

**RES22-245
Testimony**

MISC. COMM. 480

COUNCIL

COUNCIL Meeting

Meeting Date: Nov 2, 2022 @ 10:00 AM

Support: 10

Oppose: 0

I wish to comment: 4

Name: ALBERT CLOUTIER	Email: al@worldclassproductionz.com	Zip: 96814
Representing: Self	Position: Support	Submitted: Nov 1, 2022 @ 09:55 AM
Testimony: As a condominium owner I strongly support Resolution 22-245, proposed FD1		
Name: Carol Imai	Email: imaic50@gmail.com	Zip: 96814
Representing: Self	Position: Support	Submitted: Nov 1, 2022 @ 10:23 AM
Testimony: Aloha Councilmembers, I am a retired senior living in one of the condominiums affected by these ordinances and know that my condo has been directly affected by trying to get our LSE approved and the rise in insurance. We all want to survive any fires and understand that sprinklers would really help but for many of us it is so cost prohibitive and then on top of that the rise in insurance, DPP problems, etc. that it is really really difficult. Please support Resolution 22-245 and the proposed FD1. Mahalo for the opportunity to provide comments on the challenges my condo is having in complying with the fire safety ordinance. Carol Imai		
Name: Daniel Hay	Email: dhay1993@yahoo.com	Zip: 96825
Representing: Self	Position: I wish to comment	Submitted: Nov 1, 2022 @ 11:53 AM
Testimony: As a condominium owner, I strongly support Resolution 22-245, proposed FD-1.		
Name: Tim Apicella	Email: apicella58@msn.com	Zip: 96825
Representing: Self	Position: Support	Submitted: Nov 1, 2022 @ 12:04 PM
Testimony: I ask the Council to support Resolution 22-245, FD1. Further, I ask that Ordinance 18-14 and Ordinance 19-4 be either revised or repealed as it pertains to the flawed Life Saving Elevation (LSE) process, and for other reasons cited in the resolution.		
Name: Sandie Wong	Email: sawonglaw@hawaii.rr.com	Zip: 96813
Representing: Self	Position: Support	Submitted: Nov 1, 2022 @ 01:54 PM
Testimony: I support this Resolution and asked that it be passed out. Aloha, Council Member Fukunaga for introducing.		
Name: Eric Johnson	Email: elj@hawaiiintel.net	Zip: 96826
Representing: Contessa Condominium, As President	Position: Support	Submitted: Nov 1, 2022 @ 02:01 PM
Testimony: The Contessa Condominium Support Resolution 22-245.		
Name: David Heywood	Email: midpacificdave@aol.com	Zip: 96825
Representing: Self	Position: Support	Submitted: Nov 1, 2022 @ 02:05 PM

Testimony:

I urge the City Council to approve this resolution. The timeline, costs, availability of professional consultants, supply chain issues, contractors, etc. are very challenging to condo associations. In addition, as indicated in the Reso, the ability of thousands of condo owners on fixed incomes to afford sprinkler systems or alternative modifications is extremely challenging. Note that many older buildings require other significant capital investments such as in elevator systems, spalling work, plumbing, etc. A less costly, more timely, and more realistic set of solutions should be sought to address fire safety concerns (not just in older buildings, but all high rises).

Name: Yvonne Nelson	Email: nelsonyvonne01@gmail.com	Zip: 96744
Representing: Self	Position: Support	Submitted: Nov 1, 2022 @ 03:08 PM

Testimony:

As a Condominium owner and a Senior Citizen with limited income I strongly support Resolution 22-245 proposed FD1. Please note that those on limited incomes are already experiencing financial issue with inflation and negative effects to our savings. We all want to have safe buildings, but we must carefully weigh all the issue and not bankrupt our senior citizens! Thank you for your careful consideration.

Yvonne R. Nelson
Owner of a Condo at the Summer Palace Condominium
1848 Kahakai Drive.
Honolulu, HI 6814

Name: Theresa Strange	Email: theresadobbs@yahoo.com	Zip: 96826-5420
Representing: AOAO Regency Tower Condominiums	Position: I wish to comment	Submitted: Nov 1, 2022 @ 04:00 PM

Testimony:

To Our Honorable Council Members:

It is troubling to have such burdensome ordinances put forth in response to a "knee-jerk" reaction that occurred pertaining to the tragic Marco Polo fire in 2017. I should like to remind all parties reviewing these ordinances that the tragedy could have been avoided had existing ordinances been followed in the Marco Polo building. It was a combination of violations that caused the loss of life and severe damage that has not been properly addressed in the news or to the public. The "simple" idea to legislate and pass ordinances that would burden the existing and future owners of 255 condominiums seem to be fiscally irresponsible at best. No matter what tact we take, a financial burden is incurred and being required to be paid by those property owners. The insurance companies that are holding buildings, that do not install sprinklers, hostage, by either refusing to underwrite or raise premiums borderline on extortion. Most states have a board of insurance regulatory commission to ensure the fairness and equity in circumstances such as these. How is it that these insurance companies are dictating policies to our government? If these ordinances are to be put forth, it will drive more individuals from their homes, raise existing maintenance fees to the point of bankruptcy and untold hardship on individual building management to comply. Regency Tower has been forced to make severe budgetary changes in hopes of meeting requirements put forth by the HFD, City and County only to foresee an untenable budgetary future. I feel that there must be another way to ensure the safety of our condominium residents. A less invasive and altruistic approach. As it currently stands, to have inspections, permitting and contractors available, scheduled and have the work executed as planned, it would take in excess of 20 years to complete the task in a building such as ours. We have done some preliminary timeline scenarios and the 20 year timeline is looking more like 30 years. Remember, there are 255 condominiums requiring the use of the same number of resources in Honolulu. It hasn't begun to take into account new construction and existing maintenance construction requirements. In conclusion I ask you to think how we can all hope to accomplish this immense undertaking. How are we going to be able to afford this task. Thank you for your time.

Name: Edwina Spallone	Email: edspallone@gmail.com	Zip: 96701
Representing: Self	Position: I wish to comment	Submitted: Nov 1, 2022 @ 09:28 PM

Testimony:

Aloha,

There are many retirees that live in these condominiums that are on fixed income, with the added cost to install fire sprinklers many retirees & those on fixed income like myself will most likely not be able to qualify for a loan. Being that our income is to low. As the cost of living keeps going up & up! As our younger adults are already priced out of paradise, & many have left the islands already! We retirees & fixed incomers will be out of our homes & out on the streets!

Our condominiums were built to fire codes, at the time that it was built. As unfortunate as the Marco Polo was, there was a lot of negligence due to poor management.

Please help to keep the retirees & those on fixed incomes in our homes!

Edwina

Name: Jane Sugimura	Email: jsugimura@paclawteam.com	Zip: 96813
Representing: Hawaii Council of Association of Apartment Owners	Position: Support	Submitted: Nov 1, 2022 @ 11:20 PM
Name: John Johnson	Email: johnsonj002@hawaii.rr.com	Zip: 96814
Representing: AOAO Kapiolani Towers	Position: Support	Submitted: Nov 2, 2022 @ 07:22 AM
Name: Dennis Perez	Email: dennisjamesperez@gmail.com	Zip: 96825
Representing: Mauna Luan Condominium	Position: Support	Submitted: Nov 2, 2022 @ 08:35 AM

Testimony:

Please vote to immediately and permanently repeal ordinances 18-14 and 19-4. Many older buildings such as ours are fire safe using a combination of active and passive and very effective methodologies. A sprinkler system puts an excessive burden on our residents and owners and especially our retirees who will we feel are being unfairly discriminated against when single family home owners are not forced into paying for similar measures. Our owners need to make their own decisions about how to best spend their money such as using it for healthcare and not an unneeded sprinkler system. We do not have unlimited finances and have no means to afford a sprinkler system. Please repeal ordinances 18-14 and 19-4 immediately. The odds of dying in a high-rise fire are less than 1%. We believe individuals can make their own decisions about how to spend their money to protect their longevity such as using limited funds to engage in proactive health care. Heart disease, diabetes, cancer and other health concerns are the top reasons people die. High-rise fires are not, especially in buildings that are safe such as ours.

Name: Joanne Ninomiya	Email: joanne@jnproductions.com	Zip: 96817
Representing: Self	Position: I wish to comment	Submitted: Nov 2, 2022 @ 08:37 AM

Testimony:

November 2, 2022

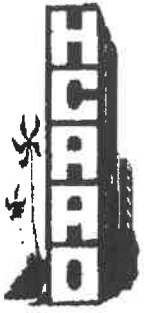
Dear Councilmembers,

I have lived at 55 S. Judd St. Nuuanu Brookside since the building was constructed in 1979.

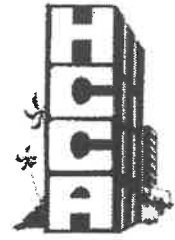
We live in a lovely and safe environment, but since the Pandemic, costs for maintenance and repairs have soared to the extent that we have had to apply for creditline in the millions of dollars. Many of us are original owners from 1979, and are not working anymore so the added burden of the original FSE Ordinance requirements will only make our lives miserable. We love the building and our neighbors so we are extra careful about avoiding catastrophes, and no one is going to deliberately set fire to a unit.

Please support Resolution 22-245 and the proposed FD1.

Sincerely yours,
Joanne Ninomiya
Nuuanu Brookside AOA



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



November 1, 2022

Hon. Tommy Waters, Chair
Honolulu City Council

Re: Testimony in Support of Resolution 22-425, Proposed FD1- Requesting
The City Administration Work with Fire Safety and Residential Condominium
Stakeholders to Address Issues Relating to the Viability of Fire Safety
Requirements in Existing High-rise Residential Buildings
Hearing: Wed., November 2, 2022, 10 a.m.

I am Jane Sugimura, President of the Hawaii Council of Associations of Apartment Owners (HCAAO dba HCCA) and this testimony is in support of Resolution 22-245.

Honolulu's Fire Safety Ordinance #19-4 was passed in response to the Marco Polo fire in July 2017. The ordinance mandates installation of fire sprinkler systems in high-rise residential buildings¹ unless the building chooses to undertake and pass a Life Safety Evaluation ("LSE") that is conducted by a licensed professional and scored based on a matrix spreadsheet developed by the Honolulu Fire Department.

Although many municipalities on the mainland have laws or regulations calling for installation of fire sprinkler systems as a safety measure for high-rise residential buildings, it appears that Honolulu may be the only one that includes a mandate to install fire sprinklers and or other fire safety equipment. What we are discovering is that implementation of this ordinance may not be possible.

Since the passage of the ordinance, (i) the deadlines for compliance have had to be amended and extended at three times due to the world-wide COVID 19 pandemic that began in March 2020 and lingered on through most of 2021, which resulted in business closures and reduced incomes for many condo owners in Oahu, (ii) cash-flow issues caused by business closures and lost jobs have reduced maintenance fee collections, (iii) ongoing plumbing and structural repairs of aging buildings are already draining scarce association financial resources, (iv) supply-chain delays and labor shortages affecting contractors have created obstructions and delay in complying with LSE's, (v) in January 2022, local

¹ High rise buildings that are less than 10 stories or have open exterior corridors are exempt from the fire sprinkler mandate by the Ordinance.

insurance companies increased their premiums 30%-50% for high-rise buildings that did not have fire-sprinkler systems and this created financial hardships for many associations, and (vi) in January 2022, Fannie Mae and Freddie Mac² issued new lending guidelines to banks to limit or refrain from lending to condominiums that have significant deferred maintenance or have received **a directive from a regulatory authority or inspection agency to make repairs because of unsafe conditions**.³

On February 16, 2022, a meeting of a Permitted Interaction Group of the Committee on Public Infrastructure and Technology relating to compliance with Fire Safety Ordinances in high-rise buildings and several stakeholders of the condominium community reported their concerns to the City Council and some of those concerns were:

- Implementation of the ordinance was cost-prohibitive
- LSE standards and criteria were not being implemented in a consistent manner
- Government mandates should include financial support or assistance to buildings
- Special assessments will force unit owners to move and the costs of implementation will bankrupt some condo associations
- Increasing costs and availability of supplies, material and labor
- Too many buildings cannot get passing scores on their LSE's

On August 1, 2022, the Honolulu Fire Department ("HFD") submitted its 3-month report to the City Council as required by the ordinance. The HFD reported that 275 buildings in Oahu had submitted their completed LSE's and of those 275 buildings, only 20 received passing scores. That means that there are 255 high-rise residential buildings in Oahu that did not get passing scores and will have to take steps to make repairs and/or install fire safety equipment or a fire sprinkler system to get passing scores by the deadline in the ordinance of August 31, 2025. Since most if not all of those 255 buildings will need building permits to complete their repairs or installation [of fire safety equipment] to get a passing score, it is very unlikely that the City's Department of Planning and Permitting ("DPP")⁴ will be able to issue building permits that will be necessary or required so that

² These are government-sponsored enterprises that buy and guarantee mortgages issued by local lenders, who have recently changed their lending guidelines for condos as a direct response to the Florida condo collapse.

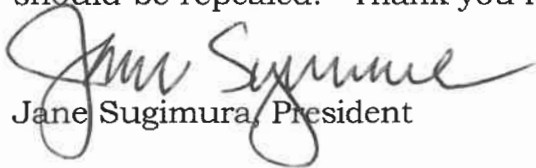
³ There is a real concern that over 255 buildings in Honolulu with failing scores on their LSE's may be ineligible for loans that are part of the Fannie Mae and Freddie Mac programs. This would affect (i) condominium associations who will be applying for loans to pay for needed repairs and to comply with their LSE's, (ii) unit owners who apply for refinancing and (iii) prospective buyers applying for new mortgages. It is too early to say what effect these directives will have on the local housing market.

⁴ According to recent newspaper articles, the City's DPP is experiencing staff shortages, including resignations of its Director and its chief innovation strategist.

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Re: Resolution 22-245
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those 255 buildings will be able to complete their repairs and/or installations by August 31, 2025.

As of result of these events, there are many in the local condominium community who believe that timeline for the implementation of Ordinance 19-4 is not realistic or doable and that further implementation of the Ordinance should be suspended or the Ordinance should be repealed. Thank you for allowing me to testify.

A handwritten signature in black ink, appearing to read "Jane Sugimura", written in a cursive style. The signature is positioned above the printed name and title.

Jane Sugimura, President

November 2, 2022

John D. Johnson
President, AOA Kapiolani Towers
1610 Kanunu St.
Honolulu, HI 96814
Cell: 808-295-5299
Email: johnsonj002@hawaii.rr.com

Ms. Carol Fukunaga
City Council
City and County of Honolulu
530 South King Street, Room 202
Honolulu, Hawaii 96813-3065

Re: Resolution 22-245

Dear Ms. Fukunaga,

I am writing in support of City Council Resolution 22-245 and am pleading to the City and County to Repeal any and all Ordinances requiring the installation of sprinkler systems in condominiums such as ours.

Kapiolani Towers has complied with ordinances thus far by completing a Fire and Life Safety Evaluation (FLSE) and submitting it to Honolulu Fire Department. As was the case of most condominiums our age (~60 years old) we failed the FLSE and were provided options to 1) install sprinklers or, 2) make necessary modifications to achieve an acceptable score on an FLSE. Both options will require raising maintenance fees and imposing a special assessment. In our case, we are looking at about \$4 million to install sprinklers in our building, as opposed to about \$2 million for modifications. That's a huge delta and frankly, the maintenance fees and special assessments will likely push some of our residents out of the building, and maybe into the street. And I don't believe I am exaggerating!

Just prior to our last regular meeting, we were provided a summary of insurance premiums for the renewal of our Condominium Policy. We learned our premium was being raised 250%, in part because we are an unsprinklered building. Since our budget is due soon, we added in the new premiums, which alone would have required us to raise maintenance fees 16% on average. Up against the wall with our insurance expiring this past weekend (midnight October 30), we were able to find a broker who put together a more reasonable package. Even if we choose not to install sprinklers, it's outrageous the insurance companies are using this as a hammer to force the issue. Penalizing Condominium Associations over this without any appearance of understanding the ramifications and consequences it will have on residents is just wrong! My fear is, although we have a lower premium now, it's only a matter of time before the other shoe drops.

I strongly urge the City Council pass Resolution 22-245 and repeal Ordinance 18-4 and as amended.

We appreciate your efforts on our behalf on the City Council and wish you all the best in your future endeavors.

Respectfully,



John D. Johnson
President