

**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: July 11, 2018

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  
John Love, Vice Chair, Public / Honolulu Commissioner  
Bruce Faulkner, Broker / Maui Commissioner  
Aileen Wada, Broker / Honolulu Commissioner  
Scott Arakaki, Public / Honolulu Commissioner  
Aleta Klein, Broker / Honolulu Commissioner  
Michael Pang, Broker / Honolulu Commissioner  
Sean Ginoza, Broker / Hawaii Island Commissioner  
Russell Kyono, Broker / Kauai Commissioner

Neil Fujitani, Supervising Executive Officer  
Miles Ino, Executive Officer  
Carole Richelieu, Senior Condominium Specialist  
Benedyne Stone, Condominium Specialist  
Dathan Choy, Condominium Specialist  
Lorie Sides, Condominium Education 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: Richard Emery, Hawaii First Realty  
Matt Eagle, Abe Lee Seminars  
Elisia Flores, Eddie Flores Real Estate Continuing Education

Absent: None

Call to Order: The Chair called the meeting to order at 9:17 a.m., at which time quorum was established.

Chair's Report: Chair Lee introduced Commissioner Love as the Vice Chair of the Condominium Review Committee.

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 Ginoza, seconded by Commissioner Faulkner, it was voted on and unanimously carried to accept the minutes of the June 13, 2018 Condominium Review Committee meeting as circulated.

Condominium  
 Governance and  
 Management:

**AOUO Registrations**

Specialist Stone reported that as of June 30, 2018, 1,559 AOUOs have successfully registered.

**Condominium Seminars and Symposium**

CAI notice of cancellation Hilo seminar

The committee acknowledged receipt of CAI Hawaii's notice of the cancellation of the seminar scheduled for June 9, 2018, in Hilo. Commissioner Ginoza commented that Hilo only has about a dozen condos and is not surprised at the low registration. He noted that Kona would draw more interest with the number of condominiums on that side of the island.

CAI Hawaii fiscal year 2019 proposed seminars

The committee acknowledged receipt of CAI Hawaii's request for approval of the remaining 2018 seminars. Upon a motion by Commissioner Pang, seconded by Commissioner Arakaki, it was voted on and unanimously carried to approve, subject to the execution, terms and conditions of the fiscal year 2019 contract between CAI Hawaii and the State (Real Estate Commission) the following proposed seminars for CETF subsidies: August 9, 2018 – Why is Your Maintenance Fee Increasing? Understanding Association Finances; September 13, 2018 – Hoarders, Boarders & Boomers; and October 18, 2018 – Do's & Don'ts of Contracting, Bidding & Financing Major & Minor Projects.

**Case Law Review Program**

The following were distributed for informational purposes: Greenfield et al. v. Mandalay Shores Community Association, California Superior Court, March 27, 2018; Tarr v. Timberwood Park Owners Association, Inc., Texas Supreme Court, May 25, 2018; Willowmere Cmty Ass'n, Inc. v. City of Charlotte, North Carolina Supreme Court, March 2, 2018; and Forshee et al. v. Neuschwander et al., Wisconsin Supreme Court, June 5, 2018.

Condominium  
 Project  
 Registration:

**Condominium Project Registration - Public Reports Issued**

A list of those condominium projects issued effective dates during the month of June 2018, was distributed for informational purposes.

PROJ #	PROJECT NAME	PROJECT ADDRESS	TMK #	TTL	REPORT	DATE
8160	1251 EKAHA AVENUE	1251 AND 1253 EKAHA AVE HONOLULU HI 96816	133012016	3	B REPT	6/22/2018
8163	1361 KAM IV ROAD	1361 AND 1353 KAM IV RD HONOLULU HI 96819	113013011	2	B REPT	6/14/2018
8177	1965 PAULA DRIVE	1965 PAULA DR HONOLULU HI 96816	133021005	2	B REPT	6/14/2018

Condominium Review Committee  
 Minutes of the July 11, 2018 Meeting  
 Page 3

8145	229A AND 229B ROSE STREET	229A AND 229B ROSE ST WAHIAWA HI 96786	174014096	2	B REPT	6/7/2018
8181	45-873 LUANA PLACE PROJECT	45-873 & 45-873A LUANA PL KANEHOE HI 96744	145020059	2	B REPT	6/20/2018
6088	84-802 FARRINGTON HIGHWAY	84-802 A & B FARRINGTON HWY WAIANAHI HI 96792	184016064	2	SUPPL	6/15/2018
8148	94-1265 AND 94-1265A WAIPAHU ST	94-1265 AND 94-1265A WAIPAHU WAIPAHU HI 96797	194009040	2	B REPT	6/12/2018
8161	BURNS PLACE CONDOMINIUM	3500 & 3504 BURNS PL MAKAWAO HI 96768	224017008	2	B REPT	6/6/2018
8130	CITY VIEW	1025 A/B/C/D SPENCER ST HONOLULU HI 96822	124016067	3	B REPT	6/6/2018
8169	HALE LOKAHI PAKUALUA PLACE	45-545 & 45-545A PAKUALUA PL KANEHOE HI 96744	145087002	2	B REPT	6/15/2018
5583	KE KAILANI PHASE I	68-1029 / 1031 / 1033 / 1035 KE KOHALA HI 96743	368022039	4	SUPPL 2	6/29/2018
4680	KIHEI COMMERCIAL CONDOMINIUM II	300 OHUKAI RD KIHEI HI 96753	239045014	72	B REPT	6/19/2018
8149	MEYERS ESTATES	84-674 FARRINGTON HWY WAIANAHI HI 96792	184017006	8	B REPT	6/20/2018
8168	NAKULA CONDOMINIUM	1719 NAKULA ST WAHIAWA HI 96789	175004015	2	B REPT	6/20/2018
4576	OMAO PILI LA AU CONDOMINIUM	LOT 50-C OMAO HMSTDS OMAO HI	427004100	2	SUPPL 2	6/22/2018
8159	PARADISE PLANTATION CONDOMINIUM	LOT 12 PU'UNOA SUBDIV PH II LAHAINA HI 96761	247003029	3	B REPT	6/18/2018
7575	PARK LANE	1388 ALA MOANA BLVD HONOLULU HI 96814	123038013	220	B AMEND	6/19/2018
8171	PILI MAI AT PO'IPU (PHASE 10)	2611 KAIHUNA PLANTATION DR KOLOA HI 96756	428014033	13	B REPT	6/14/2018
8157	PU'UNOA PARADISE CONDOMINIUM	LOT 13 PU'UNOA SUBDIVISION LAHAINA HI 96761	247003030	3	B REPT	6/22/2018
8140	REGENCY AT WYLLIE	621 & 623 WYLLIE ST HONOLULU HI 96817	118016083	2	B REPT	6/12/2018
8162	WAIHOLI CONDOMINIUM	7385 AND 7389 KULA HWY KULA HI 96790	222016118	2	B REPT	6/5/2018
7736	WAOKE HOMESTEADS	WELIWELI RD KOLOA HI 96756	428003003	3	B AMEND	6/12/2018
0	<b>Preliminary Reports</b>					
0	<b>Contingent Final Reports</b>					
0	<b>Final Reports</b>					
3	<b>Supplementary Reports</b>					
17	<b>B Reports</b>					
2	<b>B Amendment Reports</b>					
22	<b>TOTAL REPORTS</b>					

### Consultants – June 18, 2018 meeting

Staff met with the condominium consultants on June 18, 2018, regarding the repeal of Chapter 514A. Staff and consultants went over the scope of the repeal and its process. One issue raised for discussion related to gifting. The issue of a gift is a gift and not a sale is still being researched.

Program of Work: **Condominium Laws and Education - status Ch. 514A repeal outreach**

Specialist Richelieu commented that the Director's office's only action relating to the 514A repeal outreach has been to set up an interview with Hawaii Public Radio (HPR) on June 14, 2018.

Chair Lee questioned if radio is a viable outreach for seminar information?

Specialist Richelieu responded that radio is probably a more viable outreach for the more mature audience. It is a good target area for the repeal of Chapter 514A. She also noted that CAI Hawaii has its own method for getting the information out to interested parties regarding upcoming seminars.

## **Education and Referral**

### REB CETF funding request

Specialist Richelieu requested that the Commission earmark \$20,000 for fiscal year 2019 for condo related educational publications and outreach to coincide with the newly created condominium education specialist position. The funds would be used to produce materials, secure booths at educational events, travel for neighbor island outreach, etc.

Upon a motion by Commissioner Pang, seconded by Commissioner Faulkner, it was voted on and unanimously carried to approve \$20,000 for fiscal year 2019 to be used towards condominium educational outreach projects with the ability to increase the amount up to an additional \$20,000 with the approval of the Supervising Executive Officer.

### Military Consumer Fair, July 7, 2018

Specialist Sides reported that the Real Estate Branch participated in the Military Consumer Fair held on Saturday, July 7<sup>th</sup> at the Windward Mall. The event was hosted by the Department of Commerce and Consumer Affairs and opened to the public, but targeted military personnel. It was a very successful event and staff made an additional 59 contacts.

Specialist Sides was asked if she noticed a trend in questions. She responded that the question that was most duplicated related to the Marco Polo fire and sprinklers.

## **Hawaii Condominium Bulletin**

The June 2018 issue of the Hawaii Condominium Bulletin has been posted on the Commission's website at [www.hawaii.gov/hirec](http://www.hawaii.gov/hirec).

## **Rulemaking, Chapter 119**

A final draft of the proposed rules was distributed for review and further comments. Specialist Richelieu noted that the red-lined draft reflects those requested changes by the Real Estate Commission and the Blue Ribbon Panel members. The proposed draft has also been divided into separate chapters as allowed by the Legislative Reference Bureau for ease of amending. Any changes or concerns should be submitted to the Senior Condominium Specialist by the August 8, 2018 Condominium Review Committee meeting.

Once all comments are received and incorporated, the draft will be submitted to the department's Administrative Services Office for type setting, then to the Director's Office for her review to begin the many steps in the rulemaking process.

## **Legislative Acts and Resolutions – proposed veto of SB 2524, SD 1, HD 1, CD 1**

Staff confirmed that the Governor vetoed SB 2524, SD1, HD1 CD 1 relating to County Land Use Requirements on July 10, 2018.

### **Interactive Participation with Organizations – CAI Annual Conference May 2018**

The committee acknowledged receipt of the 2018 Community Associations Institute Annual Conference report submitted by Commissioner Faulkner, Supervising Executive Officer Fujitani, Specialist Stone, and Specialist Richelieu.

### **Consumer Education – DO June 18, 2018**

Specialist Richelieu reported that the Real Estate Branch's Condominium Education Team was nominated for the Department's 2018 Team of the Year Award for their development of a multi-faceted educational campaign to notify condominium unit owners and developers of the existence of the Real Estate Branch due to the repeal of HRS Chapter 514A.

### **Condominium Specialist Office for the Day – June 13, 2018 Hilo**

The committee acknowledged staff's report of the June 13, 2018 Specialist Office of the Day program held in Hilo.

### **Technology Program and Website**

The Real Estate Branch website has been redesigned and reformatted.

### **Records Management – archivist's recommendation re: DPR retention**

Specialist Richelieu reported that the Real Estate Branch was notified in June that the state archivist did not agree with changing the retention for developer's public reports (DPR) from 20 years to permanent as determined by the Commission in 2015 and confirmed in 2016. The state archivist is suggesting that 60 years from the "date of creation" would be allowable, although the existing policy is 20 years from the effective "date of the last DPR".

The oldest DPR on file with the Commission is 57 years old.

Commissioner Pang suggested that the Branch include in its outreach, information on the records retention amendments. He also questioned what would occur once the original DPR exceeds the 60 years.

Specialist Richelieu responded that the DPRs are digitized.

Commissioner Love questioned what specifically is digitized.

Specialist Choy clarified that only the developer's public reports are digitized. The project file is on a 10-year destruction plan.

Upon a motion by Commissioner Love, seconded by Commissioner Arakaki, it was voted on and unanimously carried to approve the suggested 60-year retention period for DPRs, from the date of the last DPR, per the existing policy.

Condominium  
Organizations Forum:

No comments, recommendations or concerns were received.

CETF Budget &  
Finance Report:

Upon a motion by Commissioner Pang, seconded by Commissioner Faulkner, it was voted on and unanimously carried to accept the Condominium Education Trust Fund Financial Report for the periods ending December 31, 2017, and March 31, 2018.

.Next Meeting: August 8, 2018  
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 10:07 a.m.

Respectfully submitted:

/s/ Carole R. Richelieu

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Carole R. Richelieu  
Senior Condominium Specialist

July 20, 2018

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Date

Minutes approved as is.  
 Minutes approved with changes; see minutes of \_\_\_\_\_

CRR:tn