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February 26, 2018

The Honorable Sylvia Luke, Chair
Committee on Finance
House of Representatives
State Capitol, Room 306
Honolulu, Hawaii 96813

Dear Chair Luke:

Subject: House Bill (HB) 2118, House Draft (HD) 1 Relating to Condominiums

I am Manuel P. Neves, Chair of the Hawaii State Fire Council (SFC) and Fire Chief of the Honolulu Fire Department (HFD). The SFC and the HFD support HB 2118, HD 1, which proposes to amend § 514B-105 of the Hawaii Revised Statutes that will allow a condominium board to install equipment for the residents' health and safety without the consent of the unit owners where at least 20 percent of the unit owners reside outside of the U.S.

The Marco Polo condominium fire on July 14, 2017, highlights the dangers of fire in unsprinklered buildings. Automatic fire sprinkler systems have been proven to save lives and property and protect the environment. Death rates and property loss are substantially reduced when these systems are installed and properly maintained.

Concerns by condominium associations have brought to light the fact that many property owners reside in foreign countries and do not respond to requests from the condominium board regarding life safety issues. Inaction by foreign property owners endangers the lives of those living in these condominiums from fire and other life safety issues.

Life safety is a top priority for the SFC and the HFD.

The Honorable Sylvia Luke, Chair
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February 27, 2018

The SFC and the HFD urge your committee's support on the passage of HB 2118,
HD 1.

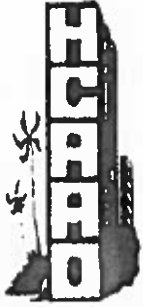
Should you have questions, please contact SFC Administrative Specialist Lloyd Rogers
at 723-7176 or lrogers@honolulu.gov.

Sincerely,



MANUEL P. NEVES
Chair

MPN/LR:clc



**Hawaii Council of Associations
of Apartment Owners**
DBA: Hawaii Council of Community Associations
1050 Bishop Street, #366, Honolulu, Hawaii 96813



February 26, 2018

Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice-Chair
House Committee on Finance

Re: Testimony in support of
HB2118, HD1 RELATING TO CONDOMINIUMS
Hearing: Tues., Feb. 27, 2018, 12 noon, Conf. Rm. #308

Chair Luke, Vice-Chair Cullen and Members of the Committee:

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

This bill has no impact on the State's general fund nor does it require the State to incur any expense. This bill seeks to amend the condominium statute to provide for a narrow exception to the process that condominium associations are required to follow when they borrow funds for the installation of health and/or safety improvements in the condominium project in the event of a governmental mandate.

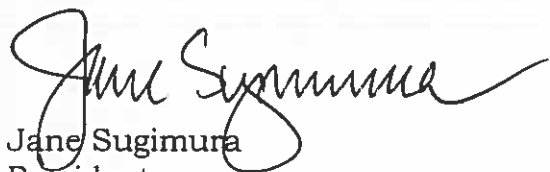
HCCA served on the Residential Fire Safety Advisory Committee ("RFSAC") established by the Honolulu City Council after the Marco Polo fire. The purpose of the RFSAC was to recommend changes to the City ordinance(s) relating to the fire code and to suggest ways that high-rise residential buildings could be made safer for the residents and for the fire-professionals who have to enter those buildings to fight fires. One of the measures being considered is voluntary and/or mandatory installation of full or partial (i.e., only in the common areas) fire sprinklers, which pose a substantial financial challenge to associations.

One of the challenges that the Committee considered was how to assist associations pay for the installation of fire sprinklers, specifically if they wanted to borrow the funds necessary to pay for the retrofitting, which under current statutory provisions requires the consent of 50% of the ownership interest. This is particularly challenging when many owners live outside the US and whose primary language is not English. There are many high-rise buildings in Waikiki, Hawaii Kai and the Ala Moana areas in this situation. That is the reason for this bill.

This bill creates a very narrow exception for those buildings with at least 20% of their ownership living outside the US to borrow funds to install fire sprinklers without having to meet the threshold of 50% as specified in this provision.

Accordingly, HCCA respectfully requests that you pass this House Draft 1 unamended.

Thank you for the opportunity to testify on this matter.

A handwritten signature in black ink, appearing to read "Jane Sugimura", written in a cursive style.

Jane Sugimura
President

HB-2118-HD-1

Submitted on: 2/26/2018 9:43:58 AM

Testimony for FIN on 2/27/2018 12:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Richard Emery	Associa	Support	No

Comments:

Making it easier and less expensive for associations to comply with mandated safety issues is a good thing. It is often difficult to get the understanding by foreign owners unfortunaley necessitating a greater cost to the association to obtain mandated loan approval percentages. I support HB2118.

HB-2118-HD-1

Submitted on: 2/26/2018 8:16:49 AM

Testimony for FIN on 2/27/2018 12:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lila Mower	Hui `Oia`i`o	Oppose	No

Comments:

Although the measure's intent--to fund government mandated safety and health improvements--is laudable, this measure allows, on a 9 member board, only 3 members (the majority of a quorum of the board) to decide for an association, some as large as 700 residential units, to make an important decision which impacts the finances of all its members. That lowered threshold is too aggressive.

Additionally, the measure does not restrict those borrowed amounts to funding just heath and safety improvements; board have often borrowed more than a specified project required, only to use those extra monies to fund non-essential projects such as "beautification," "pay raises and bonuses," "new vehicle for operations department," and "modernization of resident manager's unit."

HB-2118-HD-1

Submitted on: 2/26/2018 10:11:41 AM

Testimony for FIN on 2/27/2018 12:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Harendra Panalal	Individual	Oppose	No

Comments:

My name is Harendra Panalal.

I am **OPPOSED** to this Bill HB2118.

I have lived in Honolulu continuously since 1971.

I am VP of a large condo bldg AOUO and President of a larger one.

The way this Bill is worded, it can be subject to abuse by BOD, Management Companies, attorneys, parliamentarins, etal. We need more transparency, not less.

A cursory look at social media Yelp on a few big management companies may show their modus operandi.

Lack of full cooperation, reluctance and/or refusal to email concerned owners all documents to which all owners are legally entitled to, charges of up to \$1 per printed page are a few things which have a detrimental effect on finances of many owners, especailly those on fixed incomes.

Allownace of 8 hours of management time per condo bldg. is a cruel joke.

Mahalo

Harendra Panalal, MSE, PE, RME

Off 792-0455, Home 538-6202

harenp2009@hotmail.com

HB-2118-HD-1

Submitted on: 2/26/2018 10:15:06 AM

Testimony for FIN on 2/27/2018 12:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Marcia Kimura	Individual	Oppose	No

Comments:

I am opposed to this measure, because it appears to be just another patent approval of boards' moving ahead to borrow funds under the guise that mandatory safety and health expenses necessitate borrowing as quickly and easily as possible. How do we owners know that all of the loan monies will be spent exclusively on the health and safety provisions? ALL owners need to be able to approve the loans, since they'll be responsible for repaying them, regardless of where they reside!

HB-2118-HD-1

Submitted on: 2/26/2018 11:24:50 AM

Testimony for FIN on 2/27/2018 12:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lourdes Scheibert	Individual	Oppose	No

Comments:

I believe advance communication technology can adequately notify the members for voting the issue. It has everything to do with proper prior planning of which we have plenty of time to start the process. Stick to the Declaration, our Constitution that way owners will be properly notified and no surprises in the future.

ALAN M ARAKAWA
MAYOR



COUNTY OF MAUI
DEPARTMENT OF FIRE & PUBLIC SAFETY

200 DAIRY ROAD
KAHULUI, HI 96732
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Fax (808) 270-7919

February 26, 2018

LATE

JEFFREY MURRAY
FIRE CHIEF

LIONEL MONTALVO
DEPUTY FIRE CHIEF

The Honorable Sylvia Luke, Chair
Committee on Finance
House of Representatives
State Capitol, Room 306
Honolulu, Hawaii 96813

Dear Chair Luke:

Subject: House Bill (HB) 2118, House Draft (HD) 1 Relating to Condominiums

I am Jeffrey A. Murray, Member of the Hawaii State Fire Council (SFC) and Fire Chief of the Maui County, Department of Fire and Public Safety (MFD). The SFC and the MFD support HB 2118, HD 1, which proposes to amend § 514B-105 of the Hawaii Revised Statutes, that will allow a condominium board to install equipment for the residents' health and safety without the consent of the unit owners where at least 20 percent of the unit owners reside outside of the U.S.

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Life safety is a top priority for the SFC and the MFD.

The SFC and the MFD urge your committee's support on the passage of HB 2118, HD 1.

Should you have questions, please contact SFC Administrative Specialist Lloyd Rogers at 723-7176 or lrogers@honolulu.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey A. Murray".

JEFFREY A. MURRAY
Fire Chief