

CONDOMINIUM AND COOPERATIVE REVIEW COMMITTEE

Real Estate Commission
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii

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: Thursday June 4, 1992

Time: 9:00 a.m.

Place: Kona Hilton Hotel
Resolution Room
75-5852 Alii Drive
Kailua-Kona, HI 96740

Present: Stanley Kuriyama, Chairman, Oahu Member
Carol Mon Lee, Vice Chairperson, Public Member
Barbara Dew, Oahu Member
Jerry Hirata, Hawaii Member (Late arrival)
Marcus Nishikawa, Oahu Member
Douglas Sodetani, Maui Member

Peter Yanagawa, Oahu Member
Calvin Kimura, Supervising Executive Secretary
Vicki Shiroma, Condominium Program Specialist
Stephen Okumura, Condominium Specialist
Russell Wong, Real Estate Specialist

Nicholas Ordway, Hawaii Real Estate Research & Education Center
Alicia Oh, Hawaii Real Estate Research & Education Center
R. T. Doc Halliday, Royal Pacific Realty
Jim Cahan, Kona Sunset Realty
Gretchen Huebner, Shell Development Corp - Kona
Mike Matsukawa, Count of Hawaii, Corp. Counsel
Keith Burley, KBR Management
Gerald Larson, Paradise Management
Stuart Cahoon, M.D., Kona Plaza Board of Directors
Gus Callbeck, Kona Plaza Condominium
Brian Tijomas, Kona Board of Realtors
Jackie Their, Century 21 Associated
Gloria Gillem, Century 21 Associated
Danielle I. Thompson, Department of Commerce and Consumer Affairs
Katherine Augustine, Chaney, Brook & Co./Kona Board of Realtors
Joan Lawhead, Exec. VP Kona Board of Realtors
Doris J. Jacober, Bradley Properties/Kona Board of Realtors
Randall M. Stingel, Chaney, Brooks & Co. - Kona
S.A. Moore, Resort Prop. International

John F. Klein, Department of Commerce and Consumer Affairs
Lynda Headley, RDI
Holly Nier, Resort Prop. International
Patricia P., PATDI Inc.
Danette Mettler, PATDI, Inc.
Sheron K. Schule, Inoue Hawaii Realty Corp.
Masayoshi Onuma, Planning Dept. CH
Charles W. Davis, Owner
Mary Hedenberg, Owner
Dennis M. Benson, Hawaii Association Realtors
Maggie Mallen, Day-Lum, Inc.
Nancy Cabral, Day-Lum, Inc.
Tom Metz, Triad Management

Excused: Yoshiko Kano, Kauai Member

Call to Order: Chairman Kuriyama called the meeting to order at 9:05 a.m., at which time quorum was established.

Chairman's Report: No report was presented at this time.

Executive Secretary's Report: The Supervising Executive Secretary reported that the following additional distributions were made:

6. Program of Work
 - a. Fiscal Year 1992-93
7. Project Registration, Public Reports, Sales to Owner-Occupant
 - a. Act 50 - Concerns
 - 1) Mark A. Hazlett
 - b. Open Forum - Concerns
 - 1) County of Hawaii Planning Department

In addition, he gave a brief introduction of the Real Estate Commissioners, Staff Members, and an overview of the Real Estate Branch's current and future Programs of Work.

HREREC Report: **Five Year Education and Research Plan**

The Center is in process of completing the next draft.

Condominium Bulletins

One issue of the Condominium Bulletin was completed and sent to all the registered condominium associations, numbering about 1,200. The Condominium Bulletin was meant for the condominium associations and board of directors. The Spring issue of the Condominium Bulletin will be coming out shortly for distribution to registered condominium associations. A planning schedule is being developed.

Condominium Association Budget & Reserve

Reserve Manual

Center continuing with work on next drafts of format and curriculum, working with consultant John Morris and will meet with focus groups.

Rulemaking

No report was presented.

Workshops

Center anticipates that the workshops will be ready for implementation for late Summer and Fall schedule, and will include the Reserve Manual.

Board of Directors Manual

No report was presented.

Condominium Seminars

The Center is asked to come up with criteria. Chairman Kuriyama will work with Ms. Yee to finalize the seminar criteria. In addition, it was recommended that video taping the seminar to be decided on a case-by-case basis.

Program of Work & Budget FY 92-93

Ms. Yee said that the Program of Work & Budget has been submitted to the Commission for review. The Chairman and the Supervising Executive Secretary will work out concerns with Mr. Gilbert.

Federal Leasehold Study

Dr. Nick Ordway stated that HUD reports that the moneys have been released for HREREC to conduct the Federal leasehold study. He also stated that Hawaii has a more complex system as a result of historical accidents and other things.

Dr. Ordway also noted the concerns regarding the drop in home ownership for the first time in the 1980's since the depression in the 1930's. He says the Center will be recommending to Secretary Kemp some programs that will revive homeownership rates, especially in high-cost areas such as Hawaii, which will benefit Hawaii greatly.

Committee Report: No report was presented.

Program
of Work:

Fiscal Year 92-93

Upon a motion by Commissioner Lee, seconded by Commissioner Dew, it was voted on and unanimously carried to recommend approval of draft #4, subject to finalizing HREREC proposals.

Commissioner Hirata arrived

Project
Registration,
Public Reports, &
Sales to Owner-
Occupants:

Open Forum - County of Hawaii Planning Department

Mr. Onuma and Mr. Matsukawa stated their concerns about illegal subdivision and non clear disclosures of properties for sale.

The Committee acknowledged receipt of the concerns, will study the issues, and staff will work with the County on what requirements the Commission has already imposed and whether any additional requirements should be adopted that can address some of the county's concerns.

Act 50 (SLH 1992) - Mark A. Hazlett

Chairman Kuriyama was excused from the meeting due to a potential conflict of interest. Commissioner Lee, Vice-Chairperson, presided over the meeting.

Upon a motion by Commissioner Sodetani, seconded by Commissioner Nishikawa, it was voted on and unanimously carried to accept the proposed recommendations by Ms. Shiroma and that the staff review the those recommendations for informal/non-binding interpretation with Mr. Hazlett, and that Mr. Hazlett be invited to submit further legal arguments for the Commission to consider if he disagrees with the Commission's proposed recommendations. Mr. Hazlett should also be informed that he is free to file a petition for declaratory relief for formal interpretation that is binding and provides precedent. The proposed recommendations are as follows:

- Act 50 does not apply to owner-occupant announcements properly published prior to April 29, 1992 but will apply to improperly published announcements prior to April 29, 1992 that are required to republish after such date.

- reaffirmation of the affidavit at escrow closing is to be completed by all persons who were required to submit an executed affidavit in reservation of residential unit per section 514A-103.

- an owner-occupant who cannot reaffirm the affidavit at escrow closing cannot waive rescission rights.

- an owner-occupant who cannot reaffirm the affidavit shall be required to rescind the sales contract regardless if a name does not appear on the final reservation list.

Commissioner Kuriyama returned to the meeting and resumed presiding over the meeting.

Condominium
Governance &
Management:

CAI Annual Conference Report

Commissioner Lee submitted her report and informed the Committee that it was an excellent conference. She also stated that she provided a set of materials, which are available at the Commission office for anyone who would like to review them.

Open Forum

Chairman Kuriyama requested if anyone would like to cite any concerns or discuss anything. No response from audience.

Next Meeting:

Wednesday, July 8, 1992
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

Adjournment:

With no further business to discuss, Chairman Kuriyama adjourned the meeting at 10:50 a.m.

Reviewed and approved by:

Calvin Kimura
Supervising Executive Secretary

Date