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DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU

530 SOUTH KING STREET ROOM 208 • HONOLULU, HAWAII 96813
PHONE (808) 768-3900 • FAX (808) 768-3179 • INTERNET www.honolulu.gov

2016 OCT -7 PM 1:43

KIRK CALDWELL
MAYOR



NELSON H KOYANAGI JR
DIRECTOR

GARY T KUROKAWA
DEPUTY DIRECTOR

September 28, 2016

The Honorable Ann H. Kobayashi, Chair
and Members
Committee on Budget
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

RECEIVED
2016 SEP 30 A 8:25
CITY COUNCIL
HONOLULU, HAWAII

Dear Chair Kobayashi and Councilmembers:

SUBJECT: Tax Compromise – TMK 8-5-003-013
Hawaii Cedar Church

Under the provisions of the Revised Ordinances of Honolulu 1990, as amended, Section 8-1.3(l) requires that a compromise settlement of any tax claim in excess of \$500 is subject to the approval of the City Council.

We are requesting a real property tax compromise to \$600 for FY 14-15, FY 15-16, and FY 16-17, which represents the real property taxes due on the property located at 85-596 I Waianae Valley Road, identified by tax map key 8-5-003-013. The property tax liability for this property is \$2,846.01 (FY 14-15), \$2,863.68 (FY 15-16), and \$2,895.03 (FY 16-17) not including any penalty and interest. The amount of tax to be compromised is \$2,246.01 (FY 14-15), \$2,263.68 (FY 15-16), and \$2,295.03 (FY 16-17), respectively.

Hawaii Cedar Church is a nonprofit corporation whose purpose is to assist the homeless by providing shelter, rehabilitation services, education, and work related training on the Church's farm.

The above noted property meets the criteria of Resolution 11-259 which states, in part, "That when a property or a portion of a property is eligible for an exemption from real property taxes pursuant to Section 8-10.10, Revised Ordinances of Honolulu

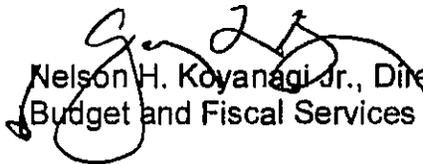
The Honorable Ann H. Kobayashi, Chair
and Members
Committee on Budget
September 28, 2016
Page 2

(Exemption-Charitable purposes), but does not qualify solely because no timely application for exemption is filed:

1. For claims involving a property or a portion of a property for which property taxes are delinquent, it shall be the policy of the Council to approve the compromise of the claim in an amount not to exceed the minimum tax for every six months or portion thereof that the real property taxes are delinquent, provided the delinquency was not willful; and
2. For claims involving a property or a portion of a property for which property taxes are not delinquent, it shall be the policy of the Council to approve the compromise of the claim in an amount not to exceed the minimum tax."

If you have any questions, please call me at 768-3901.

Sincerely,


Nelson H. Koyanagi Jr., Director
Budget and Fiscal Services

APPROVED:


Roy K. Amemiya, Jr.
Managing Director

DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
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KIRK CALDWELL
MAYOR



NELSON H. KOYANAGI, JR.
DIRECTOR

GARY T. KUOKAWA
DEPUTY DIRECTOR

August 1, 2016

RECEIVED
2016 AUG -2 A 8:50
CITY COUNCIL
HONOLULU, HAWAII

The Honorable Ann H. Kobayashi
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

Dear Councilmember Kobayashi:

Thank you for your letter dated June 30, 2016, regarding the outstanding property taxes for Hawaii Cedar Church located at 85-596 Waiānāe Valley Road, TMK 850030130000. The bill they received encompassed two years because they have been delinquent since 2014. It was not a retroactive tax bill that was being mailed for the first time.

For the 2016-17 assessment, the Real Property Assessment Division (Division) received and denied an application for exemption for church purposes. Upon inspection, it was discovered that the property was not being used for what would be considered church purposes.

Due to your inquiry, the Division considered other potential tax relief measures that may assist the Hawaii Cedar Church. They would not qualify for an agricultural dedication because they are not farming for commercial purposes and do not have a GET license. However, we are exploring the possibility of a compromise if they qualify as a charitable organization. Real Property Appraisers Mr. Lee Ideoka and Ms. Paula Fukuda have been in contact with them on several occasions but have yet to receive the requested organizational charter. This is a required document for an organization to qualify for a charitable exemption. Until we review their charter, we are unable to recommend any further action.

Sincerely,

A handwritten signature in black ink, appearing to read "Nelson H. Koyanagi, Jr.", written over a horizontal line.

Nelson H. Koyanagi, Jr., Director
Budget and Fiscal Services

APPROVED:

A handwritten signature in black ink, appearing to read "Roy K. Amemiya, Jr.", written over a horizontal line.

Roy K. Amemiya, Jr.
Managing Director

~~4658209~~
~~2016-931~~



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 202
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TELEPHONE (808) 768-5010 • FAX: (808) 768-5011

ANN H. KOBAYASHI
COUNCILMEMBER, DISTRICT 5
CHAIR, COMMITTEE ON BUDGET
TELEPHONE: (808) 768-5005
FAX (808) 768-6327
EMAIL akobayashi@honolulu.gov

June 30, 2016

Mr. Nelson H. Koyanagi, Jr., Director
Department of Budget and Fiscal Services
City and County of Honolulu
530 South King Street, Room 208
Honolulu, Hawaii 96813

Dear Director Koyanagi,

I am writing to you on behalf of Hawaii Cedar Church, owner of a small-scale live/work farm located at 85-596 I Waianae Valley Road. On May 6, 2016, Hawaii Cedar Church received a real property tax bill from the City Division of Treasury specifying a due date of May 31, 2016. This bill indicates the amount due encompassing the retroactive property taxes from past fiscal years 2014 and 2015 for a total of \$7,003.69.

As you may imagine, this property tax bill is an exceptionally large expense imposed at one time. Additionally, as the property is owned and operated by the Hawaii Cedar Church, it was assumed that it would meet the necessary requirements to be subject to only the minimum real property tax rate. The property is being used to provide opportunities to homeless individuals to have shelter, employment, and a positive environment to reintegrate into the community. Given the housing shortage facing Oahu and the challenges in addressing the growing homeless population, the good work being done by Hawaii Cedar Church is an important part of the solution to this issue.

As I assume this is particular situation is an uncommon occurrence, I would like to respectfully request your assistance in considering measures of financial relief for Hawaii Cedar Church. I remain hopeful that a one-time compromise may be reached benefiting all parties.

Thank you for your attention to this matter and continued support for our community. If you have any additional questions, please do not hesitate to contact me at 768-5005.

Sincerely,

Ann H. Kobayashi
Councilmember, District V