

**Tom Blackburn-Rodriguez
Maui County Council,
Budget and Finance Committee
September 19, 2017**

Testifying on BF-45

I am Tom Blackburn-Rodriguez testifying for Go Maui on BF-45. Go Maui is a nonprofit organization whose focus is on affordable housing, good paying jobs, water and agriculture. We can be found on the web at GO MAUI INC.ORG.

Go Maui supports the intent of this measure to classify housing units not used for resident use at the highest and best use. But we have reservations about this measure as proposed as it may impact the taxation of units that are currently being used as long-term rentals. This could result in the property owners raising rent on their tenants or worse yet that some of these long-term rentals may be converted to short-term rental use.

The Real property tax department reports that this measure would move 2,599 properties from the apartment classification to the hotel classification. But what has not been determined is how many of these 2,599 properties are currently being used as long-term rentals providing housing to Maui County residents.

The measure includes a procedure for creating a ten-year residential dedication, but it is unlikely that any property owner would jump thru all the hoops required in this proposed procedure just to save his tenant on the rent.

Another option for consideration might be to create an exemption that any property owner could apply for annually after demonstrating that the unit will be used as long-term rental use. For example, upon evidence of a lease of more than 180 days, the property holder might receive a tax exemption to be determined by the Council.

Go Maui supports the potential additional tax revenue that this measure could create and thanks Chair Hokama for his dedication to a fiscally sound Maui County but would not wish to see the loss of any affordable rental housing. At this time, Go Maui respectfully requests further consideration of this measure until its full impact on local rental housing opportunities can be fully determined and codified.

Thank you for the opportunity to testify on behalf of Go Maui.