principal residence with affordable rental unit/dwelling.

- As of January 1, 2025: due to changes made by County Council, 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) are rented for 6 months or longer.
 - Properties in the homeowner tax class with ARH in 2024, that have not sold, will automatically convert in 2025.
 - 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 provides an updated and current contract at the time of the application. Annual applications are no longer required.

ARH Benefits

- 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 annually 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

- Upon breach of the classification, the tax assessment shall be cancelled retroactive to the date of the classification, but for not more than the current year, and all difference in the amount of taxes that were paid and those that would have been due from the assessment in the higher classification shall be payable with a ten percent penalty.