



## ALA MOANA-KAKA'AKO NEIGHBORHOOD BOARD NO. 11

c/o NEIGHBORHOOD COMMISSION 925 DILLINGHAM BOULEVARD, SUITE 160 - HONOLULU, HAWAII,  
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### RESOLUTION SUPPORTING CONSUMER PROTECTION BILLS FOR CONDO OWNERS

WHEREAS, the establishment of a condominium ombudsman has been proposed to aid in the resolution of condominium related disputes; and

WHEREAS, the Real Estate Branch of the Department of Commerce and Consumer Affairs (DCCA) is not providing the necessary assistance to help resolve disputes and concerns regarding violations of Hawaii Revised Statutes 514B, and the Regulated Industries Complaints Office (RICO) has very limited jurisdiction to assist and often closes cases with no findings, even with evidence of violations presented; and

WHEREAS, the Real Estate Branch of the DCCA has been required since 2013 to use the condominium education trust fund (CETF) to support mediation of condominium related disputes pursuant to Hawaii Revised Statute 514B-71, section (a)(4); and

WHEREAS, in 2018, the Real Estate Commission expanded the use of the condominium education trust fund to support voluntary binding arbitration; and

WHEREAS, mediation and arbitration has proven to be costly to homeowners and associations, but profitable for the attorneys and association management companies hired by the associations; and

WHEREAS, to eliminate the shortcomings and increase the effectiveness and accessibility of alternative dispute resolution at little to no additional cost to condominium owners and associations; and

WHEREAS, proxy voting unfairly benefits the incumbent association directors and managers who maintain restricted access to phone numbers and email addresses for each homeowner; and

WHEREAS, proxy voting has been confusing and ambiguous to owners who prefer to vote on their own, but are unable to attend their association elections; and

WHEREAS, each property management company is required to have one licensed real estate broker on staff, yet there is no licensure requirement for association community managers who are responsible for billions of dollars of real estate, and compliance with laws, rules, and professional standards; and

WHEREAS, the 2021 collapse of the Florida condominium, Champlain Towers South, exemplified the significant need for community association managers and board directors to know and fulfill their fiduciary duties to condo owners through the understanding of HRS 514B and their associations' governing documents; and

WHEREAS, documents reporting investigation and consultation studies of an association's buildings and infrastructure should be availed to all owners for their health and safety; and

WHEREAS, other association documents pertinent to and necessary for good governance should be availed to all owners in keeping with the theory that associations should be self-governed and self-regulated as intended by HRS 514B; so

NOW THEREFORE BE IT RESOLVED, that the Ala Moana-Kaka'ako Neighborhood Board No. 11 supports the passage of legislative bills that include the following solutions:

- Create a State Ombudsman Office to efficiently resolve complaints from homeowners and associations when laws and rules are not followed;
- Eliminate voting by proxy and allow only in-person or mail-in ballot voting;
- Increase transparency and homeowner access to association documents by increasing frequency of filing, quickening wait time, and broadening which documents are to be filed automatically, and by reducing the burdensome cost of electronic documents and extending owners free access to their association documents;

- Mandate licensure of association community managers to verify competency and ensure accountability and compliance with rules, laws, and professional standards; and
- Mandate educational requirements for association directors and community managers, to ensure they are prepared to properly fulfill their fiduciary, managerial, financial, and legal responsibilities to the association and the homeowners they serve.

BE IT FURTHER RESOLVED, that copies of this signed resolution be sent to all Hawaii Legislators.

*This Resolution was adopted by the Ala Moana/Kaka'ako Neighborhood Board No. 11 by Unanimous Consent on Tuesday, February 28, 2023. (9-0-0) (AYE: Chee, Farinas, Lee, Zehner, Rice, Mariano, Chung, Nam, Faringer. NAY: None. ABSTAIN: None.)*

**Signed by Kathleen Lee, NB11 Chair**

Date: 2/28/23

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