

HAWAII CONDOMINIUM

BULLETIN

VOLUME 2 NO.3

SPRING 1993

Funded through the Condominium Management Education Fund, Hawaii Real Estate Commission, State of Hawaii

Board of Directors Manual Planning Begins

The Hawaii Real Estate Research and Education Center has begun work on a reference guide for condominium association management. The guide is expected to consist of a series of booklets designed to implement a curriculum consisting of such topics as:

- bid process • budgets • bylaws • Chapter 514A (HRS) • Chapter 107 (Hawaii Administrative Rules) • conflicts of interest • directors' duties • directory of private/government agencies • dispute resolution • elections • executive sessions • fair housing laws • house rules • insurance • meeting • minutes • owners' responsibilities • parliamentary procedures • proxies • records management • risk reduction • rule enforcement • selecting a managing agent

The curriculum and the booklets will be used as the topics and instructional resources for condominium seminars and bulletin articles.

As they are completed, the booklets will be distributed at no cost to each registered condominium association and registered managing agent (company). Announcements regarding distribution and availability of extra copies (i.e., purchase of extra copies) will be made in the **Hawaii Condominium Bulletin**.

Public Access to Criminal Conviction Records

In response to increasing requests for criminal history record checks and faster response times, the Hawaii Criminal Justice Data Center (HCJDC) has developed a system that allows direct public access to criminal conviction information via a computer terminal. At this terminal, persons are able to immediately view the results of a record check and receive a printout of the result. The terminal is available on a first-come-first-served basis at:

Criminal History Record Checks Unit
465 South King Street, Room 101,
Honolulu, Hawaii
Phone: 587-3100.
Office Hours: 9:00 a.m. to 3:00 p.m.

To ensure the accuracy and completeness of the record check, the requestor should have at a minimum, the NAME, SOCIAL SECURITY NUMBER, DATE OF BIRTH, and GENDER of the individual on whom the record check is being conducted.

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Letter from the Vice Chair. . .

Dear Condominium Owners:

As this issue goes to press, the Legislature is completing its deliberations and decision making before sending this year's legislation to the governor. Earlier this year, the Legislature received a report from the Commission concerning its work.

This issue summarizes portions of that report and describes the work of the Commission and its staff with respect to the condominium property regime statute and the Condominium Management Education Fund.

This is the fifth issue of the Hawaii Condominium Bulletin. It is an appropriate time to solicit your suggestions and comments or criticisms about its contents. Please feel free to write to or call (586-2646 or from the Neighbor Islands, 1-800-468-4644, extension 6-2646) the Commission's condominium specialists, Stephen Okumura, Vicki Shiroma and Bene Stone..

Very truly yours,

Carol Mon Lee, Vice Chair
Condominium and
Cooperative Review Committee

Ask the Condominium Specialists

Q. When does the Commission's Condominium and Cooperative Review Committee meet?

A. The Committee usually meets monthly. During the remainder of 1993, the Committee's tentative schedule is as follows:

June 9, 1993
July 14, 1993
August 11, 1993
September 8, 1993
October 6, 1993
November 10, 1993
December 1, 1993

Meetings are usually held at HRH Princess Victoria Kamamalu Building, 1010 Richards Street, Honolulu, beginning at 9:00 a.m. Each year, one meeting is held on an neighbor island. If you are planning to attend, be sure to reconfirm dates, times and location with the Commission's staff at 586-2643.

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This publication is designed to provide general information in regard to the subject matters discussed. This publication does not constitute legal, accounting, or other professional advice or service and should not be utilized as a substitute for professional service to address specific situations. If legal advice or other expert assistance is required, the services of a competent professional person should be sought.

Purchased or funded by the Condominium Management Education Fund, Real Estate Commission, State of Hawaii.

Summary of Condominium Programs

Fiscal Year 1992-93

This article is excerpted and adapted from a report prepared for the Legislature by the Hawaii Real Estate Commission on the condominium property regime and the Condominium Management Education Fund.

Programs which are designated "Continuous" are continuing and permanent. Programs which are designated as "Carryover" are discrete tasks which, due to their complexity, require more than one year to execute.

❑ **Condominium and Cooperative Review Committee**

Continuous program. This is a Commission Standing Committee that holds a monthly public meeting in which condominium and cooperative issues are discussed.

Commissioners Stanley Kuriyama and Carol Mon Lee serve respectively as the Chair and Vice-Chair of this Committee. The Supervising Executive Secretary is the administrator of this Committee, assisted by the three Condominium Specialists.

This is a working committee that handles "nuts and bolts" issues. Participants include apartment owners, board of directors, condominium managing agents, Legislators, developers, attorneys, educators, researchers, government officials, and others.

This Committee holds at least one meeting a year at a neighbor island site. This fiscal year, the neighbor island meeting was held at Wailea, Maui, during September 1992.

The Committee conducts a biennial condominium community symposium on the fiscal year's program of work and budget. At the symposium, the Committee exchanges concerns with those in the condominium community about condominium concerns, education programs, research programs, and legislative matters.

❑ **Five-Year Education and Research Plan**

Carryover program. This program consists of development of a five-year condominium education and research plan that includes such areas as governance, management, board administration, dispute resolution, budget and accounting, reserves, new project registration and public reports.

Condominium Association Budget and Reserves

Carryover program. This program's objective is to develop a plan for the implementation of and education about the new budget and reserves law, analysis of the new law, discussions with the affected parties for any possible amendments by the Legislature, and initiation of development of administrative rules. The administrative rules were placed into the formal rule making process as of November 1992.

Another objective is to develop and initiate no-cost orientation meetings on the new laws, overview of the Commission's plan and programs, and an open forum to gather information and concerns.

A further objective is to develop, print and distribute a condominium association budget and reserves manual at no cost to each registered condominium association and condominium managing agent, with the sale of additional copies at cost. The manual was co-produced with the Hawaii Real Estate Research and Education Center (HREREC) as of October 1992.

A final objective is to plan, develop, and initiate workshops on budget and reserves, utilizing the manual for the board of directors, condominium managing agents, association employees, and apartment owners for a nominal fee. Minimum of one workshop per county, depending on demand. Workshops have been completed on Oahu, Maui, and Hawaii County as of December 1992 in co-production with the Hawaii Real Estate Research and Education Center (HREREC). The Kauai workshop has been deferred until Fall 1993.

Board of Directors Manual

Carryover program. This program's objective is to develop a manual for condominium board of directors as a reference guide to management of a condominium association.

Legislative Program

Continuous program. This program's objective is to develop, draft, print, and distribute an annual report to the Governor and the Legislature on the Condominium Management Education Fund, program of work, budget, and mediation program.

Another objective is to provide briefings on the program of work, budget, condominium concerns, and legislative bills to Legislators.

Another objective is to review, initiate responsibilities, provide publicity, and provide for education on all recently passed condominium acts and resolutions.

A further objective is to amend the public version of Chapter 514A (Hawaii Revised Statutes), print, and distribute a copy to each registered condominium association.

❑ **Rule Making, Chapter 107, Hawaii Administrative Rules**

Carryover program. This program consists of research, drafting, and development of amendments to Chapter 107, Hawaii Administrative Rules, to include project registration, condominium management and governance, and reserves.

❑ **Rule Making, Chapter 53, Hawaii Administrative Rules, Fees**

Continuous program. This program consists of review and research of the license and registration fees charged in relation to the cost of services provided to licensees and registrants.

❑ **Condominium Mediation Program**

Continuous program. This program's objective is to develop, promote, and effectuate a mediation program as part of an alternative dispute resolution plan in the areas of condominium association governance, association management, declaration, bylaws, house rules, Chapter 514A (HRS) and its rules for condominium associations, directors, officers, apartment owners, association employees, and condominium managing agents. Each condominium mediation, through a contracted mediation service, is subsidized by the Condominium Management Education Fund.

Since 1990, the Commission has contracted with the Neighborhood Justice Center (NJC) to provide condominium mediation services, a training manual, and training to the mediators.

This fiscal year, condominium mediation services were initiated in the county of Maui through Mediation Services of Maui. The feasibility of a condominium mediation service in the County of Hawaii will be studied.

❑ **Condominium Arbitration Program**

Continuous program. This program consists of providing information, advice, and referral to the condominium arbitration program with the American Arbitration Association.

❑ **Interactive Participation with Organizations**

Continuous program. This program's objective is to participate with condominium-related organizations for education, information, or exchange of concerns through membership, meetings, workshops, seminars, or conferences. Organizations include the Community Association Institute, Blue Ribbon Panel, Hawaii Council of Associations of Apartment Owners, Hawaii Independent Condominium and Cooperative Owners, Hawaii Association of Realtors, Institute of Real Estate Management, Leasehold Forum, National Association of Real Estate License Law Officials, Hawaii State Bar Association, and the Hawaii Developers Council.

❑ **Condominium Seminars**

Continuous program. This program's objective is to utilize existing materials to develop, produce, or sponsor seminars for apartment owners, board of directors, and managing agents. Depending on demand, an attempt shall be made to hold seminars in all counties. Sponsorship includes seminars produced by condominium-related organizations and educators.

Videotaping and utilization of the *Hawaii Interactive Television System program* should be considered. This program also includes study and development of a policy on the subsidizing and sponsoring of seminars produced by third-party organizations.

❑ **Cooperative Education, Research, and Administrative Program**

Continuous program. This program consists of active participation in and sponsorship of cooperative education, research, and administrative programs for agencies or personnel who provide direct or indirect services to or for the Commission.

❑ **Condominium Speaker Program**

Continuous program. Upon request, a Commissioner or staff member to act as speaker, resource person, or participant in condominium-related functions, subject to availability and funds. Past participation includes association meetings, board of directors meetings, non-profit condominium-related organizations (local and national), educational institutions, community groups, trade organizations, legislative forum, special interest groups, and government agencies.

❑ **Condominium Specialists "Office for the Day"**

Continuous program. This program consists of operating a neighbor island office for the day, responding to telephone calls, walk-ins, or appointments, and providing the same services as the Honolulu office.

❑ **Advice, Education, and Referral**

Continuous program. This program consists of responding to telephone, walk-in, and written concerns or problems about condominiums, associations, management, governance, registration, bonding, projects, public reports, mediation, arbitration, Chapter 514A, Hawaii Revised Statutes, Chapter 107, Hawaii Administrative Rules, complaints, public information, Commission meetings, program of work, and related areas. Responses include advice, information, research, referrals, and reference materials.

❑ **Hawaii Condominium Bulletin**

Continuous program. This program's objective is to develop, research, edit, layout, print, and distribute a quarterly bulletin to all registered condominium associations and condominium managing agents.

❑ **Condominium Reference Library**

Carryover program. This program consists of the purchase and distribution of condominium reference materials. The reference materials are to be purchased by the Condominium Management Education Fund.

This program's objective is to secure permission to house reference materials at public facilities where the board of directors, apartment owners, condominium managing agents, association employees, consumers, or tenants can review the materials, possibly borrow and photocopy the materials.

❑ **Condominium Association Registration**

Continuous program. This program consists of administering the condominium association registration process including completion of new and annual registrations, followup on deficiencies, data entry, records management, fidelity bond compliance, exemptions, initiating enforcement and compliance of nonregistered associations including fees in arrears.

A second objective is to study and consider contracting a consultant or hiring staff to locate unregistered associations, which would include examining county records and site visits.

❑ **Condominium Managing Agent Registration**

Continuous program. This program consists of administering the condominium managing agent registration process, including completion of new and annual registrations, follow-up on deficiencies, fidelity bond compliance, exemptions, records management.

❑ **Administration of the Condominium Management Education Fund**

Continuous program. This program consists of research, development, maintenance, and review of budget. It includes financial reviews and control of expenditures, records management, preparation of monthly financial statements, administration of investments of funds, and administration of biennial CPA audits of the fund.

Other programs include project registration and public reports. Generally, new programs are implemented in response to suggestions, public comments or testimony at the planning symposium, staff recommendations or statutory changes.



*The Real Estate Commission
will convene its
Eleventh Planning and Budget Symposium
to discuss elements of its program of work
for the coming fiscal year
on
Thursday, June 3, 1993*

The symposium will be held at the:

*Dole Ballrooms
Dole Visitor Center
735 Iwilei Street
Honolulu, Hawaii*

The tentative agenda for the open sessions is:

- 7:45 a.m. Opening Statements
8:15 - 10:15 a.m. Condominium & Cooperative Review Committee
10:30 - 11:30 a.m. Laws and Rules Review Committee
2:00 - 4:00 p.m. Education Review Committee*

Although the primary purpose of the symposium is to receive testimony on and finalize the biennium program of work and budget, it also serves as an exchange forum for concerns and recommendations.

Real estate licensees, government officials, members of the condominium community, real estate industry associations and officials, condominium developers, educators, Commission consultants, Hawaii Real Estate Research and Education Center, consumers, and other interested parties are invited to attend and participate at these public sessions. Members of the Real Estate Commission and the staff will be present. Each session will have a structured agenda and an open forum time slot.

(Note: Testimony during the open forum time slot will be on a first-come-first-served basis with the Chair reserving the right to limit the time of each testifier. It is suggested that specific concerns be submitted in writing and if possible, at least ten days prior to the symposium to the Real Estate Branch Office for distribution to the Commissioners in their symposium packet.)

Anyone interested in receiving a copy of the final agenda and the proposed program of work and budget is asked to submit a written request to:

ATTN: Keala
Real Estate Branch,
250 S. King Street, Room 702
Honolulu, Hawaii 96813.