

LU Committee

From: mark mcdonald <mmcdonald@hawaii.rr.com>
Sent: Tuesday, March 07, 2017 12:19 PM
To: LU Committee
Subject: Proposed amendment to STRH Ordinance

MARCH 7, 2017

TO: , Maui County Land Use Committee

EMAIL TO:landusecommittee@mauicounty.us

FROM: Mark and Brooke McDonald (mmcdonald@hawaii.rr.com)

RE: STRH Permit – Proposed Amendment.

Dear Land Use Committee Members ,

We are writing to urge you to please not amend the STRH ordinance requiring 5 years of ownership before a permit could be applied for.

Requiring any new owner of a previously licensed STR from applying for a license for 5 years is un-fair and penalizes people for complying with the law, obtaining a permit and doing the right thing. It also encourages people to operate illegally.

We used to live full time on Maui and when our children went to college we began to spend more time on the mainland. My wife and I, our children and now grandchildren use our house and are back on Maui as often as we can be. We never rented our house long term and wouldn't because we not be able to use it ourselves. Also, it is an expensive property and you could not rent it at amount that would justify the value of the property. If we didn't do vacation rentals we would have sell our house.

We plan for our children to someday inherit and hopefully keep our family home.

If they could not obtain a permit for 5 years they would not be able to justify or afford the cost to keep the house. They would have to sell it. They would not even be able to legally honor future committed rentals some of which are booked over 1 year in advance.

If someone buys a home and can't apply for a permit for 5 years, it limits buyers to mostly a small number of people who want a vacation home and can afford to leave it empty when they or their Ohana are not using it. That is a very limited market and will reduce prices and revenue from many sources for the County and the people of Maui. It also encourages anyone who has not owned their home for more than 5 years to rent without a license. This means that they are not paying the licensing fees to the County or the higher property tax rate. It is also likely that they are not paying GET and TAT taxes.

As you know, in the past Maui County was concerned about vacation rentals being un-licensed and encouraged home owners to obtain licenses. We were among the first to apply and among the first to obtain a license. The licensing procedure took a great deal of time, effort and expense. Once licensed we began paying an annual license fee, higher property taxes and higher expenses.

However, those who remain un- licensed don't face these expenses or addition time and work.

Our vacation rental has a very positive effect on Maui's economy. In 2016 our expenses for our home were over \$130,000.00. Most of that money stayed on Maui supporting the economy and providing income for the families of the people who work on, manage and maintain our home as well as the taxes generated.

The process to get a permit should be made easier not harder and penalizing people who complied when asked to, is un-fair. Making the process more difficult, penalizes people who complied and requiring any new owner to wait 5 years to apply, encourages more illegal and un-licensed STR's to remain un-licensed. As stated above it also reduces tax and licensing revenue and harms the families on Maui to rely on the income from licensed STRHs.

Less than ½ of 1% of single family homes on Maui are licensed STR's. I believe there are 185 licenses issued. Most are costly homes that would not be long term rentals and don't take away from the long term rental inventory.

We respectfully urge you to not amend the STRH ordinance.

Sincerely- Mark and Brooke McDonald