

CONDOMINIUM REVIEW COMMITTEE
Real Estate Commission
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii
www.state.hi.us/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: February 13, 2002

Time: 11:00 a.m.

Place: Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

Present: Mitchell Imanaka, Chair
Peter Rice, Vice Chair
Charles Aki, Member
John Ohama, Member
Alfredo Evangelista, Member
Iris Okawa, Member – early departure
Patricia Choi, Member

Calvin Kimura, Supervising Executive Officer
Alan Taniguchi, Executive Officer
Cynthia Yee, Senior Condominium Specialist
Cheryl Leong, Condominium Specialist
Gordon Arakaki, Condominium Recodification Attorney
Diane Choy Fujimura, Senior Real Estate Specialist
Lorene Arata, Real Estate Specialist
Shari Wong, Deputy Attorney General
Tammy Norton, Recording Secretary

Excused: Michael Ching, Member
Casey Choi, Member

Call to Order: Chair Imanaka called the meeting to order at 11:07 a.m., at which time quorum was established.

Chair's Report: No report was presented.

Condominium Specialist's Report: **Additional Distribution**
The following materials were distributed prior to the start of the meeting:

6.c. Hawaii Condominium Bulletin – Survey Results

Minutes: Upon a motion by Commissioner Evangelista seconded by Commissioner Okawa, it was voted on and unanimously carried to accept the minutes of the January 4, 2002 Condominium Review Committee meeting as circulated.

Condominium
Governance and
Management:

Mediation and Arbitration – Quarterly Reports

Quarterly reports for the 5 mediation centers contracted by the Real Estate Commission were distributed for informational purposes. Specialist Yee noted for the committee that Kauai Economic Opportunity (KEO) reported that the attorney representative for an AOA declined mediation from KEO and wanted the matter handled through the Alternative Dispute Resolution (ADR) on Oahu.

SEO Kimura raised a concern in connection with the attorney now being included in the mediation process, where as, we understood that an attorney could only be used as an advisor. The SEO reported receiving information indicating that attorneys are usually not included in the mediation forum. In this case, the attorney declined mediation when it should have been the board of directors declining mediation. This matter should be reviewed with KEO.

AOAO / CMA / CHO Registrations

Specialist Leong reported that as of January 31, 2002, 1,429 AOAOs and 108 CMAs are registered.

Upon a motion by Commissioner Rice, seconded by Commissioner Ohama, it was voted on and unanimously carried to recommend approval to ratify issuance of effective registration dates for Association of Apartment Owners through January 31, 2002 for the 2001-2003 registration. The associations are as follows:

Hawaii Business Park	1/14/02	Lihikai Condo	1/08/02
Lydgate Rise Ag Condo	1/30/02	Pearl Harbor View	1/30/02
Royal Aloha	1/30/02		

Condominium Seminars and Symposium

Specialist Yee reported that she monitored CAI Hawaii's January 19 seminar entitled "Duties, Responsibilities, and Liabilities of Community Association Board of Directors." This was the first seminar held under the recently amended contract for the offering of CEF subsidized seminars. There were approximately 130 people in attendance. Of the 130 in attendance, 78 qualified for CEF subsidy. The Commission paid out \$1,560 for the 78 qualified attendees. The cost does not include the additional cost of printing and mailing of the seminar flyers to registered association of apartment owners. The approximate cost for the printing and mailing of the flyers amounts to an additional \$800 per seminar. This approximate total of \$2,360 equals a CEF subsidy of \$30.25 per qualified attendee.

Commissioner Okawa was excused from the meeting at 11:15.

Case Law Review Program

"Fiduciary Duty" excerpts from the January 19, 2002 CAI Hawaii seminar *Duties, Responsibilities and Liabilities of Community Association Board of Directors* were distributed for informational purposes.

The following articles from the December 2001 issue of Community Association Law Reporter were distributed for informational purposes: "Community Association lawreporter 2001 Index" and "Distribution of Court Pleadings to Unit Owners Prior to Elections Which Relate to Board Candidate Is Not Slander".

Education Calendar - Updated calendar of condominium events circulated for information. This information is also provided at the Commission's web site. New subsidy language consistent with that of the amended contract has been added to the calendar.

Condominium Related Articles

The following articles from the Fall 2001 issue of *Ledger Quarterly* were distributed for informational purposes to update the committee members on reserves, accounting, etc.: "Reserve Studies: AICPA Reserve Rules and the CIRA Guide," "Reserve Studies: IRS Audits and Revenue Rulings," and "Reserve Studies: Tips for Success."

Condominium
 Project
 Registration:

Condominium Project Registration - Public Reports Issued

Upon a motion by Commissioner Evangelista, seconded by Commissioner Ohama, it was voted on and unanimously carried to recommend approval to ratify issuance of effective dates for public reports for the month of January 2002 as follows:

Proj No	Project Name	Project Address	TMK #	Report	Date
4799	1607 MAKIKI STREET CONDO	1607 MAKIKI ST HONOLULU HI 96822	(1)2-04-023:081	Final	01/24/02
4786	5496 & 5492 POOLA STREET	5496 & 5492 POOLA ST HONOLULU HI 96821	(1)3-05-073:019	Final	01/07/02
3396	AKAHIHALE	3169 OIHANA ST LIHUE HI 96766	(4)3-06-012:016	Suppl 2	01/29/02
4787	BRENDEN CONDOMINIUM PROJECT	LOT 14 KALIHAIWAI RIDGE SUBDIV HANAIEI HI	(4)5-02-017:014	Final	01/28/02
4797	CORTEBELLA PHASE 12	91-1876 LUAHOANA ST EWA BEACH HI 96706	(1)9-01-010:048	Prelim	01/22/02
4713	DOUBLE D-2 CONDOMINIUM	7060 KAHUNA RD KAPAA HI 96746	(4)4-06-004:039	Final	01/25/02
4760	HUNA KAI PLANTATION	2520 KAUAPEA RD KILAUEA HI 96754	(4)5-02-004:065	Final	01/17/02
4619	KAI NUI COURT	LOT 28 AINAHOU ST HONOLULU HI 96825	(1)3-09-008:029	Final	01/03/02
4771	KEAPANA MEADOWS CONDO	5241 HAUAALA RD KAPAA HI 96746	(4)4-06-014:107	Final	01/25/02
4574	LAWAI HANA CONDOMINIUM	LOT 19 CEMENT TRACH SUBDI KOLOA HI	(4)2-05-007:014	Suppl 1	01/22/02
4782	LEOLANI ESTATES CONDOMINIUM	LOT 81-F KALAHEO HMSTDS 1ST KALAHEO HI	(4)2-03-001:041	Final	01/10/02
4775	LILIANA HALE	573 KANEAPU ST KAILUA HI 96734	(1)4-03-009:024	Final	01/03/02
4709	MARINERS PLACE TOWNHOMES INCREMENT 2	91-1031 KAIMALIE ST EWA BEACH HI 96706	(1)9-01-115:007	Final	01/07/02
4765	PAHIA ROAD CPR	45-535, 45-537D E & F PAHIA RD KANEOME HI 96744	(1)4-05-021:029	Final	01/10/02
2418	ROYAL PALM VIEW ESTATES CONDO	KUAMOO RD KAPAA HI 96746	(4)4-02-017:060	Suppl 1	01/24/02
4777	SERENGETI CONDOMINIUM	LOT 9 PRINCEVILL AG SUBDIV HANAIEI HI	(4)5-03-008:009	Final	01/18/02
4258	ST LOUIS CONDOMINIUM	1374 ST LOUIS DR HONOLULU HI 96816	(1)3-03-055:029	Suppl 1	01/28/02
1482	WAIKIKI MARINA (FKA THE WESTBURY)	1700 ALA MOANA BLVD HONOLULU HI 96815	(1)2-06-011:008	Suppl 1	01/24/02

4732 WARM WINDS ESTATES CONDO 1637 MAKANUI RD (4)2-08-020:068 Final 01/14/02
KOLOA HI 96756

Preliminary Reports: 1
Contingent Final Reports: 0
Final Reports: 13
Supplementary Reports: 5

Total: 19

Planning Director Initiated Amendment to Chapter 23 (Subdivision Code) of the Hawaii County Code, Relating to Condominium Property Regimes, January 1, 2002

Chair Imanaka reported that the Commission is engaged in ongoing discussions with the Hawaii County Planning Department regarding the interface of condominium laws and county codes. Planning Director Christopher Yuen sent the Commission his proposed amendments to Chapter 23 (Subdivision Code) for its review and written comments. A copy of the Commission's response to Mr. Yuen was distributed to the committee members.

Specialist Yee reported that she received a call from Mr. Yuen's office requesting that the Commission revisit some of its positions noted in its response to the Hawaii County Planning Department especially the position that it appears that the State condominium law regulates the creation, offering, sale and registration of the condominium project, preempting county regulation of such. Chair Imanaka suggested that the Planning Director should check with counsel on this issue.

Program of Work: **Recodification of Chapter 514A**

Chair Imanaka reported that a Blue Ribbon Advisory Committee has been formed to help with the recodification efforts. The first meeting was held on January 31 and future monthly meetings have been scheduled through the end of the year. The committee is beginning with commenting on the recodification attorney's working draft. The committee had been further broken down into sections, whereby working committees will undertake the task of drafting appropriate language. Chair Imanaka is also seeking to set up a chat room for the advisory committee members. The blue ribbon advisory committee is made up of attorneys whose combined practices cover the full spectrum of condominium law.

Commissioner Ohama requested that the Commissioners be included in an email update of substantial comments received regarding the recodification efforts.

Chair Imanaka requested that staff provide the commissioners with a schedule of the upcoming meeting dates and welcomed participation from all available commissioners.

Hawaii Condominium Bulletin – Survey Results

Specialist Leong reported that a total of 10,744 copies of the December 2001 issue of the Hawaii Condominium Bulletin were mailed out to 1,387 registered AOAOs, 107 CMAs and 123 CHOs. A total of 231 bulletins mailed to AOAOs were returned by the post office.

The Hawaii Condominium Bulletin included a cut out and mail back survey to evaluate the circulation of the Bulletin, awareness and use of resources provided by the Commission and the use of mediation to resolve condominium disputes. A total of 59 surveys were returned which represents about a 1% return. The most significant response received revealed that most apartment owners are unaware of the Commission's website and bulletin availability on the website.

Specialist Yee suggested, among others, that the Commission look into publicizing its website through outside resources.

Chair Imanaka suggested that the Commission possibly include an article in the CAI publication about the Commission's website and resources.

Government and Legislative Participation Report

SEO Kimura reported that a combined legislative report was distributed and presented at the Laws and Rules Review Committee meeting.

SEO Kimura further reported on the CMEF bill and noted that according to the projections by DAGS, if the Commission spends its approved budget per fiscal year and receives its projected revenue, by June 30, 2004 the fund will not have sufficient funds (balance plus revenues) to fund the budget for FY05 and may necessitate termination of condominium staff. In the past fiscal years, the Commission has not spent its full amount of the approved budget so there have been carryover funds. It was further reported that by FY 2005 the recodification efforts should be complete and therefore the fund should not have to bear the recodification expenses.

Neighbor Island Outreach

SEO Kimura reported that the next county to hold the neighbor island outreach meetings is Kauai. The Commission needs to determine a date so that staff can begin finding a location and approvals.

Upon a motion by Commissioner Ohama, seconded by Commissioner Choi, it was voted on and unanimously carried to hold the June committee meetings on the island of Kauai on June 14, 2002, subject to room availability and Commissioner Ching.

CMEF Budget &
Finance Report:

No report presented.

Condominium
Organizations Forum:

There were no comments, recommendations or concerns 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.

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Next Meeting: March 13, 2002; 11:00 a.m.
Kapuaiwa Room
HRH Princess Victoria Kamamalu Bldg.
1010 Richards Street, Second Floor
Honolulu, Hawaii 96813

Adjournment: With no further business to discuss, Chair Imanaka adjourned the meeting at 11:40 a.m.

Respectfully submitted:

/s/ Cynthia M. L. Yee

Cynthia M. L. Yee
Senior Condominium Specialist

March 13, 2002

Date

Minutes approved as is.

Minutes approved with changes; see minutes of _____

CY/tn//022202