

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: October 9, 2019

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
Scott Arakaki, Public / Honolulu Commissioner
Aleta Klein, Broker / Honolulu Commissioner
Sean Ginoza, Broker / Hawaii Island Commissioner
Russell Kyono, Broker / Kauai Commissioner
Derrick Yamane, Broker / Interim Honolulu Commissioner

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: Ethel Keyes, Hawaii Association of REALTORS®
Chatney Higa-French, Hawaii Association of REALTORS®
Dale Head
Lila Mower, Hui 'Oia'i'o
Lourdes Scheibert
Bryan Andaya, Eddie Flores Real Estate School

Absent: Michael Pang, Broker / Honolulu Commissioner
Bruce Faulkner, Broker / Maui Commissioner

Call to Order: The Chair called the meeting to order at 9:37 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.

Commissioners Pang and Faulkner were excused from the meeting. Prior notification of their non-attendance was received.

Condominium
Specialist's
Report:

Additional Distribution

The following was distributed for informational purposes:

5. Program of Work, FY20
 - e. Consumer Education
 - 3) Condominium e-mail subscription sign-ups

Minutes

Upon a motion by Commissioner Klein, seconded by Commissioner Kyono, it was voted on and unanimously carried to accept the minutes of the September 11, 2019 Condominium Review Committee meeting as circulated.

Condominium
Governance and
Management:

AOUO Registrations

Specialist Stone reported that as of September 30, 2019, 1,309 AOUOs have successfully registered.

Ad Hoc Committee on Condominium Education and Research

Specialist Richelieu reported that meeting notes from the August 29, 2019 Ad Hoc Committee meeting were distributed for informational purposes.

Deputy Attorney General Wong questioned whether the Ad Hoc Committee is a permitted interaction group (PIG).

Specialist Richelieu responded that the Ad Hoc Committee on Condominium Education and Research is a part of the Commission's program of work whose scope is to brainstorm on educational outreach for the condominium community.

Ms. Lila Mower questioned whether the committee consists of any non condo industry members.

Specialist Sides responded that the committee does not include condominium owners.

Ms. Mower responded that owners who are not members of the condominium industry should be invited to participate.

Condominium Seminars and Symposium – CAI Hawaii "Solving the "P" Problem" – September 12, 2019

Staff's evaluation of the seminar was distributed for informational purposes. Specialist Richelieu commented that there were over 335 attendees registered for the seminar. She also noted that the written material provided was very good.

Case Law Review

The following case was distributed for informational purposes: Black, et al. v. Whitestone Estates Condominium Homeowners' Association, et al., Alaska, August 16, 2019.

Dale Head Request

Mr. Dale Head reported that he has served on the board of his association for over a decade and has learned over time how elections are rigged and stolen through misuse of proxies. He commented that he has performed a forensic audit of his association's election documents and found the election to be a sham. There is no government agency to adjudicate election challenges. He commented that it is time to get rid of proxies and allow property owners to exercise their own vote. He further commented that there are no licensing requirements for building managers and there are absurd fees set by managing companies.

Ms. Lila Mower commented that she has done over 10 association election reviews and found there to be a lot of fraud in the election process. She requested that the Real Estate Commission support owners to prevent fraud. She further commented when a bad board is in control, they also control the communication from the board. She is looking for transparency.

Ms. Lourdes Scheibert stated that she supports both Ms. Mower and Mr. Head. Proxies assigned to the board keeps the same board in year after year. She commented that with a change in the property manager for her association she finally had a voice. She was able to request a parliamentarian who attended two of their last meetings.

Condominium
 Project
 Registration:

Condominium Project Registration - Public Reports Issued

A list of those condominium projects issued effective dates during the month of September 2019, was distributed for informational purposes.

PROJ #	PROJECT NAME	PROJECT ADDRESS	TMK #	UNITS	REPORT	DATE
8407	18 AND 20 KALIKO DRIVE	18 & 20 KALIKO DR WAHIAWA HI 96786	175012028	2	B REPT	9/9/2019
8392	2240 AND 2240A METCALF STREET	2240 & 2240A METCALF ST HONOLULU HI 96822	128016054	2	B REPT	9/10/2019
8394	2470 BALDWIN CONDOMINIUM	2470 BALDWIN AVE MAKAWAO HI 96768	225003047	2	B REPT	9/3/2019
8395	54-126 PUUOWAA STREET	54-124 & 54-126 PUUOWAA ST HAUULA HI 96717	154015020	2	B REPT	9/10/2019
4565	6154 OLOHENA ROAD CONDOMINIUM	LOT 122-C KAPAA HMSTD KAPAA HI	444003061	2	SUPPL	9/24/2019
8401	891 AND 893 KAINUI DRIVE	891 & 893 KAINUI DR KAILUA HI 96734	143082024	2	B REPT	9/30/2019
8386	BODE ESTATES	330 HOOKIPA RD KAPAA HI 96746	441014013	2	B REPT	9/13/2019
8322	DOWSETT ESTATES CONDOMINIUM 1 & 2	3160 PUU PAKA DR HONOLULU HI 96817	122047007	2	B REPT	9/3/2019
8377	HOKU LOWER CONDOMINIUM	0 HAWEA PL MAKAWAO HI 96768	224010019	2	B REPT	9/25/2019

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8378	HOKU MIDDLE CONDOMINIUM	0 HAWEA PL MAKAWAO HI 96768	224010018	2	B REPT	9/3/2019
8318	HUELO HILLSIDE CONDOMINIUM	637 N HONOKALA HAIKU HI 96708	229002048	2	B REPT	9/20/2019
2939	KAEHULUA KAI	5477-A KAEHULUA RD KAPAA HI 96746	446011026	2	SUPPL	9/12/2019
8406	KAMAU CONDOMINIUM	KAMAU RD HAIKU HI 96708	228004017	2	B REPT	9/24/2019
8405	KAUHIKOA FARMS LOT 3-D CONDOMINIUM	675 KAUAHEAHE PL HAIKU HI 96708	227008221	2	B REPT	9/24/2019
8382	KAUHIKOA FARMS LOT 3-J CONDOMINIUM	686 KAUAHEAHE PL HAIKU HI 96708	227008227	2	B REPT	9/5/2019
8172	MALAMA AINA OHANA CONDOMINIUM	5409 LAIPO RD KAPAA HI 96746	446006002	5	B REPT	9/27/2019
8373	MANA'OLANA PLACE	1685 KAPIOLANI BLVD HONOLULU HI 96814	123041001	123	B REPT	9/13/2019
8402	MAUKA 2181 KALAKAUA	2181 KALAKAUA AVE #A HONOLULU HI 96815	126003001	2	B REPT	9/3/2019
8374	MOHALA ESTATES	10 MOHALA PL PUKALANI HI 96768	223010010	3	B REPT	9/4/2019
8332	OLINDA GLEN CONDOMINIUM	728 OLINDA RD MAKAWAO HI 96768	224010021	2	B AMEND	9/16/2019
8411	PULEHUNUI INDUSTRIAL CONDOMINIUM	202 & 226 NOPU ST PUUNENE HI 96784	238104024	8	B REPT	9/13/2019
8300	PUU ESTATES	2289 PUU RD KALAHEO HI 96741	423004008	2	B REPT	9/5/2019
8389	UNAHE ESTATES	3242 UNAHE ST LIHUE HI 96766	436017037	2	B REPT	9/16/2019
0	Preliminary Reports					
0	Contingent Final Reports					
0	Final Reports					
2	Supplementary Reports					
20	B Reports					
1	B Amendment Reports					
23	TOTAL REPORTS					

Program of Work: **Condominium Laws and Education**

Staff has or will participate in the following condominium related educational outreach events: Hawaii Island Realtors Home Expo – Hilo – September 7, 2019; Community Council of Maui – Wailuku – September 13, 2019; CAI Hawaii – "Almost Free Legal Advice" – Honolulu – October 10, 2019; Condorama VI – Honolulu – November 9, 2019; and Associa Hawaii Board Success Seminar – November 16, 2019.

Hawaii Island Realtors Home Expo - Specialist Sides reported that it was the second year the Real Estate Branch participated in the Expo. The Expo was well attended and a good way for the Real Estate Branch to provide consumer education.

Community Council of Maui (CCM) seminar - Specialist Sides provided educational materials at the seminar and was also one of the guest speakers providing an overview of the real estate branch and information on alternative dispute resolution.

Hawaii Condominium Bulletin

The September 2019 issue of the Hawaii Condominium Bulletin has been posted to the Commission's website at www.hawaii.gov/hirec.

Legislative Acts and Resolutions – Act 278 Relating to Agricultural Lands – September 20, 2019 meeting; next meeting November 22, 2019

Staff participated in the September 20, 2019 meeting. The meeting report was distributed for informational purposes. Act 278 directed the Office of Planning, in consultation with the Land Use Commission, Real Estate Commission, and the Honolulu Department of Planning and Permitting, to study land subdivision and condominium property regime laws and require counties to adopt supplemental rules for CPRs that involve agricultural lands. The next meeting is scheduled for November 22, 2019.

Interactive Participation with Organizations – CAI Statistical Review 2018 – 2019 National and State

A copy of the Community Associations Institute Statistical Review 2018-2019 National and State was distributed for informational purposes.

Consumer Education

As a result of the latest Ad Hoc Committee on Condominium Education and Research meeting, staff has created two new condominium brochures entitled "Powers & Duties of Agents of the Association" and "Steps to Resolving Disputes." Copies have been distributed for informational purposes. Consumers may download the brochures from the REB website at www.hawaii.gov/hirec.

It was announced that the Real Estate Commission's email subscription list is currently at 1,006 active signups.

Commissioner Klein questioned the spike in numbers in July 2015.

Specialist Choy responded that the email subscription went live with signups in June 2015. The large spike is a result of going from zero on day one to signups one month later. The growth in numbers is from consumers learning about the online subscription through an event the Commission sponsored or participated in, the Commission's website, or word of mouth.

Condominium Specialist Office for the Day

Staffs' written report of the September 11, 2019 Specialist Office for the Day held in Kauai was distributed for informational purposes.

Condominium Speakership Program

Staff has or will be participating as a guest speaker at the following condominium educational events:

Title Guaranty Educational Session, Kauai, September 11, 2019 – Specialist Richelieu was a guest speaker providing legislative updates, updated information on HRS Ch. 514A, and resources available with the Real Estate Branch.

Community Council of Maui, Wailuku, September 13, 2019 – Specialist Sides provided an overview of the real estate branch and information on alternative dispute resolution.

2019 Hawaii State Bar Association Bar Convention, Honolulu, October 11, 2019 – Specialists Choy and Richelieu will present to the HSBA real property and financial section the condominium law update for real property attorneys.

Records Management

Records destruction according to the records retention schedule is ongoing.

Condominium
Organizations Forum:

Ms. Lourdes Scheibert reported that she has attended a lot of educational seminars provided by CAI Hawaii, HCCA, and REB's Condorama events. She has also reviewed many of the Commission's brochures. She claimed that by far, HCCA's training has been the best. It is a neutral educational program unlike the Hawaiiana Board training that she attended which she felt was very anti-owner. She said that the attorney speaker at the Hawaiiana Board Training made everyone pull out their phones and email the Governor regarding the nonjudicial foreclosure bill.

Ms. Scheibert commented that she is asking for the Commission's support for mandatory education and passing a test for directors since most members are not educated. She said it is contentious to be a director on her board because the other members are not educated like she is. She further commented that she was a director on her board from 2011 to 2013 and was unable to get back on the board until she solicited proxies. She now holds a term till 2020.

Next Meeting:

November 6, 2019

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 10:24 a.m.

Respectfully submitted:

/s/ Carole R. Richelieu

Carole R. Richelieu
Senior Condominium Specialist

October 21, 2019

Date

Minutes approved as is.

Minutes approved with changes; see minutes of _____

CRR:tn/