

RICHARD T. BISSEN, JR.
Mayor

MARCY MARTIN
Director

MARIA E. ZIELINSKI
Deputy Director



DEPARTMENT OF FINANCE
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov

August 28, 2025

Honorable Richard T. Bissen, Jr.
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

For Transmittal to:

Honorable Tasha Kama, Chair
Housing and Land Use Committee
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Kama:

**SUBJECT: HOUSING PROJECTS UNDER CHAPTER 201H, HAWAII
REVISED STATUTES: KAIAHALE 'O KAHILUHILU
AFFORDABLE HOUSING RENTAL PROJECT (HLU-1(1))**

Pursuant to your letter dated August 26, 2025, regarding the above-referenced matter, please see the following responses:

1. If the exemption is not granted, what would the property's estimated annual assessed RPT be during the Project construction period and while the Project operates as an affordable housing rental project using current RPT rates and tiers? Please explain.

Response: For 2025, the property was assessed as commercial zoned vacant land at \$12,447,200. Using the commercial value and the apartment tax rate, the taxes would be \$43,565.20. However, this is a hypothetical real property tax calculation because the land would be reassessed as apartment use if a permit for an apartment project was approved. Without completing an appraisal, it is impossible to estimate the annual assessed value and corresponding taxes.

APPROVED FOR TRANSMITTAL

A handwritten signature in black ink, appearing to read "Richard T. Bissen, Jr.", written over a green horizontal line. Below the line, the word "Mayor" is printed in green. To the right of the signature, the date "8-31-25" is handwritten in black ink, and below it, the word "Date" is printed in green.

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2. Are RPT exemptions for affordable housing rental projects typically granted, including during the construction period?

Response: Yes, per MCC 3.48.496 Very low income, low income, below-moderate and moderate income housing exemption, a property qualifies when it is subject to an enforceable federal, state or county government regulatory agreement which restricts the property's use to renting to qualifying tenants. The applicant must file for the exemption. Because the regulatory agreement can be created prior to construction, a property may be granted the exemption during construction. Developers should consult with the Real Property Assessment Division as soon as possible prior to development.

3. Would the Department support similar RPT exemptions for future affordable housing rental projects? Explain why or why not, including whether certain conditions make a similar exemption permissible for some projects but not others.

Response: The Department supports the granting of codified exemptions such as the exemption provided under MCC 3.48.496. A reduction in taxes for an exemption that is not codified would be subject to MCC 3.48.010 L.

Should you have any questions, please feel free to contact me or Deputy Director Maria Zielinski at extension 7722.

Sincerely,



MARCY MARTIN
Director of Finance

HLU Committee

From: Michelle L. Santos <Michelle.Santos@co.maui.hi.us>
Sent: Tuesday, September 2, 2025 8:51 AM
To: HLU Committee
Cc: Cynthia E. Sasada; Erin A. Wade; Josiah K. Nishita; Kelii P. Nahooikaika
Subject: MT#11200 HOUSING PROJECTS UNDER CHAPTER 201H
Attachments: MT#11200-HLU Committee.pdf