
From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 14, 2011 6:31 PM
To: HSGtestimony
Cc: czahn@hawaii.rr.com
Subject: Testimony for SB1125 on 3/16/2011 9:00:00 AM

Testimony for HSG 3/16/2011 9:00:00 AM SB1125

Conference room: 325
Testifier position: support
Testifier will be present: No
Submitted by: Charles Zahn
Organization: Individual
Address:
Phone:
E-mail: czahn@hawaii.rr.com
Submitted on: 3/14/2011

Comments:

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2011 11:16 AM
To: HSGtestimony
Cc: oneald003@hawaii.rr.com
Subject: Testimony for SB1125 on 3/16/2011 9:00:00 AM

Testimony for HSG 3/16/2011 9:00:00 AM SB1125

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: David O'Neal
Organization: Individual
Address:
Phone:
E-mail: oneald003@hawaii.rr.com
Submitted on: 3/15/2011

Comments:

This bill is intended to make condo court permanent, which over the years has been rarely used by AOAOS for dispute resolutions. Continuing a underutilized process is not the best course of action, especially with current budget shortfalls.
I urge you not to pass this Bill. Thank you for your time.



Mililani Town Association

95-303 Kaloapau Street
Mililani Town, HI 96789
Phone (808) 623-7300

March 14, 2011

Representative Rida Cabanilla, Chair
Representative Pono Chong Vice-Chair
Committee on Housing
State Capitol
Honolulu, HI 96813

VIA E-Mail: HSGtestimony@capitol.hawaii.gov

Re: S.B. No. 1125 SD 2/OPPOSE – Relating to Condominiums
Hearing: Wednesday, March 16, 2011, 9:00am Conf Room 325

Dear Chair Cabanilla, Vice-Chair Chong and Committee Members:

My name is Eric Matsumoto, Vice-President of the Mililani Town Association (MTA). I have served in MTA leadership capacities on the board for 25 of the last 32 years. MTA encompasses approximately 16,000 units of both single family residences and numerous townhouse project sub-associations.

We oppose this measure as follows:

“Condo Court” has had a very low acceptance by AOAOs and their homeowners, as evidenced by the number of cases brought before it since its inception. As a pilot project that has been extended already, the lack of interest and participation on the part of those for whom it was created should be left to sunset this year and not made a permanent form of ADR. A new direction needs to be found that has buy-in from the parties that it is intended to serve vice doing the same thing over and over again expecting different results.

We ask that this bill be deferred.

Sincerely yours,

Eric M. Matsumoto
Vice-President, Board of Directors

Cc: Sen Kidani, Rep Lee, Rep Yamane

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2011 12:55 PM
To: HSGtestimony
Cc: steveghi@gmail.com
Subject: Testimony for SB1125 on 3/16/2011 9:00:00 AM

Testimony for HSG 3/16/2011 9:00:00 AM SB1125

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Steve Glanstein
Organization: Individual
Address:
Phone:
E-mail: steveghi@gmail.com
Submitted on: 3/15/2011

Comments:

Let it go. Even Mr. Port, the great proponent of condo court didn't use it in his recent dispute with his association. If you've already made a decision, then at least make it subject to the same provisions as arbitration and court.

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 15, 2011 11:58 AM
To: HSGtestimony
Cc: psnerney@yahoo.com
Subject: Testimony for SB1125 on 3/16/2011 9:00:00 AM

Testimony for HSG 3/16/2011 9:00:00 AM SB1125

Conference room: 325
Testifier position: oppose
Testifier will be present: No
Submitted by: Philip Nerney
Organization: CAI
Address:
Phone:
E-mail: psnerney@yahoo.com
Submitted on: 3/15/2011

Comments:

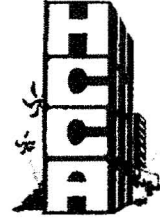
CAI opposes condo court, because it does not serve consumers in any meaningful way and it negatively impacts the mediation statute. The program is not justified on the basis of utilization or other objective measures.

Still, if it is the legislature's pleasure to continue condo court then SB 1125 should be amended. As written, condo court jurisdiction is broad. If condo court is to become permanent, then missing protections should be added.

Specifically, the condo court statute should parallel the arbitration process in the current law. That is, there should be trial de novo (see HRS Section 514B-163) and there should be the opportunity to persuade a court that a particular matter is not suitable for condo court. (See HRS Section 514B-162(c)).



**Hawaii Council of Associations
of Apartment Owners**
DBA: Hawaii Council of Community Associations
P.O. Box 726, Aiea, HI, 96701



March 15, 2011

Rep. Rida Cabanilla, Chair
Re. Pono Chong, Vice-Chair
House Committee on Housing

Re: SB 1125 Condominiums (Remove Sunset on Condo Court)
Hearing: Wednesday, March 16, 2011, 9 a.m., Conf. Rm. #325

Chair Cabanilla, Vice-Chair Chong and Members of the Committee:

I am Jane Sugimura, President of the Hawaii Council of Associations of Apartment Owners (HCAAO).

HCAAO has always supported programs that encouraged quick and inexpensive resolution of disputes between condominium unit owners and their boards. Under existing laws, the alternative dispute resolution programs available to unit owners and boards are (i) non-binding arbitration (HRS 514A-121 and HRS 514B-162), (ii) mediation and (iii) DCCA administrative hearings (HRS 514A-121.5 and HRS 514B-161). Whereas, mediation and arbitration may not result in a resolution of the dispute (i.e., the parties may not be able to reach a mutual agreement in a mediation and the non-prevailing party can choose not to abide by the arbitrator's decision in the non-binding arbitration), the DCCA administrative hearings always result in a final decision by the hearings officer (unless the parties are able to come to some agreement prior to the hearing.).

When the DCCA administrative hearings were initially adopted, it was a 2-year pilot program¹; however, because of problems in 2006 associated with the recodification of HRS 514A, i.e., enactment of HRS 514B in 2 separate years, through no fault of anyone, the program was inadvertently repealed when HRS 514A was repealed and had to be corrected. It took two sessions to make the corrections that resulted in reinstatement of that program, which was intended to provide quick, economical resolution of disputes between unit owners and their boards when mediation failed and it has only been in operation since 2009. I was informed by the DCCA Office of Administrative Hearings that in 2009, 6 cases were filed and all were completed and in


¹ Because of a concern that "hundreds" of cases would be filed and would overwhelm the DCCA's limited resources, the law limited the number of requests for hearings to 30 per year.

2010, 6 cases were filed and 3 are still pending at this time. Attached is a copy of a page from the 2010 Real Estate Commission's Annual Report indicating that there were 34 requests for mediation in 2009 and 30 requests in 2010. Since mediation is a pre-requisite to the DCCA administrative hearings, based on the Commission's numbers, about 20% of the requests for mediation did not result in final resolution and proceeded to the DCCA administrative hearings where they were finally resolved.

The cost of the DCCA administrative hearings are paid from the Condominium Education Fund, which was established for the sole purpose ²of educating Boards and association members as to their rights and obligations and to provide alternative dispute resolution programs so that they could avoid the time and expense to litigate their dispute.

Since it appears that the program is being used by the parties that were the intended beneficiaries, we ask that this bill be passed so that we will not have to keep returning every few years to ask for an extension.

Thank you for the opportunity to testify.


Jane Sugimura
President

² The Condo Education Fund was established by the legislative so as to minimize the effects of the notorious "condo wars" that were being litigated in the circuit courts in the early 1990's, which resulted in huge expenses to the associations, their unit owners, the boards and their insurance carriers. The monies in the Condo Education Fund do not come from the State's General Fund, but are collected from (i) the developers of new condominium projects and (ii) biennially (i.e., by June 30 of each odd-numbered year) from the owners of every condominium unit in the State through their associations.