

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: November 19, 2007

Time: Upon adjournment of the Education Review Committee meeting which follows the Laws and Rules Review Committee meeting scheduled to convene at 9:00 a.m.

Place: King Kalakaua Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Present: William Chee, Chair, Broker / Honolulu Commissioner
Mark Suiso, Vice Chair, Public / Honolulu Commissioner
Louis Abrams, Broker / Kauai Commissioner
Carol Ball, Broker / Maui Commissioner
Stanley Kuriyama, Broker / Honolulu Commissioner
Michele Sunahara Loudermilk, Public / Honolulu Commissioner
Annette Aiona, Broker / Hilo Commissioner
Frances Gendrano, Broker / Honolulu Commissioner

Calvin Kimura, Supervising Executive Officer
Neil Fujitani, Executive Officer
Cynthia Yee, Senior Condominium Specialist
Cheryl Leong, Condominium Specialist
Benedyne Stone, Condominium Specialist
Diane Choy Fujimura, Senior Real Estate Specialist
Amy Endo, Real Estate Specialist
David Grupen, Real Estate Specialist
Shari Wong, Deputy Attorney General
Tammy Norton, Recording Secretary

Others: None

Absent: Trudy Nishihara, Broker / Honolulu Commissioner

Call to Order: Chair Chee 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 Nishihara was excused from the meeting. Prior notification of her non-attendance was received.

Condominium
Specialist's
Report:

Additional Distribution

The following materials were distributed prior to the start of the meeting:

6. Program of Work, FY 08
 - a. Condominium Laws and Education – Condominium Seminar II “A Closer Look at the New Condominium Law”

Senior Condominium Specialist Yee introduced Benedyne Stone, Condominium Specialist returning to the Real Estate Branch from the Public Utilities Commission. Ms. Stone served as a Condominium Specialist with the Commission from 1992 through 1997.

Minutes:

Upon a motion by Commissioner Abrams, seconded by Commissioner Suiso, it was voted on and unanimously carried to accept the minutes of the October 10, 2007 Condominium Review Committee meeting as circulated.

Condominium
Governance and
Management:

AOAO Registrations

Specialist Grupen reported that as of October 31, 2007, 1,475 AOAOs have successfully registered.

Condominium Seminars and Symposium

Multi-Family Residential Development in Hawaii – September 21, 2007, Lorman Educational Services – Specialist Leong submitted her evaluation form and reported that the seminar presenters provided very informative and thorough explanations of all parties responsibilities. Attendees included SEO Kimura and Condominium Consultants Grant Tanimoto, Terry Day and Kenneth Chong.

Board Do's and Don'ts – CAI Hawaii Chapter, Honolulu – Thursday October 18, 2007 – The seminar was subsidized by the Condominium Education Trust Fund (CETF) and monitored by Commissioner Gendrano, Specialist Leong and Specialist Grupen. A total of 251 individuals attended the seminar with the CETF subsidizing 156 individuals of registered condominium associations.

Condominium Related Articles

The following articles from the CAI Community Associations & Apartment Building Management E-Alert were distributed for informational purposes: “Member Agrees to Follow Community A Rules” and “HUD Ends Efforts to Collect Condo and HOA Fees.”

Legislative Auditor's October 30, 2007 email request for Real Estate Commission's position on proposed S.B. No. 1837 (2007) and SCR 160 (2007) "Requesting a Sunrise Review of the Regulation of Entities Governed by Chapter 514A or 514B, Hawaii Revised Statutes, and the Enforcement of Policies Relating to Condominiums in the State Through the Creation of a Condominium Commission."

Condominium Specialist Yee reported that the Auditor has requested that the Commission respond on whether it 1) has a position on the condominium commission as proposed in S.B. No 1837, and 2) has taken a hands off approach regarding condominium governance because it is consistent with the self governance concept.

Previous requests for information by the Auditor have been responded to by staff. Staff has also provided the Auditor with the job descriptions for the exempt "at-will" temporary condominium specialists' positions and two different budget projections with an explanation that the non-general fund budget projection differs from the pro forma projection. The non-general fund projection shows expenditures based on the budget appropriation ceiling. The pro forma (918) estimates expenses are based on a review of expenses from previous years.

Discussion included noting that the proposed make up of the condominium commission (with emphasis that 4 of the 7 members of the commission be owner occupants; 2 public members and the remaining members be residents of the neighbor island) does not appear to provide the experience and background required to oversee the entire condominium law including the registration and sale of condominium projects and the condominium management provisions. The discussion also included the remark that generally owner occupants are unfamiliar with the body of knowledge needed to oversee the registration of condominium projects prior to sales, marketing, listing and selling of condominium projects, consumer protection disclosures and daily management and operations of the condominium. The proposed legislation also calls specifically for a 7 member commission, however the total number required from the proposed legislative description adds up to a 9 member commission.

It was also noted that the proposed legislation proposes that the Condominium Commission enforce the policies relating to condominiums in this state. This appears to be somewhat duplicative in part of RICO's limited enforcement responsibilities.

Other discussion included the suggestion that staff spend some time educating the Auditor on the condominium process, jurisdiction, and program of work to better assist her in her research.

The Committee came to some consensus that the proposed legislation is quite broad and ambiguous, and raised a number of additional questions.

Upon a motion by Commissioner Aiona, seconded by Commissioner Gendrano, it was voted on and unanimously carried to coordinate the committee's comments and delegate the drafting of the response to the Auditor to Chair Chee, Vice Chair

Suiso, Commissioner Loudermilk, Commissioner Kuriyama and staff and distribute the response to all members of the Condominium Review Committee.

Condominium
 Project
 Registration:

Condominium Project Registration - Public Reports Issued

A list of those condominium projects issued effective dates during the month of October 2007 were distributed for informational purposes.

PROJ #	PROJECT NAME	PROJECT ADDRESS	TMK #	UNIT		REPORT DATE
				TOTAL		
6461	1112 - 1114 1ST AVENUE	1112 & 1114 1ST AVE HONOLULU HI 96816	132001117	2		B REPT 10/31/2007
6440	1225 A & B 9TH AVENUE	1225A & 1225B 9TH AVE HONOLULU HI 96816	133005037	2		B REPT 10/5/2007
6447	1313 & 1313A 15TH AVENUE	1313 15TH AVE HONOLULU HI 96816	133010095	2		B REPT 10/4/2007
6446	1439 & 1441 MIDDLE STREET	1439 MIDDLE ST HONOLULU HI 96819	113012113	2		B REPT 10/29/2007
6448	2255 LILIHA ST & 488 HALAPIA PL	2255 LILIHA ST HONOLULU HI 96817	118002018	2		B REPT 10/4/2007
6445	2765 KAPIOLANI	2765 KAPIOLANI BLVD HONOLULU HI 96826	127025001	21		B REPT 10/3/2007
6369	3476 KALIHI ST CONDOMINIUM PROJECT	3476 KALIHI ST HONOLULU HI 96819	114019023	2		B REPT 10/25/2007
6363	4111 NOHO ROAD	4111 NOHO ROAD KOLOA HI 96756	427005051	2		B REPT 10/31/2007
6400	58-288 AND 58-288A KAMEHAMEHA HWY	58-288 KAMEHAMEHA HWY HALEIWA HI 96712	158004074	2		B REPT 10/31/2007
6424	83-500 FARRINGTON HIGHWAY	83-500 FARRINGTON HWY WAIANA E HI 96792	183002011	2		B REPT 10/5/2007
6449	BALI HAI VILLAS PH XI (BLDGS 12 & 13)	4970 PEPELANI LP PRINCEVILLE HI 96722	454005036	26		B REPT 10/5/2007
6416	COFFEE COTTAGES	76-5945 MAMALAHOA HWY HOLUALOA HI 96725	376004003	8		B REPT 10/29/2007
6192	HALE MALUHIA	280 HUIA STREET KAPAA HI 96746	442014030	2		B AMD 10/31/2007
6357	HALE PUA HONE CONDOMINIUM	5141 HOONA RD KOLOA HI 96756	426006010	2		B REPT 10/15/2007
6439	HANA LEI BAY HIGHLANDS	4901 HANA LEI PLANTATION RD HANA LEI HI 96714	454004048	2		B REPT 10/30/2007
6464	HAPPY VALLEY TARO CONDOMINIUM	5-5851 KUHI O HWY HANA LEI HI 96714	456004008	2		B REPT 10/24/2007
6427	HAWAII TIMES BUILDING THE	928 NUUANU AVE HONOLULU HI 96817	117002040	15		B REPT 10/31/2007
6395	HO'OHUA CONDOMINIUM	HUI RD ALIOMANU HI	449002009	2		FINAL 10/5/2007
6423	HOANA HOMES	5425 HOANA PL HONOLULU HI 96821	136004017	2		B REPT 10/5/2007
6403	HONOKAHUA BEACH HOTEL	ONE RITZ CARLTON DR LAHAINA HI 96761	242004015	135		B REPT 10/3/2007
6272	ILIAHI MAUKA CONDOMINIUM	31 ILIAHI WAY LAHAINA HI 96761	247010069	2		B REPT 10/26/2007
6397	JOHNSON CONDOMINIUM	60 AWA I KU ST LAHAINA HI 96761	247009026	2		B REPT 10/24/2007
6443	KAPOLEI KAI	2176 LAUWILIWILI ST KAPOLEI HI 96707	191075008	10		B REPT 10/31/2007
6218	KOUKALAKA ESTATES II	4953 NUNU RD KAPAA HI 96746	446015095	2		B AMD 10/26/2007
6099	LANI HALE	3632 SALT LAKE BLVD HONOLULU HI 96818	111018012	15		B AMD 2 10/26/2007
6311	MAKAHA OCEANVIEW ESTATES	84-621 ALA MAHIKU ST WAIANA E HI 96792	184002064	23		B REPT 10/11/2007
5974	MAKAHA VALLEY ESTATES I	84-801 ALAHELE ST WAIANA E HI 96792	184029138	2		SUPPL 10/19/2007
6451	MONKEY TREE ESTATES	LOT 239 WAINIHA POWERHOUSE RD WAINIHA HI 96714	458009021	2		B REPT 10/25/2007
6422	MONTECITO/TUSCANY (MONTECITO/TUSCANY MDL CMLX)	KANELA ST EWA BEACH HI 96706	191132001	9		FINAL 10/15/2007
6385	OAHU AVE. CONDOMINIUM RESIDENCE	2412 & 2414 OAHU AVE	129011011	2		B AMD 10/3/2007

6417	OMAO OVERLOOK	HONOLULU HI 96822 4092 OMAO RD KOLOA HI 96756	427009074	2	B REPT	10/29/2007
6205	OPAEEKAA CONDOMINIUM	6390 OPAEEKAA RD KAPAA HI 96746	442006166	2	B REPT	10/15/2007
5898	PARK PLAZA	590 LIPOA PKWY KIHEI HI 96753	222024008	26	FINAL	10/26/2007
6194	SOUTH SHORE PLAZA	411 HUKU LII PL KIHEI HI 96753	239045019	13	B AMD 2	10/3/2007
6362	THURSTON PLACE	1518 THURSTON AVE HONOLULU HI 96822	124016009	6	B AMD	10/9/2007
6433	TSAO OHANA ESTATES	4439 PUNEE RD OMAO HI 96765	427007010	2	B REPT	10/29/2007
6372	WAIPOULI OHANA ESTATES	6881 WAIPOULI RD KAPAA HI 96746	444014013	2	B REPT	10/16/2007

0	Preliminary Reports
0	Contingent Final Reports
3	Final Reports
1	Supplementary Reports
27	B Reports
6	B Amendment Reports
37	TOTAL REPORTS

CPR Workshops and Meetings

The next condominium consultant’s workshop is scheduled for December 3, 2007.

Case Law

The following were distributed for informational purposes: *The Association of Apartment Owner of Newtown Meadows v. Venture 15, Inc.* No 26637, July 31, 2007 reported in the Hawaii Bar Journal (October 2007) and “Development squeezing out Hawaii farmland” HonoluluAdvertiser.com (November 1, 2007)

Program of Work: **Condominium Laws and Education**

A copy of the presentation materials used during the Commission’s latest educational effort was distributed for informational purposes. The purpose of the seminars was discussed.

The Kauai seminar was held on October 19, 2007 with a total of 35 participants. The Maui seminar was held on October 24, 2007 with a total of 66 participants. The Oahu seminar was held on November 9, 2007 with 194 participants, of which 176 attended the governance session and 18 attended the licensees’ session. Those that attended the seminars on each island were made up of owners, board members and real estate licensees.

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.

Open Forum: No discussion presented.

CEF Budget & Finance Report: Upon a motion by Commissioner Loudermilk, seconded by Commissioner Abrams, it was voted on and unanimously carried to accept the Condominium Education Fund Financial Report for the period ending September 30, 2007.

Next Meeting: December 12, 2007
Upon adjournment of the Education Review Committee meeting which follows 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 Chee adjourned the meeting at 10:32 a.m.

Respectfully submitted:

/s/ Cynthia M. L. Yee

Cynthia M. L. Yee
Senior Condominium Specialist

December 12, 2007

Date

Minutes approved as is.

Minutes approved with changes; see minutes of _____