

**REALTORS® Association of Maui, Inc.**

**GOVERNMENT AFFAIRS COMMITTEE MINUTES**

**APRIL 2, 2009**

**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:** Marina Batham  
**Members:** Keone Ball, Sylvia Cabral, Victoria Cheromcka, Bob Cole, Deborah Davis, Bruce Faulkner, Marion Haller, Bob Hansen, Mark Harbison, Bob Lightbourn, Helen MacArthur, Cathy Paxton-Haines, Sarah Sorenson, John Stephens, Donna Ting, Margit Tolman, Mike Trotto  
**Staff:** Dave DeLeon, Terry Tolman  
**Excused:** Keone Ball, Marion Haller Cathy Paxton-Haines, Helen MacArthur, Margit Tolman  
**Absent:**  
**Guests:** Lynne Woods, Tonia Johnson, Vanessa Cushenbery, Michelle Mybeck, Carolyn Wilfley

- I. **Call to order.** Meeting called to order at: 1 p.m.
- II. **Quorum:** Quorum obtained, 10 attending, 10 required
- III. **Minutes of Meeting of March 5, 2009** were approved.

**IV. New Business:**

A. **County Ordinance Proposing a Super Store Ban** Sarah Sorenson reported a request from Wal-Mart that RAM support Wal-Mart's position in opposing a proposed county ordinance banning the development of any retail store larger than 90,000 square feet. Sarah noted that Wal-Mart has donated \$3,000 to RAM's Wishing Well Fund. The retailer is planning to someday expand its Kahului store to add a full-scale food retail outlet. Dave pointed out that the ban would make some of existing large retail stores (Wal-Mart, Home Depot, Costco, K-Mart) non-conforming. It was also noted that Costco is planning to

move from its existing location so what it can include a gas outlet on its new site. While the GAC members seemed to generally agree that these large stores have been beneficial for local residents, it was pointed out by Vice Chair Marina Batham and Chair Elaine Waldow that this was not really a “Realtor’s” issue. Because it was not clearly an issue that either affected property rights or homeownership, the committee decided to recommend that RAM not take a position on this proposal.

**B. Affordable Housing Grant And Other Housing Opportunities** RAM Affordable Housing Committee Chair Victoria Cheromcka offered a list of affordable housing opportunities and issues. Top on her list is the possibility of obtaining a \$50,000 Affordable Housing Grant from NAR. The grant requires that the request come from a state association (HAR) with more than 5,000 members and requires that the recipient work with other agencies, like non-profits. Victoria spoke of a goal of creating an affordable housing educational program that may include a media campaign (radio and print) and a major homebuyers’ seminar. Victoria pointed out the reoccurring theme that many possible homebuyers are unprepared for this opportunity and that many Realtors do not know about the opportunities that are available for their first time homebuyer clients. She noted some of the agencies that could work with RAM on this program would be Na Hale O Maui, Housing for the Local Person, Hawaii Homeownership, and Hawaii Community Assets. Dave pointed out that grant must go through HAR and that we must be careful to keep the \$50,000 together in one sum, to make it meaningful. Lynne Woods said it should be labeled as a proto-type. Bob Cole made a motion that RAM support Victoria’s grant proposal and that motion passed unanimously.

Victoria also pointed out programs to help first-time homebuyers that most Realtors did not seem familiar with, such as FHA loans allowing for 102 percent financing and home repair funds and Mortgage Credit Certificates that allow for savings accounts that would be matched by local banks. She also spoke of a possibly of redirecting HUD Community Development Block Grant funding the county receives to downpayment assistance programs for first-time homebuyers. Bob Cole praised Victoria’s efforts for affordable housing and Elaine Waldow, Sylvia Cabral, and Lynne Woods volunteered to help with the affordable housing committee.

**C. Open House Signs** Dave reported that the Open Housing sign gone missing problem has raised its ugly head again. The problem, he said, seems focused on the Wailea and Honokowai-Napili areas. Wailea doesn’t allow open house signs on property, which results in bunches of them at the corner before Wailea on S.Kihei Road. On the Lower Honoapiilani Road the problem is reportedly a simple lack of shoulder to post them at all. The problem is compounded by the fact that the county is no longer holding on to the signs. About six months ago, Dave was told that the county would hold the signs for about a week, during which time the owner could retrieve them. Now they say they are holding them

for a day or two, but Realtors report that the county workers are throwing them away right after they pick them up. The county is reportedly responding to a \$700,000 injury judgment it had to pay. Dave reported that County Highways Supervisor Leonard Costa said that they find the signs all over the sidewalks and on handicap ramps, apparently blown down during the course of the day. The signs that work the best are the ones pounded into the ground, he said. If the signs are on private property, the county folks are leaving them alone. Dave asked the group what to do: petition to change the County Code? Creating new systems for announcing Open House showings? Realtors, he pointed out, believe the signs are necessary to attract business. The good news is the Mr. Costa readily volunteered to work with the Realtors on finding a solution.

Michelle Mybeck suggested that RAM work out a deal with Public Works so that the signs are dropped off at the RAM office instead of torn in a dumpster. Other members pointed out that there are group open house signage systems in place at the Palms in Wailea and Kaanapali Hillside. Perhaps such a system would work. But Realtors who work South Maui did not seem to think so, noting the competition for placement and asking who would manage group systems. Lynne Woods said her experience with creating the sign ordinance would indicate that the county is not capable to intelligently revising its sign ordinance. Marina Batham pointed out the inconsistency of how the sign ordinance is being enforced in South Maui. Signs for hairdressers, coffee shops and motorcycle shops stay up, even while Realtors' open house signs are being confiscated. She said the nature of the business requires some level of flexibility. John Stephens pointed that there is probably legal requirements for how the county can dispose of private property. Many of those signs cost hundreds of dollars and can not be simply torn away. Dave said he would check with RAM's attorney on that question. Lynne Wood suggested that RAM seek the support of property owners on the need for the signs. Mark Harbison said that would get a split decision: owners who want to sell demand that signs be put up. Owners who have no intention of selling don't support them and think they are tacky.

The committee decided that it would need to form a committee to negotiate with the county and discover a workable solution. Bob Hansen, Marina Batham, Mark Harbison, and Vanessa Cushenbery volunteered to work this issue.

**D. Water Rules And Water Supply** Dave ran through the situation in the County Council regarding **Water Rules**. At the beginning of this council term, new Council Water Committee Chair Mike Victorino decided to quickly push new water rules through his committee and get them passed by the council. But a handful of Realtors objected because the newly stated rules describe condominiumized properties, reconsolidations, and easements as "subdivisions" for water purposes. That, in turn, could mean that each CRP unit would be required to have its own water meter and could mean stringent subdivision requirements being imposed by the Water Department, even through these are not truly new lots. Dave reported how a small group of Realtors (Mike Spalding,

Hugh and Brook Starr, himself and attorney Tom Welch) worked to get this proposal sent back to committee where additional work on it can happen. Dave credited Brook Starr for getting local property owners in the Chambers to tell why CPRs can be a good tool for local families trying to maintain their property title.

Dave also brought up a recent Maui News story in which spokes persons for the environmental community declared that they would oppose the county obtaining the use of **Waihee Stream** water for addition to the county's Central Maui domestic water system. Waihee produces about 60 million gallons a day and the county and A&B, in partnership, wants 9 mgd for the Central Maui system. Waihee is the chief source available to the county over the immediate future and without that water, development and economic growth in Central and South Maui will come to a halt. Asked what she needs most to build affordable housing, Mayor Tavares replied: "water." Dave recommended that RAM take a solid position in support of the county obtaining that water source and Bob Cole made a motion to that effect, which was passed unanimously

Sylvia Cabral brought up a topic she has been pursuing: can Kula property owners declare that they are building on **catchment or private water systems** and build without county water? And if not, why not? Donna Ting offered a recent example of a home that was permitted in Pukalani on a private water system. Other members pointed to cases where the county has blocked home development because they needed hook up to a county water source first. The problem with selling this type of property, they said, Realtors can not accurately say whether development without a meter will be allowed or not. The decision-making appears to be ad hoc, inconsistent, on a case by case basis. The members also thought it absurd that catchments could not be used for irrigation. Members recounted incidents in which homeowners were required to disable their catchment systems when they obtained a water meter. Marina Batham put it this way: that's like requiring a homeowner to disconnect his solar water heater because they were given an electric meter. It was agreed that more research would be needed.

#### **D. COMMITTEE REPORTS**

- 1. Water Committee** Committee Chair Bruce Faulkner reported that the county administration is close to issuing their proposed Central Maui Water Use and Development Plan. The 108 page plan comes with a very complex matrix that is supposed to help explain it. A key consideration for how the plan works is the ever increasing price of oil. (electricity). Bruce said to expect the Upcountry Plan in about two months.
- 2. Housing Committee** Committee Chair Victoria Cheromcka reported that the county administration is moving the First-time Homebuyers' Program from a loan to a grant. She asked that RAM support that change. Also Victoria reported that Council Member Gladys Baisa had asked for RAM's input into the Workforce Housing Policy review. The recommendations of Na Hale O

Maui were passed out, but Dave said that he only had one real disagreement with them. Na Hale believed that all of the affordable homes should be built on the project site. Dave said he believed that attempting to tell the developer where he must put the homes just makes it less likely that the homes will ever be built. Many local families would not want to live a “rich man’s enclave” where they would be subject to CCRs and common area rules and fees. Bob Cole noted that Hana will never have the large-scale projects necessary to build the homes that community needs. If the affordable credits can not be moved there, then there will be less of a chance to create the homes that community needs. Other committee members did not agree with Dave’s point. Elaine Waldow said the affordable homes should be built within the same district as the market project. Victoria mentioned that the original concern was that affordable ghettos would be developed in a concentrated way if they were built separately. And Michelle Mybeck said traffic mitigation was a major consideration. The closer the affordable homes were to job sites, the less traffic impacts would be created. In the case of Wailea 670, she said, the design of the affordable homes within the project would be superior to those found in other projects. It is recommended that members with thoughts on this topic to give them to either Victoria or Dave.

3. **Legislative Committee** Bob Cole reported on Chair Keone Ball’s behalf. He said that the HAR legislative program appears to be moving well, especially since HAR hired a professional lobbyist to help it deliver its message. RAM has helped by meeting with and developing relationships with the Maui delegation. Those relationships take time to mature, he noted.
4. **GAD REPORT** Dave reported on the initiation of RAM’s **Brokers Involvement Program**. This effort is simply to try to enlist the support of RAM’s BICs and PBs in getting out the word when big issues come up. Dave also reported on the RAM Grassroots meeting with Mayor Tavares the night before. A key point from that meeting was that the Mayor doubted that Maui County would be allowed to keep its TAT income, now worth \$18 million. Instead the legislature is likely to give the counties the power to raise their own 1 percent Sales Tax. There was also some discussion on the contrast between a statement the Mayor made that the Water Department now has adequate engineering staff and the statements made by the Water Director that it still has not acquired enough engineers to be able to maintain its CIP work load.
5. **CHAIR’S REPORT** Chair Elaine Waldow reported that lenders are now refusing to lend on second dwellings on ag land that have county farm plans. There is language in the Farm Plan that says the owner must maintain the “farm” and if they fail to do so, the second dwelling could be removed. Given that possibility, lenders are now refusing to lend on the cottages. Dave said that is one more example of why small lot ag properties should be moved to rural zoning.

- C. **Date & Time of next GAC Meeting: June 4, 2009**
- CI. **Adjournment: CALLED AT: 3 p.m. by Chair Elaine Waldow**
- CII. **Minutes submitted by David DeLeon**