

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 8, 2017

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: Laurie A. Lee, Chair, Broker / Honolulu 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
Aleta Klein, Broker / Honolulu Commissioner
Michael Pang, Broker / Honolulu Commissioner
Sean Ginoza, Broker / Hilo Commissioner

Neil Fujitani, Supervising Executive Officer
Miles Ino, Executive Officer
Benedyne Stone, 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: David Yang
James Stone, West Hawaii Association of REALTORS®
Marsha Shimizu, Hawaii Association of REALTORS®
Jane Sugimura, Hawaii Council of Community Associations

Absent: None

Call to Order: The Chair called the meeting to order at 9:57 a.m., at which time quorum was established.

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.

Condominium
Specialist's
Report:

Minutes

Upon a motion by Commissioner Klein, seconded by Commissioner Faulkner, it was voted on and unanimously carried to accept the minutes of the January 11, 2017 Condominium Review Committee meeting as circulated.

The Chair took the agenda out of order to accommodate those present.

Condominium
Project Registration:

Owner-Occupant – David Yang request for waiver of owner-occupant exemption pursuant to HRS 514B-98.5(b)(1)

Mr. Yang was present and asked if he wished to have his request for owner-occupant exemption considered in executive session. He declined the offer.

Commissioner Senter recused herself from the meeting due to a conflict of interest.

Mr. Yang stated that he signed the contract and the owner-occupant affidavit in August of 2013. His wife was in Korea at the time and did not sign, although her name did appear on the contract. He was told that it was not necessary for his wife to sign at that time. On February 8, 2015, Mr. Yang's wife, Ahe-Yong Lee, came to Hawaii. She signed the owner-occupant affidavit on January 16, 2016.

Mr. Yang stated that his wife has a life-long disability and has been confined to a wheelchair for 58 years. Her right arm carpal tunnel was diagnosed in 2014. When they picked up the keys and viewed the unit they found that it would be difficult to go through the thick carpeted area in the corridor. Their unit is located at the opposite end from the elevator, approximately 150 feet from the entrance. When traveling via the Handi-van, it will be difficult to maneuver her wheelchair alone.

Mr. Yang was asked if a request was made to the developer to change the carpeting and if his wife uses an electric wheelchair.

Mr. Yang responded that he brought up the issue of the thick carpet to the Developer and was informed that the carpet was installed based on design. He also responded that his wife uses a manual wheelchair. Because she doesn't get much activity due to her disability, using a manual wheelchair is her exercise. She has also found that a motorized wheelchair does not allow for much space and has found it difficult especially when using the restroom.

Mr. Yang was asked who was present at the October 7, 2016 pre-closing inspection.

Mr. Yang responded that both he and his wife were present. At the time of the inspection, the corridors were covered with cardboard as the construction was not yet complete and they did not see the actual material of the corridor. During the

inspection of the unit, they did notice that there would be problems with access to the refrigerator. There was also carpet in the unit when laminated floors were requested, and noted accessibility issues with the bathroom. Renovations to cure these issues would need to be made after the fact.

Mr. Yang was asked if the developer was made aware of his wife's disability at the time of the unit selection.

Mr. Yang responded that the developer was made fully aware and to accommodate his wife's condition the kitchen flooring would be changed, but not the rest of the unit. They also ran into issues with parking. They were initially told that when they closed, they could then request a handicap stall. When reviewing the three or four updates to the developer's public report, he noticed that handicap stalls were issued out. He was then told by A & B that he never requested a handicap stall.

Commissioner Pang questioned whether their intent is to rent out the unit or retrofit and move in.

Mr. Yang responded that they bought the unit for their retirement. They are currently paying mortgage on both homes. They would like to rent out the unit until they get closer to retirement then retrofit the unit and then ask the developer to improve the corridor. He further noted that his wife is currently 60 and plans to retire at age 62.

Upon a motion by Commissioner Arakaki, seconded by Commissioner Pang, it was voted on and unanimously carried to take the matter under advisement.

Commissioner Senter returned to the meeting.

Condominium
Governance and
Management:

AOUO Registrations

SEO Fujitani reported that as of January 31, 2017, 1,690 AOUOs have successfully registered.

Condominium Seminars and Symposium – Hawaii Council of Community Associations grant request for educational videos

Commissioner Pang recused himself due to a conflict of interest.

Jane Sugimura was present on behalf of the Hawaii Council of Community Associations. Ms. Sugimura reported that there is a lot of activity at the legislature for condominium education. HCCA has worked with ThinkTech Hawaii to produce weekly condominium educational videos because the legislature has almost annually introduced a bill to require board members to attend educational seminars. Most complaints heard were that the owners cannot pay the fees to attend educational seminars. Most venues include food which is where the fee comes into play as most speakers are presenting for free.

She further noted that ThinkTech Hawaii has produced the videos and put them up on YouTube as a way to satisfy the legislature's concern on providing

education to condominium board members and owners. YouTube contains a playlist which individuals can choose from and play on any device. The future may also include a certification. HCCA has been subsidizing the videos and will continue to do so whether the Real Estate Commission grants their request for subsidies or not. Subsidizing these videos is HCCA's contribution to provide education.

She noted that you cannot force a board member to attend a seminar, but there are ways to promote educating board members so that they can comply with their fiduciary duties.

Ms. Sugimura stated that the Condo Insider weekly program has been available since May or June of 2016. The YouTube videos are available 24/7. HCCA publicizes the videos via its website, links emailed to those who have previously attended a HCCA seminar, and through its subscription list. HCCA has also emailed links to legislators to provide to their constituents and to management companies to provide on their websites. The live production also has a phone number so that questions may be asked and answered on air.

Commissioner Lee questioned the actual cost to produce 1 episode.

Ms. Sugimura responded that a conservative estimate to do shows for 52 weeks is \$30,000.

Deputy Attorney General Wong suggested exploring the use of 'Olelo or cable television. By using 'Olelo you could possibly lessen the cost and attract an interest from those who are channel surfing.

Ms. Sugimura responded that ThinkTech does have access to 'Olelo. With YouTube, individuals can access videos 24/7 and select from a playlist.

Commissioner Ginoza questioned if the request for \$30,000 is a one-time request for 52 weeks of videos in addition to what is currently available. He also questioned if they would be adding on a certification component.

Ms. Sugimura responded that the \$30,000 is a one-time request which could be made annually. \$30,000 would cover 52 weeks of videos going forward. In response to the certification, Ms. Sugimura responded that they would need to work with the legislature on developing requirements. Currently it is a losing proposition without the availability of free videos.

Ms. Sugimura also noted that some of the videos are more popular than others based on the hits they receive. Feedback received from ThinkTech is that the "Condo Insider" is one of their top shows being viewed.

Upon a motion by Commissioner Arakaki, seconded by Commissioner Klein, it was voted on and unanimously carried to take the matter under advisement.

Commissioner Pang returned to the meeting.

Request for approval of AOOU registration fee discount

Before the committee is a proposal to discount the AOOU condominium education trust fund fee for the upcoming 2017-2018 AOOU biennial registration period to those associations completing the registration process online by the Commission prescribed deadline. The discount would amount to \$4 off of the biennial fee of \$10 per unit which would amount to a total of approximately \$653,000.

Presently the condominium education trust fund has sufficient funds to offer a discount and maintain its condominium operations.

Commissioner Pang questioned how the figure of \$4 was reached. Normally as an incentive, it would be free or at a 50% discount.

Staff responded that the amount proposed is a 40% discount.

Upon a motion by Commissioner Klein, seconded by Commissioner Senter, it was voted on and unanimously carried to approve the AOOU registration fee discount in the amount of \$4 off of the condominium education trust fund fee per unit for the 2017-2018 AOOU biennial registration period.

Case Law Review – Boswell v. The Retreat Community Association, California Fourth Appellate District Division Two, July 11, 2016

A copy of the case 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 2017 were distributed for informational purposes.

PROJ #	PROJECT NAME	PROJECT ADDRESS	TMK #	UNITS	REPORT DATE
7830	2159 AND 2159A AWIKIWIKI PL CONDO	2159 & 2159A AWIKIWIKI PL PEARL CITY HI 96782	197049019	2	B AMD 1/10/2017
7933	2266 LILIHA CONDOMINIUM	2266 2266A 2266B 2266C 2266D HONOLULU HI 96817	118017001	6	B REPT 1/4/2017
7876	4366 AND 4366A KEAKA DR CONDO	4366 & 4366A KEAKA DR HONOLULU HI 96818	111024025	2	B REPT 1/17/2017
7707	6310 OLOHENA ESTATE	6310 OLOHENA RD KAPAA HI 96746	444003119	2	B AMD 1/26/2017
7936	661A KIHAPAI STREET	661A KIHAPAI ST KAILUA HI 96734	143066021	4	B REPT 1/12/2017
7921	912 AND 912A 8TH AVENUE	912 & 912A 8TH AVE HONOLULU HI 96816	132017048	2	B REPT 1/17/2017
7897	CALASA VISTAS	445 CALASA RD KULA HI 96790	222013013	2	B REPT 1/10/2017
7942	HALE IHIIHI	1249-A & 1249-B IHIIHI PL WAHIAWA HI 96786	171005040	2	B REPT 1/12/2017
7900	HALE ILIMA	211 KILANI AVE WAHIAWA HI 96786	173004027	19	B REPT 1/20/2017
7614	HAUOLI LOFTS	917 HAUOLI ST HONOLULU HI 96826	123029052	9	B AMD 2 1/13/2017
7903	KALAHEO VIEW LOT	LOT 118 KALAHEO HOMESTEADS KALAHEO HI 96741	423013017	2	B REPT 1/4/2017
7947	KAMANI AT KEHALANI (PHASE 4)	OMAOMAO ST WAILUKU HI 96793	235001090	24	B REPT 1/12/2017
7720	KEOKEA CONDOMINIUM	8801 8809 8811 KULA HWY KULA HI 96790	222003057	4	B REPT 1/20/2017

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7891	KILI KAI	3249 KALIIHWAI RD KILAUEA HI 96754	453003048	2	B REPT	1/27/2017
7937	KOKOKE LANI	4031 & 4031A KULAMANU ST HONOLULU HI 96816	131040004	2	B REPT	1/20/2017
7943	LEI PAUKU AT HOAKALEI INCREMENT 4	91-2220 KAIWAWALO ST EWA BEACH HI 96706	191134060	12	B REPT	1/17/2017
7914	MAMAO PLACE ESTATES CONDOMINIUM	LOT 6 TAKITANI FARM LOT SUBDIV HAIKU HI 96708	228009014	2	B REPT	1/25/2017
7791	OMAO STREAM ESTATES CONDOMINIUM	PUNEE RD KOLOA HI 96756	427006028	6	B REPT	1/20/2017
7893	WAIKELE STORAGE PARK	94-990 PAKELA ST WAIKELE HI 96794	194002081	203	B REPT	1/20/2017
7949	WALKER VILLA	233,233A,233B,& 233C WALKER WAHIAWA HI 96786	174001024	4	B REPT	1/25/2017
0	Preliminary Reports					
0	Contingent Final Reports					
0	Final Reports					
0	Supplementary Reports					
17	B Reports					
3	B Amendment Reports					
20	TOTAL REPORTS					

Condominium Organizations Forum: No comments, recommendations or concerns were received.

CETF Budget & Finance Report: Upon a motion by Commissioner Senter, seconded by Commissioner Klein, it was voted on and unanimously carried to accept the Condominium Education Trust Fund Financial Report for the period ending September 30, 2017.

Executive Session: Upon a motion by Commissioner Faulkner, seconded by Commissioner Arakaki, it was voted on and unanimously carried to enter into executive session pursuant to Section 92-5(a)(1), HRS, "To consider and evaluate personal information, relating to individuals applying for professional or vocational licenses cited in section 26-9 or both;" and 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 Pang, seconded by Commissioner Wada, it was voted on and unanimously carried to move out of executive session.

Condominium Governance and Management: **Condominium Seminars and Symposium – Hawaii Council of Community Associations grant request for educational videos**

Upon a motion by Commissioner Arakaki, seconded by Commissioner Faulkner, it was voted on and carried that the Real Estate Branch issue a Request for Proposals of condominium educational videos to be posted online for viewing by interested persons at no cost and available at any time. Commissioner Pang abstained from voting.

Condominium Project Registration: **Owner-Occupant – David Yang request for waiver of owner-occupant exemption pursuant to HRS 514B-98.5(b)(1)**

After a review and discussion of the information presented in Mr. Yang's written requests dated November 30, 2016 and December 29, 2016, including the accompanying supporting information as well as the information presented at today's meeting, Commissioner Pang moved to deny the request in that the statutory conditions for approval of a waiver of the owner-occupant requirement

pursuant to HRS §514B-98.5 (b) (1) have not been met. Commissioner Arakaki seconded the motion. Commissioner Senter abstained from voting. The motion was voted on and carried.

Next Meeting: March 8, 2017
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, the Chair adjourned the meeting at 11:30 a.m.

Respectfully submitted:

/s/ Neil Fujitani

Neil Fujitani
Supervising Executive Officer

February 13, 2017

Date

Minutes approved as is.

Minutes approved with changes; see minutes of _____

NF:tn/