

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: February 11, 2015

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

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

Present: Scott Sherley, Chair, Broker / Hilo Commissioner
Bruce Faulkner, Vice Chair, Broker / Maui Commissioner
Nikki Senter, Public / Honolulu Commissioner
Aileen Wada, Broker / Honolulu Commissioner
Scott Arakaki, Public / Honolulu Commissioner
Laurie A. Lee, Broker / Honolulu Commissioner
Aleta Klein, Broker / Interim Honolulu Commissioner
Michael Pang, Broker / Honolulu Commissioner

Neil Fujitani, Supervising Executive Officer
Cynthia Yee, Senior Condominium Specialist
Dathan Choy, 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: Aron Espinueva, Hawaii Association of REALTORS®
Bryan Andaya, Eddie Flores Real Estate Continuing Education
Elisia Flores, Eddie Flores Real Estate Continuing Education
Beth Holiday, Hawaii Business Training
Abe Lee, Abe Lee Seminars

Absent: Rowena Cobb, Broker / Kauai Commissioner

Call to Order: Chair Sherley called the meeting to order at 9:19 a.m., at which time quorum was established.

Chair's Report: 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.

Chair Sherley thanked Commissioner Faulkner for hosting the January neighbor island outreach meetings on the island of Maui.

Commissioner Cobb was excused from the meeting. Prior notification of her non-attendance was received.

Condominium
Specialist's
Report:

Introductions, Announcements, Correspondence, & Additional Distribution

Specialist Yee introduced Condominium Specialist Dathan Choy who will be handling project registration issues. He is a graduate of the University of Oregon. He received his BS in Accounting from the University of Oregon and his Master's in Accounting from the University of Hawaii. He has worked in the accounting field in the private sector and also as a budget analyst with the Senate Ways and Means Committee.

Minutes:

Upon a motion by Commissioner Faulkner, seconded by Commissioner Lee, it was voted on and unanimously carried to accept the minutes of the January 7, 2015 Condominium Review Committee meeting as circulated.

Condominium
Governance and
Management:

AOUO Registrations

Specialist Yee reported that as of January 31, 2015, 1,683 AOUOs have successfully registered.

Mediation and Arbitration

It was reported that staff is working on drafting the mediation contracts for review by the Deputy Attorney General. Mediator services, pursuant to HAR §3-120-4(b), have been determined to be exempt from the procurement procedures of HRS Chapter 103D by the procurement policy board effective July 17, 2008. Mediator services fall under exemption number 10. Although exempt from the procurement procedures, once the contracts are awarded and posted, interested individuals are able to protest the award.

Case Law Review Program

The following was distributed for informational purposes: *Association of Apartment Owners of Discovery Bay v. Mitchell* 339 P.3d 1052 (2014).

Condominium Related Articles

The article entitled "Condo owners locked in fight with developer" posted January 15, 2015 on *StarAdvertiser.com* was distributed for informational purposes.

Condominium
Project
Registration:

Condominium Project Registration - Public Reports Issued

A list of those condominium projects issued effective dates during the month of January 2015 were distributed for informational purposes.

PROJ #	PROJECT NAME	PROJECT ADDRESS	TMK #	TOTAL	REPORT	DATE
7431	1118 ALA MOANA	1118 ALA MOANA BLVD HONOLULU HI 96814	123001001	178	B AMD 3	1/23/2015
7604	179 AND 181 OLIVE AVENUE CONDO	179 & 181 OLIVE AVE WAHIAWA HI 96786	173003011	2	B REPT	1/30/2015
6329	2833 ROUND TOP DRIVE	2833 ROUND TOP DRIVE HONOLULU HI 96822	125005049	2	B AMD	1/23/2015
7594	400 KEAWE	KEAWE ST HONOLULU HI 96813	121054025	96	B REPT	1/12/2015
7592	4012 AND 4012A MAUNALOA AVE CONDO	4012 AND 4012A MAUNALOA AVE	132053033	2	B REPT	1/23/2015

7326	AWAKEA AT MEHANA	HONOLULU HI 96816 WAKEA ST KAKALA ST MANAWAI	191016212	124	B AMD 2	1/28/2015
7567	BELLA AINA CONDOMINIUM	KAPOLEI HI 96707 9639 MAULE RD	412008026	2	B REPT	1/21/2015
7168	COVE WAIKIKI THE	WAIMEA HI 96796 1800 & 1820 KAIOO DR	126012037	117	B AMD 4	1/28/2015
7579	HALE ALANI	HONOLULU HI 96815 ALANI LP & LEMI PL	373068001	48	B REPT	1/21/2015
7593	HALE ILIMA	KAILUA KONA HI 96740 550 WAILEPO ST	143059010	28	B REPT	1/14/2015
7590	KAHAWAI	KAILUA HI 96734 2024 KAHAWAI ST	234033002	16	B REPT	1/13/2015
7603	KIPUKA AT HOAKALEI INCREMENT 13	WAILUKU HI 96793 END OF KAIKOHOLA ST	191162001	6	B REPT	1/26/2015
7508	PARKSIDE BY GENTRY I	EWA BEACH HI 96706 91-6221 KAPOLEI PKWY	191069024	75	B AMD	1/7/2015
7599	PAUMALU MAUKA RANCHES (UNITS B1 AND B2)	EWA BEACH HI 96706 58-248 KAMEHAMEHA HWY	158002004	2	B REPT	1/22/2015
7339	WAOLANI	HALEIWA HI 96712 2756J PALI HWY	118009033	2	B AMD	1/8/2015
		HONOLULU HI 96817				
0	Preliminary Reports					
0	Contingent Final Reports					
0	Final Reports					
0	Supplementary Reports					
9	B Reports					
6	B Amendment Reports					
15	TOTAL REPORTS					

Program of Work: **Government and Legislative Participation & Report**

Specialist Yee informed the committee that staff was invited to a meeting with Senator Chun Oakland and condominium unit owners who are dissatisfied with their board and management company. Unit owners are frustrated that they are unable to elect new board members and institute change within their own board, also their dissatisfaction with Act 188 and the inability to receive documents. They are seeking legislative assistance with changing the law but don't understand that the change they seek may suit their needs, but affect others globally.

Commissioner Pang noted that a solution regarding electing new board members may be to institute term limits and number of board members determined by size of the project. He also noted the problem of the proxy system.

Chair Sherley stated that unit owners need a better understanding of what the proxy is for.

Legislative Report No. 1 was included in the Laws and Rules Review Committee materials. The Commission as a body will submit testimony on bills that directly affect chapters 467, 514A, 514B and licensees or that affect the Commission's operations and staff will assist if requested by a legislator or legislative committee for the Commission's input regarding specific bills.

Commissioners were provided an update on the status of the following bills:

HB 31 – Voids any provision that discriminates against a person who holds a valid medical marijuana certificate and resides in an apartment or unit of a condominium property regime, condominium, or planned community association, unless the association documents prohibits smoking tobacco, and the medical marijuana is used by means of smoking.

SB 687 – Restricts management fees to an amount that reflects a reasonable value for services rendered – who determines the "reasonable" amount?

SB 826 - Establishes provisions for condominium association annual meetings and quorum requirements. Permits the board of an association to employ and discharge the managing agent of an association, subject to a vote of a majority of the unit owners at an association meeting. Provides an exemption for a condominium project in which a majority of the units have been submitted to one or more vacation plans, or in which one or more units has been submitted to a vacation plan established by the developer of the project or by an affiliate of the developers.

Executive Session: Upon a motion by Commissioner Faulkner, seconded by Commissioner Wada, it was voted on and unanimously carried to enter into executive session, pursuant to section 92-5(a)(4), HRS, "To consult with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities."

Upon a motion by Commissioner Klein, seconded by Commissioner Pang, it was voted on and unanimously carried to move out of executive session.

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: No report presented.

Next Meeting: March 11, 2015
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 9:52 a.m.

Respectfully submitted:

/s/ Cynthia M. L. Yee

Cynthia M. L. Yee
Senior Condominium Specialist

February 19, 2015

Date

Minutes approved as is.

Minutes approved with changes; see minutes of _____