

**ALAN M. ARAKAWA**  
Mayor



**DANILO F. AGSALOG**  
Director

RECEIVED

2017 SEP -7 PM 2:37

**MARK R. WALKER**  
Deputy Director

OFFICE OF THE MAYOR

COUNTY OF MAUI  
**DEPARTMENT OF FINANCE**  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793

September 7, 2017

Honorable Alan M. Arakawa  
Mayor, County of Maui  
200 South High Street  
Wailuku, Hawaii 96793

For Transmittal to:

Honorable Stacy Crivello  
Chair, Housing, Human Services, and Transportation Committee  
Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

*Alan Arakawa* 9/12/17  
Mayor Date

Dear Chair Crivello:

**SUBJECT: AMENDMENTS TO THE RESIDENTIAL WORKFORCE HOUSING POLICY (PROPOSED AMENDMENT RELATING TO HOUSING RESTRICTIONS) (HHT-2(2))**

This is in response to your letter dated August 17, 2017 requesting information regarding amendments to the residential workforce housing policy. Our response follows:

*"May I request your assistance on whether a time lag exists between assessed valuations and appraisals, and if so, approximately how long is the lag? Please explain."*

From July 1 to December 31, appraisers analyze market data from the previous fiscal year when establishing values for the January 1<sup>st</sup> assessment date. Assessment notices are then mailed out to the public on March 15<sup>th</sup>, for the fiscal year beginning July 1.

With regard to the workforce housing policy, assessed values are established through mass appraisal, and are for assessment purposes only. Assessed values should not be used to establish purchase prices as they are limited in scope. Properties that contain affordable sale price restrictions are valued at their encumbered value, not at market value. For example: if an affordable unit is sold for \$250,000, it is valued at \$250,000 even though the market value might be closer to \$400,000.

Honorable Stacy Crivello  
September 7, 2017  
Page 2

Thank you for the opportunity to provide comment regarding this matter and should you have any questions, please feel free to contact me at Ext. 7475.

Sincerely,



 **DANILO F. AGSALOG**  
Director of Finance

c: Scott K. Teruya, Real Property Tax Administrator