

MEETING NOTES

Date: Friday, August 23, 2019
Location: Livestock Tavern (49 N Hotel St, Honolulu, HI 96817)
Time: 11:30 AM – 12:30 PM (HST)
Meeting Type: Real Property Tax Advisory Commission Credits and Incentives Subcommittee Meeting
Attendees: Onsite: *Ray Kamikawa, Matthew Pennaz, Joy Kimura, Steve Takara*

The following is our understanding of the subject matter covered in the meeting.

SECTION	DESCRIPTION
A.	CREDITS FOR REDEVELOPMENT OF LOW INCOME AREAS
1.	With creation of Opportunity Zone tax credits allowed by the 2017 Tax Cuts and Jobs Act, the committee reviewed ways to enhance this Federal Tax credit with real property tax incentives. We discussed expanding upon Qualified Opportunity Zones by creating an “economic development” property tax reduction within all designated 2011-2015 LIC Census Tracts, where any construction of new facilities or redevelopment / improvement within a designated tract would be allowed to abate the difference between the original value of property and value after improvements are completed for a maximum of 15 years per TMK, with total abated taxes are capped at \$500k.
B.	ACCESSORY DWELLING UNIT (“ADU”) INCENTIVES
1.	The committee discussed ways to incentivize and facilitate additional workforce housing development in Honolulu. Ordinance 16-19, which waives wastewater facility charges, grading, plan review, and building permit fees for ADUs, did not address property taxes. The committee suggested revisiting a property tax exemption, similar to or beyond the contents of Council Bill 63 (2018), to promote the construction of ADUs throughout Honolulu.