

**CONDOMINIUM REVIEW COMMITTEE**  
REAL ESTATE COMMISSION  
Professional and Vocational Licensing Division  
Department of Commerce and Consumer Affairs  
State of Hawaii  
[www.hawaii.gov/hirec](http://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: September 14, 2016

Time: Upon adjournment of the Laws and Rules Review Committee meeting scheduled to convene at 9:30 a.m.

Place: Grove Farm Building – Conference Room  
3-1850 Kaunualii Hwy.  
Lihue, Kauai

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

Neil Fujitani, Supervising Executive Officer  
Benedyne Stone, Condominium Specialist  
Diane Choy Fujimura, Senior Real Estate Specialist  
Shari Wong, Deputy Attorney General  
Tammy Norton, Recording Secretary

Others: Toni Ishimoto, Kauai Board of REALTORS®  
Byron Barth, Kauai Board of REALTORS®

Absent: Aleta Klein, Broker / Honolulu Commissioner

Call to Order: Chair Sherley called the meeting to order at 9:55 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 Klein was excused from the meeting. Prior notification of her non-attendance was received.

Condominium  
 Specialist's  
 Report:

**Minutes**

Upon a motion by Commissioner Faulkner, seconded by Commissioner Lee, it was voted on and unanimously carried to accept the minutes of the August 10, 2016 Condominium Review Committee meeting as circulated.

Condominium  
 Governance and  
 Management:

**AOUO Registrations**

Specialist Stone reported that as of August 31, 2016, 1,667 AOUOs have successfully registered.

**Condominium Seminars and Symposium**

The committee acknowledged staff's written report of their attendance at the Hawaii Council of Community Association seminar entitled "The Future of Self Governance and Reserve Obligations."

Staff noted that the seminar was worthwhile in its content and a preview of what this group will focus on in the upcoming legislative session.

Chair Sherley noted that at the conclusion of the seminar, a woman walked up to the podium and stated that Chapters 514A and 514B are self-destructing statutes and that the State created laws that will self-implode with aging condominiums.

Specialist Stone responded that the comment made by the individual seems to be in opposition to the information provided by the seminar speakers.

Condominium  
 Project  
 Registration:

**Condominium Project Registration - Public Reports Issued**

A list of those condominium projects issued effective dates during the month of August 2016 were distributed for informational purposes.

PROJ #	PROJECT NAME	PROJECT ADDRESS	TMK #	UNIT	REPORT	DATE
7877	3722 AND 3726 HARDING AVENUE CONDOMINIUM	3722 & 3726 HARDING AVE HONOLULU HI 96816	132037028	2	B REPT	8/25/2016
7867	85-758 & 85- 760 LIHUE STREET	85-758 & 85-760 LIHUE ST WAIANAE HI 96792	185012040	2	B REPT	8/9/2016
7869	99-1020 OHELOPAPA PLACE	99-1020 OHELOPAPA PLACE AIEA HI 96701	199058011	2	B REPT	8/26/2016
7715	AULI'I	500 AULI'I DR MAKAWAO HI 96768	223058065	2	B AMD	8/29/2016
7828	CENTER STREET CONDOMINIUM	1238 & 1246 CENTER ST HONOLULU HI 96816	133006018	2	B REPT	8/11/2016
4436	COASTVIEW SUNSET LOT 39 CONDOMINIUM	73-1109 AHULANI ST KAILUA-KONA HI 96740	373023094	2	SUPPL	8/11/2016
6427	HAWAII TIMES BUILDING THE	928 NUUANU AVE HONOLULU HI 96817	117002040	15	B AMD 3	8/25/2016
7782	HILLTOP CONDOMINIUM	2991 KAOHE ST KILAUEA HI 96754	452010017	2	B REPT	8/8/2016
7866	INEA PLACE	99-145 B AND 99-145 C INEA PL AIEA HI 96701	199009037	2	B REPT	8/10/2016
5968	KALAMAKU	59-756 KAMEHAMEHA HWY	159004007	2	SUPPL 2	8/4/2016

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		HALEIWA HI 96712					
7857	KAPOLEI TRADE CENTER	2045 LAUWILIWILI ST KAPOLEI HI 96707	191075022	93	B REPT	8/30/2016	
7822	KIAPOKO STREET CONDOMINIUM	67-237 & 67-237A KIAPOKO ST WAIALUA HI 96791	167015007	2	B REPT	8/4/2016	
7873	LEI PAUKU AT HOAKALEI INCREMENT 1	91-2220 KAIWAWALO ST EWA BEACH HI 96706	191134017	10	B REPT	8/18/2016	
7855	NALANIEHA ESTATES	2448 NALANIEHA ST HONOLULU HI 96819	114006044	5	B REPT	8/9/2016	
6417	OMAO OVERLOOK	4092 OMAO RD KOLOA HI 96756	427009074	2	B AMD	8/2/2016	
5356	POHAKU-POIPU CONDOMINIUM	2865 POIPU ROAD KOLOA HI 96756	426004009	2	SUPPL	8/2/2016	
7778	PU'U KULANA CPR 888	4363 PUU KULANA KALAHEO HI 96741	423011058	2	B AMD	8/3/2016	
7123	VILLAS AT POIPU KAI THE	2373 HOOHU RD KOLOA HI 96756	428027034	28	B AMD 2	8/1/2016	
7797	WAILELE RIDGE	HONOAPIILANI HWY LAHAINA HI 96761	243001033	158	B AMD	8/8/2016	
0	<b>Preliminary Reports</b>						
0	<b>Contingent Final Reports</b>						
0	<b>Final Reports</b>						
3	<b>Supplementary Reports</b>						
10	<b>B Reports</b>						
6	<b>B Amendment Reports</b>						
19	<b>TOTAL REPORTS</b>						

Program of Work: **Consumer Education**

The brochures entitled "Condominium: Budgeting and Reserve Funding" produced by the Real Estate Branch and "Information About Paying Association Fees" produced by the Regulated Industries Complaints Office were distributed for informational purposes.

Vice Chair Faulkner suggested creating a brochure aimed at those living in smaller condos, e.g. 2-4 units. He noted that many of these smaller condos are created every month. Education focuses on owners in larger condo associations; owners in small associations can benefit from education focused on their unique needs.

Commissioner Cobb noted that staff's report on the HCCA seminar noted that Mr. Richard Port had proposed that the DCCA train and test board members every year and that those board members who pass a simple test be issued a "certificate" from the State. She questioned whether this would work were the State to initiate it.

Specialist Stone responded that boards are made up of mostly volunteers. Some have limited information on what a board should be able to do. There is a small minority out there that makes it seem as if most are dysfunctional, but from all reports that is not the case.

She further noted that the industry is trying to promote education and come up with their own certification/training. Should this training be offered, it would be made voluntary. If it were mandatory it may discourage others from volunteering.

Staff was asked if they were anticipating more condo legislation this session.

SEO Fujitani responded that a few of the legislators may be re-introducing condo bills but with the understanding that it is a minority of condominium owners who are pushing those particular bills.

Specialist Stone reported that the big focus at the seminar was on communicating with owners. Groups like CAI Hawaii and HCCA do not want more government or private intervention.

Commissioner Wada noted that another item brought up previously was a need to train site managers and resident managers as they are the resource persons that the board turns to with questions.

It was noted that managing agents support training, but the turnover of site and resident managers is amazing. Account executives are over worked.

Commissioner Senter noted that board member education is very important. They need education on the laws, their fiduciary duties, communication, etc.

Commissioner Cobb questioned whether the Commission could initiate a session for board members to attend.

Chair Sherley responded that the Commission contracts and sponsors, through the Condominium Education Trust Fund, seminars offered by Community Associations Institute Hawaii Chapter (CAIH). One of the more popular seminars held yearly is their ABC's course. CAIH continues to try and offer seminars on the neighbor islands. This past year's seminar on the neighbor islands had to be cancelled due to very low enrollment.

Commissioner Lee suggested that the Commission work to communicate directly with board members and provide them directly all education opportunity information.

Chair Sherley responded that the Commission currently has in place a condominium educational and informational email subscription list which anyone can subscribe to. The service was launched in June 2015 to help spread information to unit owners, board of directors, and the general public regarding condominium issues.

SEO Fujitani noted that staff will look into possibly including the option of listing a contact email address for the board members on the association registration application.

Commissioner Lee also noted that Hawaiiana Management provided a class for its board members to attend. The three hour class was held in Kona on a Saturday and was beneficial to all that attended.

Commissioners discussed the possibility of developing a course for property managers and issuing completion certificates from the state.

SEO Fujitani informed the committee that the long term goal would be to provide a short educational video that can be viewed online at any time, by all interested parties.

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: October 12, 2016  
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 10:28 a.m.

Respectfully submitted:

/s/ Benedyne Stone

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Benedyne Stone  
Condominium Specialist

September 20, 2016

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Date

Minutes approved as is.

Minutes approved with changes; see minutes of \_\_\_\_\_

BS:tn