

Aloha, my name is Brian Wittman.

I just want to give you one person's background story: My parents bought a one-bedroom condo in Ma'alaea back in the 80's. I think it was under \$50,000. It is in the Hono Kai building, which is on the Minatoya list. My dad died in 1998, and my uncle moved in with my mom to keep her company. My mom died in 2002, and my uncle died later that same year. Then in 2003, my brother moved in, and he stayed there until he died in 2023. We never used it for vacation rentals, just family use, so the taxes always stayed low. It would be nice to be able to keep it.

My brother died right when the governor wanted people to offer apartments for fire survivors, so we rented it to FEMA and they paid a lot for a while, so we haven't had to make a long-term decision yet.

There is no mortgage any more, but the association fees are really high for the place now... \$1470/month. Electricity is about \$200/mo. The condo rules require insurance, and that is another \$1200/year, and another \$1300/year for Maui County property tax as a long-term rental. So, doing the math, that's over \$1900/month in expenses, not counting repairs, just to break even. Another way to say that is it costs \$63 a day to break even, and that is if it is used for long term rental. If the place is used for vacation rentals, the property tax goes up to \$6000/year, so then the break-even cost becomes \$77/day.

So here is what we can look forward to: If you folks don't pass Bill 9, we can pay the \$6000/year county property tax, and then try to get enough short-term bookings per month to cover all those fees, plus paying local cleaning fees, transient accommodation tax, etc. And if we do make a little profit, then we pay income tax on that too. One advantage is when it's not rented, we can let family still use it. Five of my kids live on the continent now, and they like to visit home whenever they can afford it. My kids all grew up swimming in Grandma's pool there.

Or we could try to get a long term lease, but we would have to charge at least \$2500/mo for a walk-up 500 sq ft apartment with just one parking space. It doesn't even have a real bedroom, just a shoji screen. To offer any kind of affordable rent, the profit would have to be very small. Repairs would probably eat most of it. The lease would have to be 12 months to follow county rules, so we could never use it ourselves. If you guys do pass Bill 9, that's going to be our only choice, other than just lose \$63 a day, or sell it.

The county lists the value at \$432,000, but that's not true anymore. When we were talking recently with a realtor friend about selling it, she said it should be listed at \$295,000 or no one would even be interested.

If current owners end up selling their places cheap because you folks pass Bill 9 and they can't do their short-term rentals any more, guaranteed the new buyers are not going to be local families. Paying a mortgage on top of all those fees would be way too much! It's probably going to be out-of-state retirees with cash who will grab the good deals, move here, and then pay low tax by being resident owners. The housing crisis for locals will continue, and Maui County will lose a lot of tax revenue and vacation rental jobs for nothing.

I just hope you folks are really thinking ahead.

Mahalo for your time and attention,

Brian Wittman

RECEIVED AT HLU MEETING ON 10-14-2025
(BRIAN WITTMAN)