

**CONDOMINIUM REVIEW COMMITTEE**  
Real Estate Commission  
Professional and Vocational Licensing Division  
Department of Commerce and Consumer Affairs  
State of Hawaii  
[www.state.hi.us/hirec](http://www.state.hi.us/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: April 9, 2002

Time: 11:00 a.m.

Place: Kapuaiwa Room  
HRH Princess Victoria Kamamalu Building  
1010 Richards Street, Second Floor  
Honolulu, Hawaii

Present: Mitchell Imanaka, Chair  
Peter Rice, Vice Chair  
Charles Aki, Member  
Michael Ching, Member  
John Ohama, Member  
Iris Okawa, Member

Calvin Kimura, Supervising Executive Officer  
Alan Taniguchi, Executive Officer  
Cynthia Yee, Senior Condominium Specialist  
Cheryl Leong, Condominium Specialist  
Gordon Arakaki, Condominium Recodification Attorney  
Diane Choy Fujimura, Senior Real Estate Specialist  
Lorene Arata, Real Estate Specialist  
Shari Wong, Deputy Attorney General  
Tammy Norton, Recording Secretary  
Robert Ito, Condominium Clerk

Others: Christopher Yuen, Hawaii County Planning Department Director  
Kenneth Chong, Condominium Consultant

Excused: Alfredo Evangelista, Member  
Patricia Choi, Member

Absent: Casey Choi, Member

Call to Order: Chair Imanaka called the meeting to order at 11:00 a.m., at which time quorum was established.

Chair's Report: No report was presented.

Condominium Specialist's Report: **Additional Distribution**

The following materials were distributed prior to the start of the meeting:

5.a.2) March 11, 2002 Letter from Hawaii County Planning Director, Chris Yuen

**Additions to the Agenda**

Upon a motion by Commissioner Ching, seconded by Commissioner Rice, it was voted on and unanimously carried to recommend accepting the additions to the agenda as follows:

4.d.1) Request for CEF seminar subsidy – CAI Hawaii Chapter, ABC Basic Course

Minutes:

Upon a motion by Commissioner Okawa, seconded by Commissioner Aki, it was voted on and unanimously carried to accept the minutes of the March 13, 2002 Condominium Review Committee meeting as circulated.

Condominium  
Project  
Registration:

**March 11, 2002 Letter From Hawaii County Planning Director, Christopher Yuen**

Mr. Christopher Yuen, Director of the Hawaii County Planning Department addressed the committee regarding the interface of the State condominium law and county ordinances. Mr. Yuen further reported that a draft of the proposed county ordinance covering condominium property regimes in the county's agricultural and residential zones had been provided to the Commission for its comments. The proposed ordinance has been considered by the Planning Commission and will soon be considered by the County Council. Deputy Director Ray Takemoto has had previous discussions with the Commission staff on the proposed ordinance. He further reported that each county is very individual in its regards to subdivision codes. Landowners in Hawaii County, more so in the agricultural and single family districts, appear to be using CPRs as a substitute for subdividing without following any of the infrastructure standards necessary for subdivision. The county has seen a CPR unit consisting of a 6' x 8' greenshed with limited common elements selling for \$100,000. It appears that these individuals purchase these properties with the belief and intention that they are purchasing the land and can build a home on it.

Mr. Yuen further reported that the counties have been given the authority and responsibility to regulate subdivisions. The proposed ordinance is a means to clarify the powers of the county as specified in HRS §§514A-1.6 and 514A-45 including such things as minimum lot size.

Mr. Yuen opined that since the county has been given the right and power to specify supplemental rules for condominiums; the proposed ordinance would be one of such rules. Pursuant to the proposed ordinance, the developer and county cannot certify county compliance until the rules have been met. Mr. Yuen further opined that the proposed ordinance does not appear to conflict with the Real Estate Commission's power to issue an effective date for the developer's final public report, thus there is no issue of preemption.

Mr. Yuen also reported that the proposed ordinance would not apply to zones where you can create multi family units, such as in the resort areas. The proposed ordinance will pertain only to CPRs in the agricultural and single family zoned areas. The Hawaii County Planning Department is looking for an indication from the Commission that the proposed ordinance is not inconsistent with the State condominium law.

On April 5, 2002, the Hawaii County Planning Department passed out the proposed ordinance with a favorable recommendation. Mr. Yuen informed the committee members that he is still open to suggestions and possible amendments to make the ordinance work better. The proposed ordinance will be transmitted to the County Council within a week and then be scheduled for a meeting some time in May.

Mr. Yuen also reported on the Hawaii Island Board of Realtors position that a shade house condo was an abuse, but that if a dwelling is built, it should be permitted to CPR. Mr. Yuen said that he did inform the Hawaii Island Board of Realtors that they were willing to consider some of their suggestions. The county is trying to crack down and limit the number of additional dwellings on a property. In agricultural zoned property, the first dwelling is permissible; if a second dwelling were built there would be a need for a farm dwelling permit or active farming. Ninety percent of additional farm dwellings are residential dwellings versus a farm dwelling.

Vice Chair Rice questioned if currently someone wanted to CPR, would the property still be subject to the zoning codes. And if so, if the property was zoned appropriately than CPRing would be possible.

Mr. Yuen replied that zoning allows a single dwelling to be built on a property. The lots cannot be split into less than the minimum lot size to divide the property. He further noted that in Maui County, a second dwelling built would not be able to exceed the maximum 900 square feet and if a third dwelling were built, proof of income from the agriculture of at least \$30,000 would need to be provided.

Mr. Yuen reported that it is very difficult to enforce the Ag use because it is almost impossible to go out and review all the Ag use properties.

Chair Imanaka informed Mr. Yuen that the Commission would be submitting its comments about the revised ordinance.

Condominium  
Governance and  
Management:

#### **AOAO / CMA / CHO Registrations**

Specialist Leong reported that as of March 31, 2002, 1,431 AOAO have successfully registered. Specialist Leong further reported that 109 CMAs are also currently registered.

Upon a motion by Commissioner Rice, seconded by Commissioner Aki, it was voted on and unanimously carried to recommend approval to ratify issuance of effective registration dates for Association of Apartment Owners through March 31, 2002 for the 2001-2003 registration. The association is as follows: Woodcreek – March 27, 2002.

#### **Condominium Seminars – CAI's "Ask the Experts" March 21, 2002**

Specialist Yee reported that the Condominium Specialists monitored the seminar and submitted evaluations. The seminar was very informative and included experts from all areas.

**Condominium Seminars – CEF Subsidy Request “ABC Basic Course” – May 4, 2002**

Upon a motion by Commissioner Ohama, seconded by Commissioner Aki, it was voted on and unanimously carried to recommend approval of CAI’s seminar “ABC Basic Course” May 4, 2002, as a CEF subsidized seminar, subject to the terms and conditions of the current contract.

**Case Law Review Program**

The following articles from the March 2002 issue of *Community Association Law Reporter* were distributed for informational purposes: “Association Fails To Provide Proper Notice of Special Assessment to Unit Owner,” “Court Orders Unit Owner to Remove Patio” and “Condo Association Declares Bankruptcy To Avoid Water Services Shutoff,” “Manager Receives Five-Year Sentence.”

**The Condominium Management Center of Japan Letter of March 15, 2002**

SEO Kimura reported that the publication from the Condominium Management Center of Japan is available at the Commission office should any commission wish to view it in its entirety. He also noted that the Condominium Management Center of Japan welcomes the exchange of information.

**Condominium Related Articles**

The following articles were distributed for informational purposes: “Changes in Hawaii Mandatory Mediation Laws for Community Associations” *Hawaii Community Associations* February 2002 issue and “Unleash the Power Within” *Common Ground* January/February 2002 issue.

Condominium  
 Project  
 Registration:

**Condominium Project Registration - Public Reports Issued**

Upon a motion by Commissioner Rice, seconded by Commissioner Ching, it was voted on and unanimously carried to recommend approval to ratify issuance of effective dates for public reports for the month of March 2002 as follows:

Proj No	Project Name	Project Address	TMK #	Report	Date
4820	2553/2555 10TH AVENUE	2553 & 2555 10TH AVE HONOLULU HI 96816	(1)3-04-012:026	Final	03/15/02
4817	COCONUT PLNTN@KO OLINA RESRT&MARINA 3	92-1070 OLANI ST KAPOLEI HI 96707	(1)9-01-056:004	Prelim	03/21/02
4821	DELMONTE PLACE VII	6158 & 6160 MAKANIOLU PL HONOLULU HI 96821	(1)3-08-004:055	Final	03/19/02
4728	KAI LANI	ALIINUI DR KO OLINA HI	(1)9-01-056:002	Suppl 1	03/28/02
4811	KAPAA GRANDMA'S PLACE	LOT 82-E-2 KAPAA HMSTDS 1ST KAPAA HI	(4)4-06-007:122	Final	03/05/02
4815	KE AINA KAI TOWNHOMES INC 12	91-1021 KAILEOLE'A DR EWA BEACH HI 96706	(1)9-01-110:093	Final	03/04/02
4803	KURAOKA OHANA	3399 ELIMA ST & 4544 EHA ST LIHUE HI 96766	(4)3-08-008:015	Final	03/13/02
4196	MAUI OCEAN CLUB	100 NOHEA KAI DR LAHAINA HI 96761	(2)4-04-013:001	Suppl 1	03/04/02
4806	McGREW ESTATES	1625 & 1629 MCGREW LANE HONOLULU HI 96817	(1)1-07-009:033	Final	03/01/02
4814	MOKOLEA ESTATE	1370 MOKOLEA DR KAILUA HI 96734	(1)4-03-004:019	Final	03/21/02

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2428	PALI PUEO ESTATES	5080 KAHILIHOLE RD HANALEI HI 96714	(4)5-02-017:012	Suppl 1	03/28/02
4757	SILVER FALLS ESTATES	2818 N KAMOOKOA RD HANALEI HI 96714	(4)5-02-022:025	Suppl 1	03/01/02
4791	SOHO'S BLUFF	45-557 B-H, J-M KEAAHALA RD KANEHOHE HI 96744	(1)4-05-021:005	Final	03/11/02
4825	TERRAZZA PHASE 14	MAKALE'A ST EWA BEACH HI 96706	(1)9-01-010:049	Prelim	03/15/02

Preliminary Reports: 2  
 Contingent Final Reports: 0  
 Final Reports: 8  
 Supplementary Reports: 4

<b>Extensions for FY 2002</b>	1FY01	2FY01	3FY01	4FY01
Number of Requests Received	53	37	56	
Number Deficient	18	3	17	
Number of Extensions Authorized	48	33	52	
Number Denied – Supplementary Report Required	5	4	4	
Owner-Occupant Ads Received	1	1	2	

The following statistical reports were distributed for informational purposes: Projects completed or pending by consultant for the period January 1, 2002 through March 28, 2002 and effective dates issued or pending for filings received January 1, 2002 through March 31, 2002.

Commissioner Ching noted that with the exception of two consultants, the project review period seems to be moving along quickly. Commissioner Ching suggested that staff work with consultants to decrease the average review period to less than thirty days.

Specialist Yee informed the committee that she has been in contact with the consultants and the consultants are addressing the administrative problems.

Program of Work: **Recodification of Chapter 514A**

Chair Imanaka reported that the recodification project is moving forward into a drafting phase. The adhoc committee has been discussing the issues and redrafting sections of the law. The next work product should be available by August 2002.

**Neighbor Island Outreach**

It was reported that the June committee meetings will be held on the Island of Kauai on June 14, 2002

CMEF Budget & Finance Report: No report presented.

Condominium Organizations Forum: There were no comments, recommendations or concerns 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.

Open Forum: No discussion presented.

Next Meeting: May 8, 2002; 11:00 a.m.  
Kapuaiwa Room  
HRH Princess Victoria Kamamalu Bldg.  
1010 Richards Street, Second Floor  
Honolulu, Hawaii 96813

Adjournment: With no further business to discuss, Chair Imanaka adjourned the meeting at 11:40 a.m.

Respectfully submitted:

/s/ Cynthia M. L. Yee

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Cynthia M. L. Yee  
Senior Condominium Specialist

May 8, 2002

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Date

Minutes approved as is.

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

CY/tn