

CONDOMINIUM REVIEW COMMITTEE
REAL ESTATE COMMISSION
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii
www.hawaii.gov/hirec

MINUTES OF MEETING

The agenda for this meeting was filed with the Office of the Lieutenant Governor as required by Section 92-7(b), Hawaii Revised Statutes.

Date: September 12, 2012

Time: Upon adjournment of the Laws and Rules Review Committee meeting scheduled to convene at 9:30 a.m.

Place: Hawaii Innovation Center at Hilo
117 Keawe Street
Hilo, Hawaii

Present: Scott Sherley, Chair, Broker / Hilo Commissioner
Bruce Faulkner, Vice Chair / Maui Commissioner
Nikki Senter, Public / Honolulu Commissioner
Frances Gendrano, Broker / Honolulu Commissioner
Walt Harvey, Broker / Honolulu Commissioner
Rowena Cobb, Broker / Kauai Commissioner
Aileen Wada, Broker / Honolulu Commissioner
Scott Arakaki, Public / Honolulu Commissioner

Neil Fujitani, Supervising Executive Officer
Cynthia Yee, Senior Condominium Specialist
Diane Choy Fujimura, Senior Real Estate Specialist
Shari Wong, Deputy Attorney General
Lesley Matsumoto, Recording Secretary

Others: Jackie Parkinson, Hawaii Island REALTORS®
Mealoha Kraus, Hawaii Island REALTORS®
Rollie Litteral, Hawaii Island REALTORS®
Annette Aiona, Aiona Island Realty, LLC

Absent: Stanley Kuriyama, Broker / Honolulu Commissioner

Call to Order: Chair Sherley called the meeting to order at 9:50 a.m., at which time quorum was established.

Chair's Report: No report was presented.

The Chair announced that the Commission may move into executive session to consider and evaluate personal information relating to individuals applying for licensure in accordance with Section 92-5(a)(1), HRS, and/or to consult with the Commission's attorney on questions and issues pertaining to the Commission's powers, duties, privileges, immunities, and liabilities in accordance with Section 92-5(a)(4), HRS.

Commissioner Kuriyama was excused from the meeting. Prior notification of his non-attendance was received.

Condominium
 Specialist's
 Report:

Additional Distribution

- 5. CPR Registration and Developer's Public Reports
 - c. Consultants – Contracts – Staff Delegation-Commission Approval of Consultants' Additional Compensation for Subsequent Review of Developers' Additional/Supplemental Documents/Information To Complete Project Registration And Any Developer's Rewrites Of The Developer's Public Report

Minutes

Upon a motion by Commissioner Harvey, seconded by Commissioner Wada, it was voted on and unanimously carried to accept the minutes of the August 8, 2012 Condominium Review Committee meeting as circulated.

Condominium
 Governance and
 Management:

AOUO Registrations

Specialist Yee reported that as of August 31, 2012, 1,652 AOUOs have successfully registered.

Condominium Related Articles

The following articles from the August 2012 issue of *CAI Hawaii* were distributed for informational purposes: "Why Sharing Is Not Caring When It Comes to AOA Insurance;" "Legislative Action Committee Update;" "Unlicensed Contractors;" and "Insurance and Construction Contracts—Beware."

Condominium
 Project
 Registration:

Condominium Project Registration - Public Reports Issued

A list of those condominium projects issued effective dates during the month of August 2012 were distributed for informational purposes.

PROJ #	PROJECT NAME	PROJECT ADDRESS	TMK #	UNITS	REPT	DATE
6592	AINA O KANE	KANE ST KAHULUI HI	237005003	119	B AMD 2	8/1/2012
7269	2808 AND 2810 LAOLA PLACE	2808 & 2810 LAOLA PL HONOLULU HI 96813	122030005	2	B REPT	8/24/2012
7258	3816 KAIMUKI	3816 KAIMUKI AVE & 902 16TH HONOLULU HI 96816	132047001	2	B REPT	8/15/2012
7219	3820 AND 3820-A NOEAU STREET	3820 & 3820-A NOEAU ST HONOLULU HI 96816	113015002	2	B AMD	8/1/2012
7237	4945 KALANIANAOLE HIGHWAY	4945 KALANIANAOLE HIGHWAY HONOLULU HI 96821	135022013	2	B REPT	8/24/2012
7252	66-429A & 66-429B PAALAA ROAD	66-429A & 66-429B PAALAA RD HALEIWA HI 96712	166017016	2	B REPT	8/15/2012
7098	BW VACATION SUITES (B & OTHER B APTS)	270 LEWERS ST HONOLULU HI 96815	126003001	133	CONT.	8/13/2012
6620	CABANA AT WAIKIKI THE	2551 CARTWRIGHT RD HONOLULU HI 96815	126027027	16	B AMD 3	8/30/2012
7266	DINIEGA RESIDENCE	94-1110 LUMIPOLU ST WAIPAHAU HI 96797	194057047	2	B REPT	8/15/2012
4713	DOUBLE D-2 CONDOMINIUM	7060 KAHUNA RD KAPAA HI 96746	446004039	2	SUPPL	8/14/2012

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6135	HOKULANI GOLF VILLAS	LIPOA PKWY KIHEI HI 96753	222024035	152	B AMD 4	8/31/2012
6163	HONUA KAI CONDOMINIUM BUILDING NE-A KONEA ENCLAVE	LOT 4 KAANAPALI HI	244014006	184	B AMD 6	8/31/2012
6164	HONUA KAI CONDOMINIUM BUILDING NE-B KONEA ENCLAVE	LOT 4 KAANAPALI HI	244014006	61	B AMD 6	8/31/2012
6165	HONUA KAI CONDOMINIUM BUILDING NE-C KONEA ENCLAVE	LOT 4 KAANAPALI HI	244014006	68	B AMD 6	8/31/2012
6378	HONUA KAI CONDOMINIUM BUILDING SE-A HOKULANI	130 KAI MALINA PKWY LAHAINA HI 96761	244014006	195	B AMD 4	8/31/2012
6379	HONUA KAI CONDOMINIUM BUILDING SE-B HOKULANI	130 KAI MALINA PKWY LAHAINA HI 96761	244014006	76	B AMD 4	8/31/2012
6380	HONUA KAI CONDOMINIUM BUILDING SE-C HOKULANI	130 KAI MALINA PKWY LAHAINA HI 96761	244014006	54	B AMD 4	8/31/2012
7264	KAAA WA OCEAN VIEW ESTATES	51-328 B KAMEHAMEHA HWY KAAA WA HI 96730	151002011	2	B REPT	8/8/2012
7268	KEALAKAI AT KAPOLEI - PHASE VI	KAI AU AVE KAPOLEI HI 96707	191016201	27	B REPT	8/24/2012
6181	KOHANA IKI LOT 27 CONDOMINIUM PROJ.	LOT 27 KONA H 96740	373058052	3	SUPPL	8/29/2012
7273	LAULANI XVI, PHASE 24	91-1001 KEAUNUI DR EWA BEACH HI 96706	191149031	9	B REPT	8/27/2012
7000	MAHAKEA	55-135 KAMEHAMEHA HWY LAIE HI 96762	155001014	5	B AMD	8/15/2012
7233	PUU ALOHA CONDOMINIUM	LOT 116-D KALAHEO KALAHEO HI 96741	423013039	6	B REPT	8/21/2012
6848	THE RESIDENCES AT 1920 WAIMANO HOME RD	1920 WAIMANO HOME RD PEARL CITY HI 96782	197075088	2	B AMD	8/14/2012
7265	TRIPLE K FARMS	66-952 AND 66-952A KUEWA DR WAI ALUA HI 96791	166029011	2	B REPT	8/15/2012
6472	VANGUARD LOFTS THE	720 KAPIOLANI BLVD HONOLULU HI 96813	121044035	37	B AMD 7	8/7/2012
7175	WYLLIE STREET CONDOMINIUM	448 & 450 WYLLIE ST HONOLULU HI 96817	118015006	2	B AMD	8/8/2012
0	Preliminary Reports					
1	Contingent Final Reports					
0	Final Reports					
2	Supplementary Reports					
10	B Reports					
14	B Amendment Reports					
27	TOTAL REPORTS					

Consultants – Contracts – Staff Delegation-Commission Approval of Consultants' Additional Compensation for Subsequent Review of Developers' Additional/Supplemental Documents/Information To Complete Project Registration Application And Any Developer's Rewrites Of The Developer's Public Report

Specialist Yee recalled for the committee that the current condo consultant's contract provides for additional compensation for the consultant review of any supplemental documents and/or information that a consultant deems necessary to complete the consultant's review.

Specialist Yee then reported that staff is requesting that the Commission consider a delegation to staff to approve a consultant's recommended additional compensation amounts to be charged for subsequent reviews as long as the following conditions are met:

1. The consultant completes and submits to Commission staff the "Professional Services Contract – Condominium Consultant Subsequent Review – Request for Additional Fees" form (developed by staff) that includes the following:
 - a description of the scope of the subsequent review;
 - estimated hours (multiplied by \$150); and
 - additional expenses if any.

2. The developer declares that the additional charges is for consultant's review service of additional and or supplemental documents and or information that the consultant deems necessary to complete any one or more of the following:
 - the consultant's review of the information and disclosures included in or omitted from the developer's proposed public report;
 - the project registration application;
 - the consultant's review, of complex amendments(changes) to the developer's public report and or project registration application involving more than two (2) material changes; and
 - the consultant's review of any subsequent developer's rewrites of the developer's proposed public report incorporating or omitting any disclosures and or information based on any additional and or supplemental documents and or information subsequently submitted by the developer;

3. The requested additional compensation does not exceed \$1200 and is for an hourly rate of \$150.00 per hour.

Commissioner Senter questioned the definition of a complex revision and that the term is not clear. Specialist Yee responded then in those situations the issue will come to the Commission for their review and suggested the inclusion of a definition in proposed rules currently being drafted.

Upon a motion by Commissioner Gendrano, seconded by Commissioner Faulkner, it was voted on and unanimously carried to approve the delegation to staff a consultants' additional compensation for subsequent review of developers' additional/supplemental documents/information to complete project registration application and any developer's rewrites of the developer's public report.

Staff shall approve a consultant's request for additional compensation only for those requests satisfying the three conditions as presented and described by staff.

Program of Work: **Rulemaking, Chapter 53**

Specialist Yee reported that the Chapter 53 public hearing relating to the proposed amendments to section 16-53-16.8 pertaining to fees related to Condominium Property Regimes will be held at 1:00 p.m., Friday, September 14, 2012 in the King Kalakaua Conference Room of the King Kalakaua Building.

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Condominium Organizations Forum: No comments, recommendations or concerns were received from the following: Community Associations Institute Hawaii Chapter, Alakahi Foundation, Hawaii Council of Association of Apartment Owners, Hawaii Independent Condominium and Cooperative Owners, Hawaii State Bar Association/Real Property & Financial Services Section, Land Use Research Foundation, Condominium Council of Maui, Hawaii Association of Realtors/Institute of Real Estate Management Hawaii Chapter/ Oahu Arm Committee, others.

CETF Budget & Finance Report: Upon a motion by Commissioner Gendrano, seconded by Commissioner Cobb, it was voted on and unanimously carried to accept the Condominium Education Trust Fund Financial Report for the period ending June 30, 2012.

Next Meeting: October 10, 2012
Upon adjournment of the Laws and Rules Review Committee meeting scheduled to convene at 9:00 a.m.
Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Adjournment: With no further business to discuss, Chair Sherley adjourned the meeting at 10:10 a.m.

Respectfully submitted:

/s/ Cynthia M. L. Yee

Cynthia M. L. Yee
Senior Condominium Specialist

September 18, 2012

Date

Minutes approved as is.

Minutes approved with changes; see minutes of _____

CY/lm/091812