

REALTORS® Association of Maui, Inc.

GOVERNMENT AFFAIRS COMMITTEE MINUTES

December 1, 2011

Committee Responsibilities and Job Description: Reviews County legislation (existing or proposed) affecting the real estate industry. Develops and recommends to the Executive Committee and/or the Board of Directors, Association positions, legislation to be sponsored, and testimony to be given at the County level. Members and/or Government Affairs Director attend Land Use and County Council Meetings where real estate-related issues are discussed and report back to the committee.

Chairperson: Elaine Waldow
Vice-Chairperson: Mike Trotto
Members: Marina Batham, Sylvia Cabral, Lawrence Carnicelli, Victoria Cheromcka, Deborah Davis, Michelle Del Rosario, Bruce Faulkner, Marion Haller, Mark Harbison, Robbi Kean, Bob Lightbourn, Helen MacArthur, Sarah Sorenson, Lisa Teichner, Margit Tolman, Roy Vandoorn
Staff: Dave DeLeon, Terry Tolman
Excused: Marina Batham, Lawrence Carnicelli, Deborah Davis, Michelle Del Rosario, Marion Haller
Guests: Tonia Johnson

- I. Call to order. Meeting called to order at: 1 p.m.**
- II. Quorum: Quorum obtained, 13 attending, 10 required**
- III. Minutes of Meeting of November 3, 2011 meeting were approved.**
- IV. Chair Elaine Waldow chaired the meeting**
- V. NEW BUSINESS:**

A. HAR GAC PRIORITIES

Dave reported that HAR GAC has responded positively to a request from the RAM Board that a proposed legislative priority giving residential HOAs under HRS 421J the same sort of protection as condo AOAOs in foreclosures be reinstated as a priority. HAR is now including this proposal as one of its legislative priorities.

The committee also had a spirited, if inconclusive debate on a proposal to make the use of Buyer Representation Agreements mandatory. Questions arose about

when exactly would they be mandatory – in open houses? When the agent and clients go together to see property? The sense of the group is that the written buyer representation agreement was primarily beneficial to agents but not necessarily good for consumers. There was also agreement that newer agents seemed to be more adept at using these forms with their clients. The discussion ended without a recommendation.

B. SHORT-TERM RENTALS

Dave reported that the proposed Short-term Rental bill is still under review and taking a lot of opposition from the Maui Meadows and Wailea communities. The Maui Meadows opposition centered on a particular couple who seem to have a talent for getting into these types of fights and who are pretty tenacious once they start one. The Maui Meadows community is concerned that they will be inundated with vacation rentals. The Wailea opposition is based on a general opposition to changing the zoning code so that Short-term Rentals can be permitted. The Wailea opposition wants the County to honor their covenants against vacation rentals, but the county attorneys say covenants are private contracts that the County should not be involved with. The Council appears to want the county to be able to take covenants into consideration when they review permits applications. The GAC members generally did not think the few STRs that would be permitted in Maui Meadows under this bill would have much impact and that the Wailea community had nothing to fear. It was pointed out that vacation rentals are a given in our community and that it would be best to at least attempt to regulate them. Most South Maui STRs will probably be ocean front mansions, it was pointed out. Mike Trotto noted that the key concern raised by the Maui Meadows community is the County's apparent inability to enforce its existing rules. Until the County figures out how to address that, there will remain some concern about vacation rentals in the community, Mike said. It was also agreed that the folks who do get a STR permit will not be the ones causing problems in the neighborhoods.

C. CHARTER COMMISSION MAKES TENTATIVE PROPOSALS

Dave reported that the Charter Commission will not consider changing the Council election system to single-member districts. He announced that concept is dead and that he would therefore stop working for its realization. The GAC focused instead on whether to continue to support its earlier recommendation to change the Council's terms from two to four years. That is the commission's recommendation. The discussion swung between those who supported four-year terms, but only if they were associated with district elections, and those who liked four-year terms because they would make the Council more efficient. The GAC ultimately decided to stick to its earlier position in favor of four-year terms. The committee also reiterated its support of lifetime term limits (currently proposed as three four-year terms) but noted that lifetime in this case did not mean that the term should extend throughout "your lifetime." The committee was also unanimous in its opposition to the Commission's proposal to return to partisan elections. There was also discussion about reducing the Commission's proposals to a short list of, say, five items. Dave replied the question is one of creating a short, efficient list versus fixing what needs to be fixed.

Recommendation: The GAC voted to continue supporting four-year terms for the County Council. Opposition to returning to Partisan Elections was unanimous.

D. WATER AVAILABILITY AND RATES GET FOCUS

This item and the following Water Committee report were combined. Water Chair Bruce Faulkner reported on a Council Water Resource Committee discussion on Chair Mike Victorino's proposal to sunset this ordinance in two years. Dave reported that the Water Source Coalition that RAM is part of is pushing for the sunsetting of this ordinance because it promotes the creation of private water systems, which is not healthy for the future of the public water system, over the development of the County system. What happens when these private systems fail, and the County gets struck trying to correct this situation? "Who is going to maintain these systems 20 years from now?" Committee members also pointed to the recent West Molokai water supply mess as yet another example of these types of system failures. Dave wanted to know if the GAC would recommend a RAM position in favor of repealing the Water Availability (aka Show Me The Water) Ordinance. But first, it was decided, the GAC had to take a position on the question of whether the County should raise its rates by 8 percent over the next six years in order to be able to create enough source for the future. Quoting Water Director Dave Taylor, Dave said the choices are a 4 percent increase to allow for a "controlled failure" of the system; a 6 percent increase to adequately maintain what we have now; or 8 percent to maintain the system and create new source. Or as Roy Vandoorn put it: it's a question of pay me now, or pay me later while we deal with an increasingly deteriorating system. So pay now.

Recommendations: The GAC voted to recommend RAM support of an eight percent water rate increase in order to create new water source and to recommend RAM's support for the Repeal of the Show Me The Water Ordinance.

VI. COMMITTEE REPORTS

AGENCY TASK FORCE -- Task Force Chair Roy Vandoorn reported on Brokers Agency Survey. He said it suggests that the Brokers answering the survey believe that they have superior knowledge on the subject but really don't. It was pointed out that only 48 percent of the answering Brokers, in the second question on the survey, thought there are issues with the state's current agency laws that need correcting, but that six questions later, after a detailed discussion of some of the potential problems under the existing law, 64 percent said they could support changing the state's agency laws. The Task Force's plan is to continue pushing for improved education on this issue statewide.

Date & Time of next GAC Meeting: January 5, 2012 at 1 p.m.

VII. Adjournment: CALLED AT: 3 p.m. by Chair Elaine Waldow

VIII. Minutes submitted by David DeLeon