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DEPARTMENT OF BUDGET AND FISCAL SERVICES
KA ʻOIHANA MĀLAMA MOʻOHELU A KĀLĀ
CITY AND COUNTY OF HONOLULU

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April 16, 2026

The Honorable Tommy Waters
Chair and Presiding Officer
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaiʻi 96813

Dear Chair Waters and Councilmembers:

SUBJECT: Resolution Relating to Real Property Tax Compromise

Attached is a draft Resolution Relating to Real Property Tax Compromise. The Department of Budget and Fiscal Services ("BFS") acknowledges that Nohona Hale is a 16 story affordable rental housing project developed by taxpayer-owner 630 Cooke Street Partnership, LP ("CSPL") and managed by EAH Housing Inc.

Nohona Hale consists of 110 studio "micro" units, one (1) manager unit, community common areas, and a ground floor commercial space. Of the 110 units, 99 units are rented to individuals earning 60% or less of the area median income ("AMI"), and 11 units are rented to individuals earning 30% AMI or less, for an affordability period of 65 years under a recorded declaration of restrictive covenant.

The residential portion of Nohona Hale was exempt from real property taxes under the low-income rental housing ("LIRH") exemption pursuant to ROH §§ 8-10.17 and 8-10.18 for tax years 2017 through 2024. The commercial portion of Nohona Hale is not exempt under ROH § 8-10.17(c), and CSPL paid the taxes for the commercial portion for tax years 2017 through 2024. However, the LIRH exemption for the 2025 tax year was removed after CSPL missed the filing deadline for the annual certification and claim for exemption and payment of the $500 late filing penalty. CSPL reapplied for and has an approved LIRH exemption for the 2026 tax year.

The total amount of taxes, penalties and interest owing for the 2025 tax year is $324,079.74, of which $317,500.52 is allocated to the residential portion and $6,579.22 is allocated to the commercial portion of Nohona Hale.

BFS approves a conditional one-time compromise of unpaid real property taxes allocable to the residential rental portion, such that the total taxes, penalties and interest in the amount of $324,079.74 are compromised to the amount of $6,579.22 that is fully allocated to the commercial portion of Nohona Hale. The one-time tax compromise is predicated upon CSPL's completion of the following conditions within thirty (30) days of Council's adoption of the resolution for tax compromise: (1) the filing of the annual certification and claim form for tax year 2025 and payment of the $500 late filing penalty pursuant to ROH § 8-10.18(c)(2); and (2) payment of taxes in the amount of $6,579.22.

We appreciate your continued assistance and support. If you have any questions concerning this matter, please call me at (808) 768-3901.

Sincerely,

Andrew T. Kawano
Director

Attachment

APPROVED:

For

Michael D. Formby, Managing Director
Office of the Managing Director

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

No. _____

RESOLUTION

RELATING TO REAL PROPERTY TAX COMPROMISE.

WHEREAS, the City Council approved, via Resolution 17-312, CD1, the development of Nohona Hale, an affordable rental housing project at 630 Cooke Street, Honolulu, identified as Tax Map Key No. 2-1-051-014-0000, pursuant to Section 201H-38 of the Hawai'i Revised Statutes ("HRS"), and granted certain exemptions to developer-taxpayer 630 Cooke Street Partnership, LP ("CSPL"); and

WHEREAS, Nohona Hale is a 16-story high-rise residential building, consisting of 110 studio "micro" rental units, one (1) manager unit, community common areas, and a ground floor commercial space; and

WHEREAS, pursuant to a recorded June 1, 2018 Regulatory Agreement and Declaration of Restrictive Covenants with the Hawai'i Community Development Authority, the Nohona Hale project was developed by CSPL and managed by its housing manager, EAH Housing, Inc., and reserved 100% of the 110 rental units for affordable housing; and

WHEREAS, of the 110 rental units, 99 units are reserved for individuals earning at or below 60% of the area median income ("AMI"), and 11 units are reserved for individuals earning at or below 30% AMI, for an affordability period of 65 years; and

WHEREAS, the affordable rental housing portion of Nohona Hale was exempt from real property taxes from the 2017 tax year through the 2024 tax year under an approved low-income rental housing ("LIRH") exemption pursuant to ROH §§ 8-10.17 and 8-10.18; and

WHEREAS, CSPL annually paid real property taxes levied upon the commercial ground floor portion of Nohona Hale that is not exempt under ROH § 8-10.17(c), from the 2017-18 tax year through the 2024-25 tax year; and

WHEREAS, CSPL would have continued to qualify for the LIRH exemption for the affordable housing portion of Nohona Hale, except that it did not meet the deadline for a continuing exemption by filing the requisite annual compliance and claim for exemption and pay the $500 late filing penalty by November 15, 2024, after notice pursuant to ROH § 8-10.18(c)(2); and

RESOLUTION

WHEREAS, CSPL timely filed an initial claim for an LIRH exemption for the 2026-27 tax year, which exemption was approved; and

WHEREAS, for the 2025 tax year, CSPL was assessed and owes real property taxes in the amount of $280,418.56 for both the residential and commercial portions of Nohona Hale, for which penalties and interest are accruing; and

WHEREAS, for the 2025 tax year, the total amount of taxes, accrued penalties and interest owing will be $324,079.74 through the date this resolution is adopted; and

Whereas, of the $324,079.74 in outstanding taxes, accrued penalties and interest, the amount of $317,500.52 is allocated to the residential portion and the amount of $6,579.22 is allocated to the commercial portion of the project; and

WHEREAS, ROH Section 8-1.3(12) states that the Director of Budget and Fiscal Services ("Director") may request that the City Council ("Council") approve a compromise of any claim concerning real property taxes that exceeds $500; and

WHEREAS, in recognition of the importance of low-income rental housing in the City as well as the hardship on CSPL should it be required to remit the full amount of property taxes, penalties and interest due, the Council finds that CSPL should be granted a one-time compromise for taxes owed on the affordable rental housing portion of Nohona Hale, including any applicable interest and penalties, for the tax year beginning July 1, 2025 and ending June 30, 2026; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it approves a one-time compromise of the real property taxes, accrued penalties and interest owed by 630 Cooke Street Partnership, LP, for the tax year beginning July 1, 2025 and ending June 30, 2026 for the affordable rental housing portion of Nohona Hale, such that the total taxes, interest and penalties owing in the amount of $324,079.74, are compromised to the amount of $6,579.22 that is fully allocated to the commercial portion of Nohona Hale; and

RESOLUTION

BE IT FURTHER RESOLVED, however, that the approval of the one-time compromise of the 2025 real property taxes is conditional upon 630 Cooke Street Partnership, LP completing the following actions within thirty (30) days from the date this resolution is adopted: (1) filing of an annual compliance and claim for exemption and paying the $500 late filing penalty for tax year 2025-26 pursuant to ROH § 8-10.18(c)(2); and (2) paying the taxes, penalties and interest due on the non-exempt commercial portion of Nohona Hale in the amount of $6,579.22; and

BE IT FINALLY RESOLVED that copies of this resolution be transmitted to the Managing Director, the Director of Budget and Fiscal Services, and taxpayer 630 Cooke Street Partnership, LP, c/o Ian P. Luthringer, Esq. of Settle Meyer Law, Pioneer Plaza, 900 Fort Street Mall, Suite 1800, Honolulu, Hawai'i 96813.

INTRODUCED BY:

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DATE OF INTRODUCTION: _____

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Honolulu, Hawai'i Councilmembers

Report Title: Property Tax Compromise; Nohona Hale; Hawai'i Community Development Authority; EAH Housing; 630 Cooke Street Partnership, LP.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.