



Bill 17 (2017)

HONOLULU TOWER

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Testimony of the Honolulu Tower Association of Apartment Owners Before the City Council Committee on Zoning and Housing, May 25, 2017 Regarding Bill 17 (2017) Building Inspections

Honolulu Tower is a 396 unit, 40 story condominium located at the corner of Beretania and Maunakea Streets. We are governed by a nine member volunteer board of directors elected by the owners and employ 17 persons. We also engage the services of a property management company.

Condominiums are subject to Section 514B of Hawaii Revised Statutes, which sets forth our responsibilities. They are also subject to declarations and bylaws which delineate who is responsible for what. It varies, property by property. The lanais may belong to the unit owner, or to the association. The same holds for railings, air conditioners, etc. One size does not fit all. If the Association of Apartment owners (AOAO) is not the owner, then its management should not be assigned responsibility for something outside its control. It is inappropriate for the city council to make AOAOs responsible for the private property of the individual residents in a building.

At our April 3, 2017 meeting, the Board voted to oppose Bill 17. The Bill does not address condominium ownership. In its current form it is unenforceable. The Board does not have the authority to make things happen. It is up to the individual owners.

Residential condos maintain and repair their buildings on a day to day basis. Our 40-story condo is in the middle of a multi year building envelope project, supervised by a professional engineering firm, which is handling building wide spalling, waterproofing lanais, retiling lanais, checking railings, window glazing, caulking metal to window frames, and painting of the building. For most of the last five years there have been scaffolds on the building. By the time this project is complete, maybe two years hence, we will have spent more than \$6 million dollars.

State law (the state budget and reserve statute) requires condos to have a reserve study that goes out more than 20 years which lists when major capital improvement projects are to be done and to set aside money for deferred maintenance. It has to be updated annually. In recent years we spent more than \$1 million to modernize the elevators. We also fixed the roof of the residential and parking garage towers, cleaned out the wastewater lines and put in new pipes, replaced the compactor, for starters.

Residential condos should not have expensive reports forced on us, especially when we do the work anyway. For each of these reports we will have to cut expenses elsewhere, as many of our owners are on fixed income and cannot be bled dry for money. At the annual homeowners' meeting in February, 2017 we were told that a scaffold drop (which the engineer would have to use) would cost \$10,000 per stack. Adding in fees, etc. to the drop that could cost us \$200,000, roughly \$500 per unit.

We also believe you should consider that the most run down properties in the state belong to small business owners and homeowners. A walk through almost any neighborhood will reveal hazardous conditions on the exteriors of these buildings that have been exempted from this bill. If the intent is to protect the public from hazardous public places, then all residences should be exempt, including condos. If the intent is to correct the most hazards, then smaller buildings, including individual homes and townhouses should be included.

The building owners are responsible for making repairs quite quickly, under the enforcement provisions of the bill. In residential condominiums, there isn't a building owner who has the authority to make the repairs to the lanai railings within the specified enforcement provisions.

Sincerely,



James Simmons, President

| Honolulu Tower Association of Apartment Owners