

NOTICE OF PUBLICATION AND NOTICE OF PUBLIC HEARING

18 JUL 12 110 :08

Notice is hereby given that the Council of the County of Kaua'i will hold a public hearing on Wednesday, August 8, 2018, at 1:30 p.m., or soon thereafter, at the Council Chambers, 4396 Rice Street, Room 201, Historic County Building, Līhu'e, on the following:

OFFICE OF
THE COUNTY CLERK
COUNTY OF KAUAI

Bill No. 2715

A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. B-2018-842, AS AMENDED, RELATING TO THE CAPITAL BUDGET OF THE COUNTY OF KAUAI, STATE OF HAWAII, FOR THE FISCAL YEAR JULY 1, 2018 THROUGH JUNE 30, 2019, BY REVISING THE AMOUNTS ESTIMATED IN THE BOND FUND AND HIGHWAY FUND-CIP (*Salt Pond Wastewater Improvements and Hanapēpē Moi Road Pedestrian Safety Improvement Projects - \$765,000.00*)

This Bill proposes to amend Ordinance No. B-2018-842, as amended, relating to the Capital Budget of the County of Kaua'i, State of Hawaii, for the Fiscal Year July 1, 2018 through June 30, 2019, for the purpose of (1) reducing the appropriation in the Bond Fund for "Ka'ana Building Energy Initiatives" by (\$525,000.00) and funding "Salt Pond Wastewater Improvements" in the amount of \$525,000.00, and (2) reducing the appropriation in the Highway Fund-CIP for "Olohena Improvements" by (\$240,000.00) and funding "Hanapēpē Moi Road Pedestrian Safety Improvements" in the amount of \$240,000.00. This will provide the necessary funding to complete the Salt Pond Wastewater Improvements and Hanapēpē Moi Road Pedestrian Safety Improvement projects by providing additional construction costs due to the higher than anticipated bid pricing received.

Bill No. 2716

A BILL FOR AN ORDINANCE TO AMEND SECTION 5A-6.4(C) AND SECTION 5A-11A.1 OF THE KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO REAL PROPERTY TAX (*Licensed Day Care Provider Homestead Tax Classification*)

This Bill proposes amend Section 5A-6.4(c) and Section 5A-11A.1 of the Kaua'i County Code 1987, as amended, relating to real property tax, to allow for owners (landlords) who participate in the County's Long-Term Affordable Rental Program to qualify for the Homestead tax classification and tax rate if their tenant is operating a day care center as a licensed day care provider.

All interested persons who wish to present their comments may do so at the public hearing. Written testimony prior to the hearing would be appreciated. Written testimony can be submitted to the Office of the County Clerk, Council Services Division by mail, facsimile, or via E-mail to counciltestimony@kauai.gov. Copies of the Bills are available at the Office of the County Clerk, Council Services Division.

(The Council Committee or Council may amend these Bills at their subsequent meetings. Meeting notices are posted at least six (6) days in advance at the County Clerk's Office and the public may also testify at any of these meetings.)

CERTIFICATE OF THE COUNTY CLERK

I hereby certify that the foregoing Bills Nos. 2715 and 2716 were passed on first reading and ordered to print by the Council of the County of Kaua'i at its meeting held on July 11, 2018, by the following vote:

AYES:	Brun, Chock, Kagawa, Kaneshiro, Kawakami, Yukimura, Rapozo	TOTAL – 7,
NOES:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.
Līhu'e, Hawai'i July 12, 2018	/s/ Jade K. Fountain-Tanigawa County Clerk, County of Kaua'i	

NOTE: SPECIAL ACCOMMODATIONS AND SIGN LANGUAGE INTERPRETER AND INTERPRETERS FOR NON-ENGLISH SPEAKING PERSONS ARE AVAILABLE UPON REQUEST FIVE (5) DAYS PRIOR TO THE MEETING DATE, TO THE COUNTY CLERK, 4396 RICE STREET, SUITE 209, LĪHU'E, KAUA'I, HAWAI'I, 96766. TELEPHONE NO. (808) 241-4188. FACSIMILE NO. (808) 241-6349.

(One publication – The Garden Island – July 17, 2018)

**A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. B-2018-842,
AS AMENDED, RELATING TO THE CAPITAL BUDGET OF THE
COUNTY OF KAUA'I, STATE OF HAWAI'I, FOR THE
FISCAL YEAR JULY 1, 2018 THROUGH JUNE 30, 2019,
BY REVISING THE AMOUNTS ESTIMATED IN THE
BOND FUND AND HIGHWAY FUND-CIP**

BE IT ORDAINED BY THE COUNCIL OF THE COUNTY OF KAUA'I, STATE OF HAWAI'I:

SECTION 1. That pursuant to Sections 19.07B and 19.10A of the Charter of the County of Kaua'i, as amended, Ordinance No. B-2018-842, as amended, relating to the Capital Budget of the County of Kaua'i, State of Hawai'i, for the Fiscal Year July 1, 2018 through June 30, 2019, be hereby amended as follows:

1. The sum of \$525,000.00 by revising the amounts estimated in the Bond Fund from the following account:

Ka'ana Building Energy Initiatives [525,000.00]

Be and is hereby appropriated for the following purpose:

Salt Pond Wastewater Improvements \$525,000.00

2. The sum of \$240,000.00 by revising the amounts estimated in the Highway Fund-CIP from the following account:

Olohena Improvements [240,000.00]

Be and is hereby appropriated for the following purpose:

Hanapēpē Moi Road Pedestrian Safety Impv. \$240,000.00

SECTION 2. This Ordinance shall take effect upon its approval.

Introduced by:


ARRYL KANESHIRO
(By Request)

DATE OF INTRODUCTION:

July 11, 2018

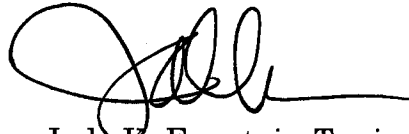
Līhu'e, Kaua'i, Hawai'i

CERTIFICATE OF THE COUNTY CLERK

I hereby certify that heretofore attached is a true and correct copy of Bill No. 2715, which was passed on first reading and ordered to print by the Council of the County of Kaua'i at its meeting held on July 11, 2018, by the following vote:

FOR PASSAGE:	Brun, Chock, Kagawa, Kaneshiro, Kawakami, Yukimura, Rapozo	TOTAL - 7,
AGAINST PASSAGE:	None	TOTAL - 0,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Līhu'e, Hawai'i
July 12, 2018



Jade K. Fountain-Tanigawa
County Clerk, County of Kaua'i

A BILL FOR AN ORDINANCE TO AMEND SECTION 5A-6.4(C) AND SECTION 5A-11A.1 OF THE KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO REAL PROPERTY TAX

BE IT ORDAINED BY THE COUNCIL OF THE COUNTY OF KAUAI, STATE OF HAWAII:

SECTION 1. Findings and Purpose. The purpose of this Bill is to allow landlords who participate in the County’s Long-Term Affordable Rental program to qualify for the Homestead tax classification and tax rate if their tenant is operating a day care center as a licensed day care provider. Quality childcare for preschoolers is one of the critical ways in which Kaua’i’s keiki get a good start in life. Recognizing this, the existing law presently classifies homes as Homestead when a home is owner-occupied and the homeowner uses their home for licensed child care. This Bill will extend the Homestead tax classification to homeowners (landlords) who rent property at long-term affordable rental rates where the tenant provides licensed childcare in the home.

SECTION 2: Chapter 5A, Section 5A-6.4(C), of the Kaua’i County Code 1987, as amended, is hereby amended to read as follows:

“(c) Parcels which are used for no other purpose than as the owner’s principal residence shall be classified as “homestead” provided that the owner has applied for and has been granted a home exemption according to Sec. 5A-11.4. The homestead class shall also include parcels used as the owner’s principal residence which are being assessed according to their agricultural use as provided in Sec. 5A-9.1; provided that the owner has been granted a home exemption and that no portion of the parcel be used for a purpose other than the owner’s principal residence and agriculture. The agricultural use shall be limited to the cultivation of crops, pasturing of animals, and cultivation of aquaculture products, and uses which directly support the agricultural activity such as windbreaks, access roads, irrigation ditches and sheltering of farm machinery. Uses which are primarily commercial or industrial in nature, such as importing, selling, refining or distributing agricultural products, shall not qualify for the homestead class. The residentially-used portions of agricultural land shall be assessed according to their value in residential use. The homestead class shall also include parcels used as day care centers by licensed day care providers; provided that the owner has been granted a home exemption[,] or is renting a Long-Term Affordable Rental in accordance with Section 5A-11A.1, no portion of the parcel is used for any other commercial activity, and that owner has provided a current copy of [the] their day care provider license or their tenant’s day care

provider license to the Director on or before September 30th prior to the applicable tax year. The homestead class shall also include parcels that have applied for and have been deemed a long term affordable rental pursuant to Sec. 5A-11A.1. "Homestead" shall mean properties which are used exclusively as the owner's principal residence, except as otherwise provided in this Section. Uses which shall not qualify as "homestead" include, but are not limited to, the following: (1) real property which is used for commercial, income producing purposes, except for the agricultural, licensed day care, and long term affordable rental uses provided above; and (2) real property which is used for residential rental purposes, whether for long term or short term, except as provided above and otherwise in this Chapter."

SECTION 3: Chapter 5A, Section 5A-11A.1 of the Kaua'i County Code 1987, as amended, is hereby amended to read as follows:

"(a) Definitions. As used in this Section:

"Dwelling" means a building or portion thereof designed or used exclusively for residential occupancy and having all necessary facilities for permanent residency such as living, sleeping, cooking, eating and sanitation.

"Long-term affordable rental" means a dwelling subject to a written lease agreement with a term of one (1) year or more and at a monthly rent not to exceed the maximum housing cost based on the long-term affordable rental limit for the year in which the owner files his or her application.

"Long-term affordable rental limit" means the midpoint of the maximum rental limits for each unit type using between eighty percent (80%) and one hundred percent (100%) of the Kaua'i median household income as defined by the Kaua'i County Housing Agency Rental Housing Guidelines.

(b) Any owner who owns real property that is rented or leased as a long-term affordable rental shall receive the homestead tax rate as provided in Sec. 5A-6.4 provided that all dwellings on the property are long-term affordable rentals or owner-occupied.

(c) Any owner who owns real property that is rented or leased as a long-term affordable rental of which their tenant is operating a day care center as a licensed day care provider shall be an allowed activity under this Section and shall receive the homestead tax rate as provided in Sec. 5A-6.4, provided that the day care center is operated out of the long-term affordable rental dwelling. A day care center

operating out of a separate dwelling on the property that is not a long-term affordable rental shall not qualify for the homestead tax rate.

~~[(c)]~~ (d) The owner may apply for the beneficial tax rate on a single year or multi-year basis. An owner with a multi-year written lease agreement may apply to receive the beneficial tax rate for each year that the lease agreement is in effect up to a maximum of three (3) years, provided that rent in each year of the lease does not exceed the long term affordable rental limits at the time of application. For each subsequent year of the multi-year lease, the owner shall file by September 30th, an annual affidavit confirming the unit(s) is still being rented at the specified rent level in accordance with the multi-year lease agreement. At the expiration of the multi-year beneficial tax period, the owner may file a new application to receive the beneficial tax rate as long as the property adheres to the long term affordable rental requirements at the time of the new application.

~~[(d)]~~ (e) The owner shall file his or her application annually in a form prescribed by the Director of Finance by September 30th prior to the fiscal year beginning July 1st for the beneficial tax rate. The owner shall notify the Director of Finance within thirty (30) calendar days if the property is no longer being rented or leased as a long-term affordable rental due to the sale of the property or conversion to short-term rental. Should there be a change in the use as a long-term affordable rental, the beneficial tax rate shall be automatically revoked and all differences in the amount of taxes that should be due for the remainder of the tax year without the beneficial tax rate shall become due and payable.

~~[(e)]~~ (f) For the 2018 tax year, any owner who owns real property that is rented or leased as a long-term affordable rental may apply for the beneficial tax rate for Long Term Affordable Rental provided that the monthly rent amount stated in their written lease agreement does not exceed the most current long-term affordable rental limit established by the Department of Finance, Real Property Tax Assessment Division or the previously established 2015 rental limit, whichever is higher. The owner shall file an application with the Department of Finance, Real Property Tax Assessment Division by September 30, 2017. Hereafter, the long-term affordable rental limit shall be determined by the Department of Finance, Real Property Tax Assessment Division by October 1st using the most current Kaua'i County Housing Agency Affordable Rental Housing Guidelines, provided that the 2015 tax year rates shall be set as the minimum floor for the County's Long-Term Affordable Rental Program.

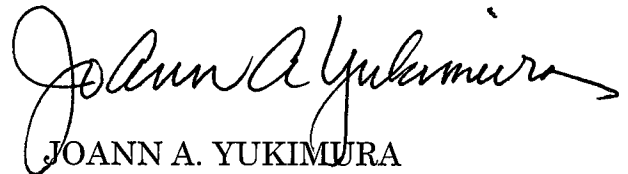
~~[(f)]~~ (g) The Director may adopt rules and prescribe forms.”

SECTION 4. Ordinance material to be repealed is bracketed. New ordinance material is underscored. When revising, compiling or printing this ordinance for inclusion in the Kaua'i County Code, 1987, as amended, the brackets, bracketed material, and underscoring shall not be included.

SECTION 5. If any provision of this Ordinance or the application thereof to any person or circumstances is held invalid, the invalidity does not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable.

SECTION 6. This Ordinance shall take effect upon its approval.

Introduced by:


JOANN A. YUKIMURA

DATE OF INTRODUCTION:

July 11, 2018

Līhu'e, Kaua'i, Hawai'i

V:\BILLS\2016-2018 TERM\2018-542 Draft Long Term Affordable Day Care JY_YS_mn.docx

CERTIFICATE OF THE COUNTY CLERK

I hereby certify that heretofore attached is a true and correct copy of Bill No. 2716, which was passed on first reading and ordered to print by the Council of the County of Kaua'i at its meeting held on July 11, 2018, by the following vote:

FOR PASSAGE:	Brun, Chock, Kagawa, Kaneshiro, Kawakami, Yukimura, Rapozo	TOTAL – 7,
AGAINST PASSAGE:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Līhu'e, Hawai'i
July 12, 2018



Jade K. Fountain-Tanigawa
County Clerk, County of Kaua'i