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Statement of
LEO R. ASUNCION
Director, Office of Planning
before the
HOUSE COMMITTEE ON FINANCE
Wednesday, March 28, 2018
4:00 PM
State Capitol, Conference Room 308

in consideration of
SB 2524, SD1, HD1
RELATING TO COUNTY LAND USE REQUIREMENTS.

Chair Luke, Vice Chair Cullen, and Members of the House Committee on Finance.

The Office of Planning (OP) supports SB 2524, SD1, HD1. OP appreciates the amendments made in HD1 which address OP's major concerns with prior drafts of the measure.

SB 2524, SD1, HD1 would, in part, amend Hawaii Revised Statutes (HRS) Chapter 514B to: (1) require that applications for the registration of a condominium property regime (CPR) created on lands in a county agricultural or preservation zoning district, include a verified statement from the counties that the project is in compliance with county ordinances, subdivision standards, and other rules; (2) clarify conformance of CPRs with county subdivision and supplemental ordinances governing CPRs; (3) amend HRS § 205-4.5(f) to prohibit residential or congregate use of sheds or other agricultural structures on leasehold lots created under this subsection subject to county enforcement, and to prohibit residences on such leasehold lots that are were or are zoned as preservation by the counties.

This measure would allow the counties to review CPR projects before they are registered with the State Real Estate Commission and accepted for sale, which would improve oversight of the development of residential CPRs on agricultural lands. However, as noted in prior testimony, it is in the recordation of a CPR with the State Bureau of Conveyances—prior to registration—that ownership interests in units and declarations for the project are created.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
Governor

DOUGLAS S. CHIN
Lt. Governor



State of Hawaii
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SCOTT E. ENRIGHT
Chairperson, Board of Agriculture

PHYLLIS SHIMABUKURO-GEISER
Deputy to the Chairperson

**TESTIMONY OF SCOTT E. ENRIGHT
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE HOUSE COMMITTEE ON FINANCE

**MARCH 28, 2018
4:00 P.M.
CONFERENCE ROOM 308**

**SENATE BILL NO. 2524 SD1 HD1
RELATING TO COUNTY LAND USE REQUIREMENTS**

Chairperson Luke and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 2524 SD1 HD1 that:

1. Allows certain leasehold agricultural subdivisions to be exempt from county subdivision standards; clarifies that any other structures built are not to be used as residential use and any violations are subject to county enforcement and fines; does not allow residential development on lands currently or previously zoned preservation. (Section 205-4.5(f)).
2. Requires CPRs to conform with county zoning, subdivision and other permitting requirements, and Chapter 205; (Section 514B-5);
3. Offer the counties the option of adopting supplemental ordinances and rules governing CPRs established under Chapter 514B; and
4. Include as a requirement for registering CPRs on agricultural or preservation zoned land, a verified statement by a county official that the project is in compliance with supplemental county ordinances, county subdivision standards, and other rules adopted pursuant to Section 514B-6 (Section 514B-52), and an agricultural business plan, farm plan or Conservation Plan to be updated every five years.



The Department of Agriculture supports attempts to uniformly require condominium property regimes of agricultural land to comply with county ordinances, rules, and plans. This is particularly important with respect to large acreage CPRs.

We would like to note that the Section 514B-5 (conformance with county land use laws) already requires condominium property regimes to conform to the purposes and provisions of Chapter 205 (Page 4, lines 6-20), and not only Section 205-4.6 (private restrictions on agricultural activity not allowed). One of most important requirements in Chapter 205 is that any structure built for habitation must be “located on and used in connection with a farm...or where agricultural activity provides income to the family from an agricultural activity” (Section 205-4.5(a)(4)). If there is no farm, no agricultural activity, or no income to the family from agricultural activity, then the structure built for habitation is not a “farm dwelling” and if built, would be in violation of Chapter 205, specifically Section 205-4.5(a)(4).

We support the concept of requiring applications for registration of CPRs to include an agricultural business plan, farm plan, or conservation plan if the purpose is to require the developers of CPRs to demonstrate how agricultural use on the property will occur.

Thank you for the opportunity to comment on this measure.



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March 28, 2018

HEARING BEFORE THE
HOUSE COMMITTEE ON FINANCE

TESTIMONY ON SB 2524, SD1, HD1
RELATING TO COUNTY LAND USE REQUIREMENTS.

Room 308
4:00 pm

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

I am Randy Cabral, President of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,900 farm family members statewide, and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic and educational interests of our diverse agricultural community.

Hawaii Farm Bureau **strongly opposes SB 2524, SD1, HD1**, amending the requirements associated with condominium property regimes and creating unintended consequences.

HFB recognizes and appreciates the amendments included in HD1, addressing unintended consequences to large parcel leases on agricultural lands. However, HD1 includes a new provision that creates confusion for leased lands and, the measure falls short by lacking to address true ag land sales. As proposed, the bill forces subdivisions of large agricultural parcels to be associated with urban style developments rather than true small land ownership by dedicated farmers and ranchers.

Page 3 states:

provided
7 that no residential or congregate use of such sheds or
8 other structures for any length of time shall be
9 permitted, and any violation of this paragraph shall
10 be subject to county enforcement authority and fines

The intent of this section is not clear. Farmers need to contain costs. New Food Safety requirements will require additional infrastructure that could be shared to reduce costs. This measure seems to prohibit such use. If the intent is to prohibit the use of sheds for residential use than that intent should be articulated. As written, this section will have unintended consequences of limiting the farmer or rancher's ability to work together to contain costs.

Society demands smaller farms. Farmers look for opportunities to own their land so investments can be part of their long term vision vs. risk of losing infrastructure or costly relocation of buildings and other investments at the time of lease termination. These are real farms that significantly contribute to Hawaii's goal of increased self-sufficiency, consistent with Hawaii's Constitutional Mandate. Smaller farms often lack support services such as security that are a part of larger operations. Living on the farm is often their form of security due to lack of County resources to prioritize ag crime. It also allows them to reduce commute time and costs. These farmers often work long hours, where some of the activities take place outside of the normal 8-4 working hours. Truck farmers, those growing horticultural crops in Hawaii, have always lived on their lands. Ag parks are an exception, created by the State and Counties to address lack of access to lands. All of these farming areas do not have sidewalks, streetlights and other amenities defining urban areas. This reduced level of services justifies the lower level of property taxes. Many studies by American Farmland Trust validate the use of reduced property taxes to support agricultural activity.

CPRs are part of Zoning laws that are delegated to Counties in chapter 46. Each County is unique and should have the authority to create and maintain the special character that gives them their identity.

Rural and agriculture are two land use categories law that need to be addressed. As Hawaii's population increased, landowners and developers faced obstacles in permitting and land use reclassification procedures resulting in creative ways to meet the needs of the people. Rural, intended to be the interface between agriculture and urban uses is underutilized, and rather than carry out the intent of the district, some see it as merely a stepping stone to development so refuse to recognize its' intended purpose. This has resulted in abuse in the agricultural district to the detriment of real farmers and ranchers. Until the rural zoning issue is resolved, CPRs carried out in accordance to their original intent are the only option to provide AFFORDABLE lands to real farmers and ranchers. The same exemption provided in 205.4(f) should be afforded to true ag land sales while providing opportunity for housing as currently allowed on ag lands. As written, agricultural use will be required while requiring urban type amenities.

The Office of State Planning clearly articulates the intent of the exemption for leases that should also be relevant for CPRs for true agricultural use.

“The exemption from county subdivision standards—particularly where a county had not adopted appropriate improvement standards for working agricultural lands—was to avoid requiring agricultural lots to be serviced with more urban-like infrastructure and facilities, including all-weather roads, curbs and gutters, street lighting, fire protection, etc. Subjecting agricultural lease lots to these improvement requirements would result in improvements that are neither necessary nor affordable for farming operations, would contribute to the physical fragmentation of working lands, as well as increased lease rent costs to agricultural lessees.”

Classification of Hawaii's lands needs review, recognizing the use of the rural classification to address conflict in the urban-agricultural fringe. At the same time land use laws need to be updated to foster the advancement of agricultural operations. SB 2524, SD1, HD1 falls short of achieving this goal. While attempting to address agriculture's concerns it has inadvertently facilitated urbanization of ag lands. Finally,

many County laws exist to address these concerns. Without enforcement of these laws, new laws may not achieve the intended goals.

HFBF **respectfully requests your strong opposition of SB 2524, SD1, HD1. This measure will hurt rather than help farmers and ranchers have timely and affordable access to lands as an implementation pathway to increase agricultural production capacity in the State.** Thank you for this opportunity to provide comment on this important subject.

JAKOB K. WORMSER

ATTORNEY AT LAW LLLC

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March 27, 2018

STATE OF HAWAII HOUSE OF REPRESENTATIVES FINANCE COMMITTEE
HEARING ON SB2524: Wednesday, March 28, 2018, at 4:00PM

RE: TESTIMONY STRONGLY OPPOSING SB2524 SD1

Dear Honorable Chair Luke and Members of the House Finance Committee,

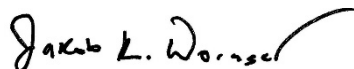
As Hawaii licensed real estate attorneys with over a decade of experience in creating and registering CPRs in Hawaii we **STRONGLY OPPOSE SB2524 SD1** for the following reasons and are **ATTACHING OUR RECOMMENDED CHANGES** to the bill:

1. **ILLOGICAL AND UNENFORCEABLE:** SB2524 is based on a **FUNDAMENTAL MISUNDERSTANDING OF THE LAW**. Condominium Property Regimes (“CPRs”) are **NOT SUBDIVISIONS** because they do **NOT** create **SEPARATE PARCELS**. As such, CPRs **NEVER CHANGE** a property’s land-use, zoning, building density, permitting, building codes, community plans, island plans or urban growth boundaries. A CPR is a **FORM OF OWNERSHIP** (like tenants in common) and **NOT** a “process of development.” CPRs are **NOT** the problem, and county-specific land-use issues can only be addressed at the **COUNTY LEVEL**.
2. **THE COUNTY OF MAUI AND/OR SMALL-SCALE PROJECTS MUST BE EXEMPTED:** The County of Maui (or CPRs with 3-units or less) must be exempted from this legislation because **MAUI COUNTY’S ZONING, BUILDING, AND DEVELOPMENT CODES ALREADY FULLY ADDRESS THE INTENT OF SB2524**. Maui County codes clearly stipulate that each agriculturally zoned parcel, **REGARDLESS OF SIZE**, may qualify for permits to build **NO MORE THAN TWO (2) FARM DWELLINGS** after implementation of a farm plan. Furthermore, the **COUNTY OF MAUI ALREADY REQUIRES INFRASTRUCTURE IMPROVEMENTS** for **ALL** parcels, regardless of zoning, with more than 3-dwellings. As such, the issues of agricultural use, infrastructure improvements, over-development of agricultural lands, and County participation in the CPR process are already thoroughly addressed by the County of Maui. If other counties, such as the City and County of Honolulu, wish to “participate in the CPR process” their mayors/county councilmembers **MUST** do so by **STRENGTHENING AND ENFORCING THEIR COUNTY’S LAND-USE CODES**.
3. **FAILS TO ADDRESS STATED PURPOSE AND FAR EXCEEDS ITS SCOPE:** The preamble states: “The purpose of this Act is to provide an option for county participation in the approval of **MAJOR** condominium property regimes” (emphasis added). As drafted, the bill does **NOT** define or even reference **MAJOR** condominium property regimes, and instead recklessly applies “county subdivision requirements” to **ALL** CPRs, regardless of the number of units. Furthermore the introduction states: “the legislature finds that there is a need to revise laws related to agricultural property regimes,” but as written the bill **APPLIES TO ALL** CPRs

and does NOTHING to protect agriculture. Finally, the bill perpetuates the erroneous belief that the CPR process can be used to “circumvent county subdivision requirements,” and fails to address property overdevelopment and lack of infrastructure, which are exclusively COUNTY ZONING/ENFORCEMENT ISSUES.

4. **DAMAGES THE LOCAL ECONOMY, ELIMINATES JOBS, AND REDUCES TAX REVENUES:** This Bill would have an extremely negative impact on our State economy in the form of reduced real estate sales, less affordable housing, millions of dollars in lost real property tax revenues from the separate tax assessment of CPR units, lost State income/GET/TAT tax revenue from the sale and rental of CPR units, and far reaching negative impacts on the entire real estate industry and local residents.
5. **CREATES AN UNFUNDED COUNTY MANDATE AND WIDESPREAD CONFUSION:** The proposed legislation would create an unfunded mandate, putting an overwhelming burden on already overworked and under-staffed county planning departments, as well as the State of Hawaii Real Estate Branch, who will be tasked with interpreting, implementing, and enforcing the new law.
6. **UNNECESSARY AND UNFAIR:** The proposed Bill unfairly targets the CPR process, which is already authorized and highly regulated under Chapter 514-B of the Hawaii Revised Statutes for ALL parcels. Strengthening State/county zoning ordinances, building codes, development standards, and enforcement of these rules are the only appropriate solutions for protecting land use, zoning, density, permitting/building codes, community plans, island plans, and urban growth boundaries, NOT further additions to the complex statewide CPR registration process already in place.
7. **ELIMINATES AFFORDABLE HOUSING:** We are experiencing an affordable housing crisis in Hawaii. This Bill will effectively wipe out one of the only means of creating new affordable housing for working class residents, farmers, and local families.
8. **DISCRIMINATORY AND UNLAWFUL:** SB2524 is discriminatory in that the Bill would disproportionately affect agricultural landowners (especially small private landowners, farmers, and families) and borders on a “regulatory taking” because it unreasonably prevents private property owners from making economically viable use of their land, which could result in litigation against the State for just compensation.

FOR THE REASONS LISTED ABOVE, WE DEMAND THAT SB2524 BE TERMINATED OR AMENDED AS FOLLOWS TO REMOVE LANGUAGE INCORRECTLY REFERENCING “SUBDIVISION REQUIREMENTS” AND DEFINING THE SCOPE OF “MAJOR” AGRICULTURAL CPR PROJECTS TO BE MORE THAN FIVE (5) UNITS (PLEASE SEE ATTACHED).



Jakob K. Wormser
Attorney at Law

A BILL FOR AN ACT

RELATING TO COUNTY LAND USE REQUIREMENTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that there is a need to revise laws related to agricultural property regimes. Recently, there has been an increased interest in developing agricultural lands through the condominium property regime process. While this provides land developers with a process to reduce front-end costs of selling agricultural lands, it often thwarts the long-term viability of these "units", as master planning is absent, particularly with respect to supporting county infrastructure.

The legislature further finds that current condominium property regime laws only require that the proposed condominium property regime comply with county zoning, but do not require compliance with county subdivision requirements, which is where counties can review and ensure that necessary supportive infrastructure is available, including roads, water, and sewer lines, prior to the sale of the property.

The legislature additionally finds that current condominium property regime laws do not require county approval of the condominium property regime. This current process inhibits a county's ability to plan, regulate, and enforce its agricultural plans, goals, and infrastructure services.

The legislature also finds that section 205-4.5(f), Hawaii Revised Statutes, specifically allows agricultural land developers to bypass county subdivision requirements, which promotes the condominium property regime process over the county subdivision process. The condominium property regime process is a complex set of regulations and restrictions that are often not easily

understood at the time of purchase.

The purpose of this Act is to provide an option for county participation in the approval of certain major condominium property regimes.

SECTION 2. Section 205-4.5, Hawaii Revised Statutes, is amended by amending subsection (f) to read as follows:

"~~[(f)]~~ Notwithstanding any other law to the contrary, agricultural lands may be subdivided and leased for the agricultural uses or activities permitted in subsection (a); provided that:

(1) The principal use of the leased land is agriculture;

(2) No permanent or temporary dwellings or farm dwellings, including trailers and campers, are constructed on the leased area. This restriction shall not prohibit the construction of storage sheds, equipment sheds, or other structures appropriate to the agricultural activity carried on within the lot; ~~[and] provided that no residential or congregate use of such sheds or other structures for any length of time shall be permitted, and any violation of this paragraph shall be subject to county enforcement authority and fines pursuant to sections 46-4, 205-12, and 205-13;~~

~~(3) No residential development is constructed on lands that were or are currently in a preservation zoning district; and~~

~~[(3)]~~ (4) The lease term for a subdivided lot shall be for at least as long as the greater of:

(A) The minimum real property tax agricultural dedication period of the county in which the subdivided lot is located; or

(B) Five years.

Lots created and leased pursuant to this section shall be legal lots of record for mortgage lending purposes and shall be exempt from county subdivision standards."

SECTION 3. Section 514B-5, Hawaii Revised Statutes, is amended to read as follows:

"**§514B-5 Conformance with county ~~[land use]~~ laws.** Any condominium property regime established under this chapter shall conform to the existing underlying county zoning ~~and subdivision or equivalent requirements, except as provided in section 205-4.5(f),~~ for the property and all applicable county permitting requirements adopted by the county in which the property is located, including any supplemental rules adopted by the county, pursuant to section 514B-6, to ensure the conformance of condominium property regimes to the

purposes and provisions of county zoning, ~~subdivision~~, and development ordinances and rules and chapter 205, including section 205-4.6 where applicable[-], except as provided in section 205-4.5(f). In the case of a property which includes one or more existing structures being converted to condominium status, the condominium property regime shall comply with section 514B-32(a)(13) or 514B-84(a)."

SECTION 4. Section 514B-6, Hawaii Revised Statutes, is amended to read as follows:

"~~[+]~~**§514B-6**~~[+]~~ **Supplemental county ordinances and rules governing a condominium property regime.** Whenever any county deems it proper, the county may adopt supplemental ordinances and rules governing condominium property regimes established under this chapter in order to implement this program; provided that any of the supplemental rules adopted shall not conflict with this chapter or with any of the rules adopted by the commission to implement this chapter."

SECTION 5. Section 514B-52, Hawaii Revised Statutes, is amended to read as follows:

"**§514B-52 Application for registration.** (a) An application for registration of a project shall:

- (1) Be accompanied by nonrefundable fees as provided in rules adopted by the director of commerce and consumer affairs pursuant to chapter 91; and
- (2) Contain the documents and information concerning the project and the condominium property regime as required by sections 514B-54, 514B-83, and 514B-84, as applicable, and as otherwise may be specified by the commission.

(b) An application for registration of a project in the agricultural district classified pursuant to chapter 205 shall include a verified statement, signed by an appropriate county official, that the project as described and set forth in the project's declaration, condominium map, bylaws, and house rules does not include any restrictions limiting or prohibiting agricultural uses or activities, in compliance with section 205-4.6. The commission shall not accept the registration of a project where a county official has not signed a verified

statement.

containing more than five (5) units on a single parcel of land

(c) An application for registration of a project in a county agricultural zoning district or preservation zoning district shall include:

(1) A verified statement, signed by an appropriate county official, that the project is in compliance with any supplemental county ordinances, ~~county subdivision standards~~, except as provided in section 205-4.5(f), and other rules adopted pursuant to section 514B-6; and

(2) An agricultural business plan, farm plan, or conservation plan, to be updated every five years after submission.

[+e)] (d) The commission need not process any incomplete application and may return an incomplete application to the developer and require that the developer submit a new application, including nonrefundable fees. If an incomplete application is not completed within six months of the date of the original submission, it shall be deemed abandoned and registration of the project shall require the submission of a new application, including nonrefundable fees.

[+d)] (e) A developer shall promptly file amendments to report either any actual or expected pertinent or material change, or both, in any document or information contained in the application."

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 1, 2100.

Report Title:

Condominium Property Regimes; Agricultural Lands; County Subdivision Requirements

Description:

Prohibits residential or congregate use of sheds or other structures on agricultural lands. Prohibits residential development on lands previously or currently in a preservation zoning district. Requires condominium property regimes to comply with county subdivision or equivalent requirements subject to exceptions. Requires that an application for registration of a project in a county agricultural zoning district or preservation zoning district include a verified statement, signed by an appropriate county official, that the project is in compliance with any applicable supplemental county ordinances, county subdivision standards, and other rules, and an agricultural business plan, farm plan, or conservation plan. (SB2524 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



Imanaka Asato
A LIMITED LIABILITY LAW COMPANY

March 27, 2018

Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair
Members of the House Committee on Finance
Twenty-Ninth Legislature
Regular Session of 2018

RE: SB 2524, SD1, HD1 - Relating to County Land Use Requirements
Hearing date: March 28, 2018 at 4:00 pm

Aloha Chair Luke and Members of the Committee on Finance,

Thank you for allowing me to submit testimony on SB 2524, SD1, HD1 - Relating to County Land Use Requirements. SB 2524, SD1, HD1 seeks to require a project on land designated as agricultural or preservation zoning district to comply with county subdivision requirements and include a verified statement, signed by an appropriate county official, that the project is in compliance with any supplemental county ordinances, county subdivision standards, and other rules.

The CPR registration is a ministerial process that was created to provide a form of legal ownership for separate units within a larger parcel. Current state law allows for the creation of a CPR upon recordation of the master deed together with a declaration, without review from the county permitting departments. County review is not needed because HRS 514B specifically requires CPRs to comply with county land use laws and regulations.

Although the intent of SB 2524, SD1, HD1 is to require projects on agricultural and preservation lands to comply, section 3 of the bill adds a broad revision which could be interpreted as applying to all CPR projects. Accordingly, I recommend the following revisions:

SECTION 3. Section 514B-5, Hawaii Revised Statutes, is amended to read as follows:

"§514B-5 Conformance with county [land—use] laws. Any condominium property regime established under this chapter shall conform to the existing underlying county zoning and, as to any parcel zoned for agricultural use, subdivision or equivalent

House Committee on Finance
March 27, 2018
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requirements, for the property and all applicable county permitting requirements adopted by the county in which the property is located, including any supplemental rules adopted by the county, pursuant to section 514B-6, to ensure the conformance of condominium property regimes to the purposes and provisions of county zoning, subdivision, as to any parcel zoned for agricultural use, and development ordinances and rules and chapter 205, including section 205-4.6 where applicable. In the case of a property which includes one or more existing structures being converted to condominium status, the condominium property regime shall comply with section 514B-32(a)(13) or 514B-84(a)."

Mahalo for your consideration,



For Mitchell A. Imanaka
Imanaka Asato, LLLC

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March 27, 2018

The Honorable Sylvia Luke, Chair, and
Members of the House Committee on Finance

FIN Hearing on Wednesday, March 28, 2018 at 4:00 p.m.
Place: Conference Room 308, State Capitol

Re: **SB2524 SD1 HD1 – Relating to County Land Use Requirements**

Aloha Chair Luke and Members of the Committee:

Thank you for the opportunity to provide testimony **STRONGLY OPPOSING** Senate Bill 2524 SD1 HD1.

Our firm represents developers of condominium projects. Furthermore, for the past ten years, I have also served as a contracted outside consultant to the Real Estate Commission of the State of Hawaii. As a contracted outside consultant, I review Developer's Public Report applications in connection with the registration of condominium units for sale to the public. It is in these capacities that **I write to strongly urge you not to pass SB2524 SD1 HD1**. Please note, however, that this testimony is submitted in my capacity as noted above and is in no way the opinion of or sanctioned by the Real Estate Commission of the State of Hawaii.

Our understanding is that this legislation was primarily proposed to address the recent public outcry over an agricultural condominium project on land in Royal Kunia previously planned for a golf course and another agricultural condominium project with unpermitted and constructed residences and structures.

These matters are arguably enforcement issues resulting from activities taken by subsequent purchasers claiming ignorance or misunderstanding of the project's governing documents and/or the disclosures set forth in the Developer's Public Report, and will not be resolved by imposing legislation that will broadly impact the condominium development law.



The Honorable Sylvia Luke, Chair, and
Members of the House Committee on Finance
March 27, 2018
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The Condominium Property Act, Chapter 514B, Hawaii Revised Statutes (the "Condominium Act") contains adequate disclosure requirements. Over the last few years, discussions with the staff at the Real Estate Commission and other consultants have focused on increased awareness of special condominium projects, such as those located on agricultural or preservation zoned land, and the disclosures that should be included in the Developer's Public Report and project documents. Although some older projects may not have had sufficiently clear disclosures in its Developer's Public Reports, I believe that the Developer's Public Reports of today do contain ample disclosures regarding construction restrictions, compliance issues, the availability of utilities, and other issues that SB2524 SD1 HD1 attempts to address.

SB 2524 SD1 HD1 proposes that **all** condominium projects should comply with existing county zoning and "subdivision or equivalent requirements". SB2524 SD1 HD1 also proposes to increase the disclosure requirements for new agricultural or preservation condominiums.

First, by requiring **all** condominium projects to comply with "subdivision or equivalent requirements", SB2524 SD1 HD1 would circumvent the purpose of the Condominium Act which is to allow separate legal ownership rights. Subdivision standards are more stringent and in many cases, a property is submitted to the Condominium Act because it cannot be subdivided, even though the property otherwise complies with zoning and building codes.

Imposing compliance with subdivision requirements on **all** condominium projects would possibly directly impact thousands of properties, especially those in older neighborhoods, from taking advantage of the conversion and partial conversion opportunities afforded by the Condominium Act. For example, condominium projects created within former plantation communities or in older neighborhoods have provided purchasers an opportunity to own affordable single-family dwellings. This may no longer be possible if SB2524 SD1 HD1 became law, thereby negatively impacting Hawaii's housing market.

Second, agricultural condominiums are already statutorily subject to scrutiny by the Counties pursuant to Section 514B-52(b), Hawaii Revised Statutes. Before an agricultural condominium project can be submitted to the Real Estate Commission, the project's governing documents must be reviewed by the County to ensure that there are no restrictions on agricultural use and activities. On Oahu, the Department of Planning and Permitting ("DPP"), in addition to its statutorily required review, is now providing additional comments concerning many of the issues that SB2524 SD1 HD1 is seeking to address. In my capacity as counsel for developers, I would want to make sure that

The Honorable Sylvia Luke, Chair, and
Members of the House Committee on Finance
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Page 3

these issues are addressed in the governing documents and/or in the Developer's Public Report, and I believe other attorneys representing developers would do the same thing. Furthermore, in my capacity as an independent consultant to the Real Estate Commission, I would want to make sure that the comments of the DPP were disclosed in the Developer's Public Report in order to inform prospective purchasers, and I believe other consultants would do the same thing.

Accordingly, I believe that adequate disclosure requirements already exist in the Condominium Act and the restrictions proposed by SB2524 SD1 HD1 will only hurt the real estate market in Hawaii.

For the foregoing reasons, we **STRONGLY OPPOSE** the passage of **SB2524 SD1 in its entirety**.

Very truly yours,

CLAY CHAPMAN IWAMURA PULICE & NERVELL



Anders G. O. Nervell
AGN:ccb
(663189)

SB-2524-HD-1

Submitted on: 3/26/2018 12:30:10 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Cheryl Mullen	Mullen Group	Oppose	No

Comments:

WE STRONGLY OPPOSE SB2524 FOR THE FOLLOWING REASONS:

1. **ILLOGICAL AND UNENFORCEABLE:** SB2524 is based on a **FUNDAMENTAL MISUNDERSTANDING OF THE LAW**. Condominium Property Regimes (“CPRs”) are **NOT SUBDIVISIONS** because they do **NOT** create **SEPARATE PARCELS**. As such, CPRs **NEVER CHANGE** a property’s land-use, zoning, building density, permitting, building codes, community plans, island plans or urban growth boundaries. A CPR is a **FORM OF OWNERSHIP** (like tenants in common) and **NOT** a “process of development.” CPRs are **NOT** the problem, and county-specific land-use issues can only be addressed at the **COUNTY LEVEL**.
2. **THE COUNTY OF MAUI AND/OR SMALL-SCALE PROJECTS MUST BE EXEMPTED:** The County of Maui (or CPRs with 3-units or less) must be exempted from this legislation because **MAUI COUNTY’S ZONING, BUILDING, AND DEVELOPMENT CODES ALREADY FULLY ADDRESS THE INTENT OF SB2524**. Maui County codes clearly stipulate that each agriculturally zoned parcel, **REGARDLESS OF SIZE**, may qualify for permits to build **NO MORE THAN TWO (2) FARM DWELLINGS** after implementation of a farm plan. Furthermore, the **COUNTY OF MAUI ALREADY REQUIRES INFRASTRUCTURE IMPROVEMENTS** for **ALL** parcels, regardless of zoning, with more than 3-dwellings. As such, the issues of agricultural use, infrastructure improvements, over-development of agricultural lands, and County participation in the CPR process are already thoroughly addressed by the County of Maui. If other counties, such as the City and County of Honolulu, wish to “participate in the CPR process” their mayors/county councilmembers **MUST** do so by **STRENGTHENING AND ENFORCING THEIR COUNTY’S LAND-USE CODES**.
3. **FAILS TO ADDRESS STATED PURPOSE AND FAR EXCEEDS ITS SCOPE:** The preamble states: “The purpose of this Act is to provide an option for county

participation in the approval of MAJOR condominium property regimes” (emphasis added). As drafted, the bill does NOT define or even reference MAJOR condominium property regimes, and instead recklessly applies “county subdivision requirements” to ALL CPRs, regardless of the number of units. Furthermore the introduction states: “the legislature finds that there is a need to revise laws related to agricultural property regimes,” but as written the bill APPLIES TO ALL CPRs and does NOTHING to protect agriculture. Finally, the bill perpetuates the erroneous belief that the CPR process can be used to “circumvent county subdivision requirements,” and fails to address property overdevelopment and lack of infrastructure, which are exclusively COUNTY ZONING/ENFORCEMENT ISSUES.

1. **DAMAGES THE LOCAL ECONOMY, ELIMINATES JOBS, AND REDUCES TAX REVENUES:** This Bill would have an extremely negative impact on our State economy in the form of reduced real estate sales, less affordable housing, millions of dollars in lost real property tax revenues from the separate tax assessment of CPR units, lost State income/GET/TAT tax revenue from the sale and rental of CPR units, and far reaching negative impacts on the entire real estate industry and local residents.

1. **CREATES AN UNFUNDED COUNTY MANDATE:** The proposed legislation would create an unfunded mandate, putting an overwhelming burden on already overworked and under-staffed county planning departments, as well as the State of Hawaii Real Estate Branch, who will be tasked with interpreting, implementing, and enforcing the new law.

1. **UNNECESSARY AND UNFAIR:** The proposed Bill unfairly targets the CPR process, which is already authorized and highly regulated under Chapter 514-B of the Hawaii Revised Statutes for ALL parcels. Strengthening State/county zoning ordinances, building codes, development standards, and enforcement of these rules are the only appropriate solutions for protecting land use, zoning, density, permitting/building codes, community plans, island plans, and urban growth boundaries, NOT further additions to the complex statewide CPR registration process already in place.

2. **ELIMINATES AFFORDABLE HOUSING:** We are experiencing an affordable housing crisis in Hawaii. This Bill will effectively wipe out one of the only means

of creating new affordable housing for working class residents, farmers, and local families.

1. **DISCRIMINATORY AND UNLAWFUL:** SB2524 is discriminatory in that the Bill would disproportionately affect agricultural landowners (especially small private landowners, farmers, and families) and borders on a “regulatory taking” because it unreasonably prevents private property owners from making economically viable use of their land, which could result in litigation against the State for just compensation.

FOR THE REASONS LISTED ABOVE, WE DEMAND THAT SB2524 BE TERMINATED OR AMENDED TO EXEMPT CPR PROJECTS OF 3-UNITS OR LESS.

SB-2524-HD-1

Submitted on: 3/26/2018 1:25:50 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Pat Mullen	Mullen Properties	Oppose	No

Comments:

WE STRONGLY OPPOSE SB2524 FOR THE FOLLOWING REASONS:

1. **ILLOGICAL AND UNENFORCEABLE:** SB2524 is based on a **FUNDAMENTAL MISUNDERSTANDING OF THE LAW**. Condominium Property Regimes (“CPRs”) are **NOT SUBDIVISIONS** because they do **NOT** create **SEPARATE PARCELS**. As such, CPRs **NEVER CHANGE** a property’s land-use, zoning, building density, permitting, building codes, community plans, island plans or urban growth boundaries. A CPR is a **FORM OF OWNERSHIP** (like tenants in common) and **NOT** a “process of development.” CPRs are **NOT** the problem, and county-specific land-use issues can only be addressed at the **COUNTY LEVEL**.
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SB-2524-HD-1

Submitted on: 3/26/2018 7:07:13 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Leah Damon	Maui Bees	Oppose	No

Comments:

Please add a provision that allows for real farmers who have legitimately farmed for 5 or 10 years to be able to CPR their property to leave to their children. My children have a different father and my husbands children have a different mother. By passing this you make sure my farming family will never continue to farm and own their farm, after we die and are only providing for rich people to buy our farm instead of letting our children continue to farm in in the CPR portions. The rich get richer and the farm land becomes lawn, shame on you. This will be remembered at election time. Leah Damon.

Recipient: STATE OF HAWAII HOUSE FINANCE COMMITTEE

Letter: Greetings,

HEARING ON SB2524 SD1 HD1 (2018): Wednesday, March 28, 2018, at 4:00 p.m.

TESTIMONY OF HAWAII RESIDENTS STRONGLY OPPOSING SB2524 (IT IS REQUESTED THAT THE COMMITTEE COUNT EACH SIGNATURE AS SEPARATE INDIVIDUAL TESTIMONY)

To the House Finance Committee:

Each of the undersigned individuals STRONGLY OPPOSE SB2524 for one or more of the following reasons:

WE STRONGLY OPPOSE SB2524 FOR THE FOLLOWING REASONS:

1. ILLOGICAL AND UNENFORCEABLE: SB2524 is based on a FUNDAMENTAL MISUNDERSTANDING OF THE LAW. Condominium Property Regimes (“CPRs”) are NOT SUBDIVISIONS because they do NOT create SEPARATE PARCELS. As such, CPRs NEVER CHANGE a property’s land-use, zoning, building density, permitting, building codes, community plans, island plans or urban growth boundaries. A CPR is a FORM OF OWNERSHIP (like tenants in common) and NOT a “process of development.” CPRs are NOT the problem, and county-specific land-use issues can only be addressed at the COUNTY LEVEL.

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councilmembers MUST do so by STRENGTHENING AND ENFORCING THEIR COUNTY'S LAND-USE CODES.

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The preamble states: "The purpose of this Act is to provide an option for county participation in the approval of MAJOR condominium property regimes" (emphasis added). As drafted, the bill does NOT define or even reference MAJOR condominium property regimes, and instead recklessly applies "county subdivision requirements" to ALL CPRs, regardless of the number of units. Furthermore the introduction states: "the legislature finds that there is a need to revise laws related to agricultural property regimes," but as written the bill APPLIES TO ALL CPRs and does NOTHING to protect agriculture. Finally, the bill perpetuates the erroneous belief that the CPR process can be used to "circumvent county subdivision requirements," and fails to address property overdevelopment and lack of infrastructure, which are exclusively COUNTY ZONING/ENFORCEMENT ISSUES.

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Signatures

Name	Location	Date
Jakob Wormser	Kahului, HI	2018-03-13
Cassandra Jones	Haiku, HI	2018-03-13
Demian Dressler	Kihei, HI	2018-03-13
Jamil Newirth	Makawao, HI	2018-03-13
amber villaire	haleiwa, HI	2018-03-13
Lucy Wormser	Haiku, HI	2018-03-13
Gail Pickholz	Makawao, HI	2018-03-14
Terese Wormser	Haiku, HI	2018-03-14
Jennifer Isaac	Mt Pleasant, SC	2018-03-14
JON INWOOD	Brooklyn, NY	2018-03-14
Steven Wormser	Waipahu, HI	2018-03-14
Jeremy Stice	Lahaina, HI	2018-03-14
evangeline jones	haiku, HI	2018-03-14
Dave Futch	Haiku, HI	2018-03-14
David Johnson	Makawao, HI	2018-03-14
lawrence carnicelli	Wailuku, US	2018-03-14
Ali Linder	Lahaina, HI	2018-03-14
Sarah Schmidt	Makawao, HI	2018-03-14
Mino Mclean	Kula, HI	2018-03-14
Crystal Papritz	Paia, HI	2018-03-14

Name	Location	Date
KeakaAwalau Sardine	Haiku, HI	2018-03-14
Randy Keller	Kula, HI	2018-03-14
Michelle Hollingsworth	Lahaina, HI	2018-03-14
Steve Ulene	Makawao, HI	2018-03-14
Ray Cook	Chesterfield, MO	2018-03-14
Kathleen Hogarty	Waipahu, HI	2018-03-14
Scott Ebsen	Santa Cruz, CA	2018-03-14
Naomi Newirth	Haiku, HI	2018-03-14
Leona Arensberg Coffin	Kula, HI	2018-03-14
patty sadler	Makawao, HI	2018-03-14
sally bumpus	Paia, HI	2018-03-14
Brook Starr	Makawao, HI	2018-03-14
Leo Arensberg Jr	Haiku, HI	2018-03-14
Ronald Howlett	Pukalani, HI	2018-03-14
david linn	Turlock, CA	2018-03-14
Ann Averbach	Honolulu, HI	2018-03-14
john eckhart	Wailuku, HI	2018-03-14
Cassandra Wylie	Pahoa, HI	2018-03-14
Peter Hamill	Wailuku, HI	2018-03-14
Scott Swartz	Honolulu, HI	2018-03-14
Aldei Gregoire	Haiku, HI	2018-03-14
Montez Picou	Kihei, HI	2018-03-14

Name	Location	Date
Shawn McLaughlin	Lahaina, HI	2018-03-14
Camila Wai	haiku, HI	2018-03-14
Susan DeLoria	Lahaina, HI	2018-03-14
Diane Bakker	Lahaina, HI	2018-03-14
Carolina Dantoni	Mar del Plata, Argentina	2018-03-14
Jessica Flores	US	2018-03-14
Daniel He	US	2018-03-14
Caleb Williams	US	2018-03-14
Victoria Girvan	US	2018-03-14
Rebecca Brooking	Michigan	2018-03-14
Samuel Plemons	US	2018-03-14
David Martin	US	2018-03-14
Mark Marchello	Lahaina, HI	2018-03-15
Andy Marchello	Honolulu, HI	2018-03-15
Isaac Friedman	Kula, HI	2018-03-15
Cynthia Warner	Kula, HI	2018-03-15
Becky Hanna	Makawao, HI	2018-03-15
Patricia Cadiz	Paia, HI	2018-03-15
Elisse Deleissegues	Haiku, HI	2018-03-15
Debbie Arakaki	Lahaina, HI	2018-03-15
Nancy Montoya	Lahaina, HI	2018-03-15
Douglas Poseley	Lahaina, HI	2018-03-15

Name	Location	Date
Ruth Salazar	US	2018-03-15
Chang Xiong	US	2018-03-15
Rowan Livengood	US	2018-03-15
Jerry Tichy	Lahaina, HI	2018-03-15
Dylan Vanek	US	2018-03-15
Jessica Collins	US	2018-03-15
Lavene Lewis	Las Vegas, NV	2018-03-15
Zachery Sisco	US	2018-03-15
Crystal Fox	US	2018-03-15
Valerie Mezs	US	2018-03-15
Steven Cromwell	US	2018-03-15
Sarah Luna	US	2018-03-15
Karen Cooper	US	2018-03-15
Samantha Pfeffer	US	2018-03-15
Catherine Miller	US	2018-03-15
BJ Scheidegger	US	2018-03-15
Amber Gurgens	US	2018-03-15
rivky weiss	US	2018-03-15
Martin Cooper	Kahului, HI	2018-03-15
Christyl Nagao	Koloa, HI	2018-03-15
Steve Cole	Kilauea, HI	2018-03-15
Kenneth M. Hayo	Makawao, HI	2018-03-15

Name	Location	Date
Lynn Sharp	Brea, CA	2018-03-15
Aileen Payne	Honolulu, HI	2018-03-15
Leo Arensberg	Haiku, HI	2018-03-15
Louis Shields	Lahaina, HI	2018-03-15
Sylvia Singh	San Rafael, CA	2018-03-15
Rachael Taft	Makawao, HI	2018-03-15
Eric King	Kilauea, HI	2018-03-15
Anne-Marie Forsythe	Makawao, HI	2018-03-15
Diane Burr	Makawao, HI	2018-03-15
angie young	Makawao, HI	2018-03-15
Dawn Shields Dawn Shields	Seattle, WA	2018-03-15
Pamela Reader	Lahaina, HI	2018-03-15
Todd Erickson	Salt Spring Island, B.C., Canada	2018-03-15
Lowary Barrett	US	2018-03-15
Staria Blackman	US	2018-03-15
Nicole Caporusso	US	2018-03-15
Lexa Fisher	US	2018-03-15
ROBERT HIPPI	US	2018-03-15
Gregory Perkins	US	2018-03-15
Lillian Mokey	US	2018-03-15
Giselle Holland	US	2018-03-15
alfred torres	US	2018-03-15

Name	Location	Date
Lauren Williams	US	2018-03-15
Sheila Bour	US	2018-03-15
Kaitlyn Brace	US	2018-03-15
Jennifer Flores	US	2018-03-15
Teri Grace	US	2018-03-15
Lizbeth Guzman	US	2018-03-15
daniel Miller	US	2018-03-15
Sean Burnette	US	2018-03-15
Fei Fei	US	2018-03-15
Christopher Hrebenak	US	2018-03-15
James Bianchet	US	2018-03-15
Wilson Espinal	US	2018-03-15
RedElisa Mendoza	Miami, FL	2018-03-15
Susan Waters	US	2018-03-15
Rachel Reynoso	US	2018-03-15
John Koegel	US	2018-03-15
Karen Russo	US	2018-03-15
Lenore Millspaugh	US	2018-03-15
Korbin Higley	US	2018-03-15
Mike hinshaw	US	2018-03-15
Ethan Velasquez	US	2018-03-15
Elizabeth Romero	US	2018-03-15

Name	Location	Date
Josefa V. Flors Roig	US	2018-03-15
Yinjuan Lian	US	2018-03-15
Carlos Cooksey	US	2018-03-15
Jonathan Brewer	US	2018-03-15
Katherine Barbas	US	2018-03-15
ANAHY ANTARA	US	2018-03-15
Maddy Dow	US	2018-03-15
Allison Pace	US	2018-03-15
mara wi	US	2018-03-15
Diana Dorantes	US	2018-03-15
Lizzy Yingling	US	2018-03-15
Amy Posch	US	2018-03-15
Kayleigh Beaman	US	2018-03-15
nadia lavette	US	2018-03-15
Yvonne Grady	US	2018-03-15
Jenci Moore	US	2018-03-15
Nina Ponce	US	2018-03-15
deanna davis	Kahului, HI	2018-03-15
Edward MacDowell	Honolulu, HI	2018-03-15
Amy Wisthoff-Martin	Lahaina, HI	2018-03-15
Romy Jacobson	Waikoloa Village, HI	2018-03-15
Linda Salem	Lahaina, HI	2018-03-15

Name	Location	Date
Adam Schroder	Honolulu, HI	2018-03-15
Kelly O'Kief	Paia, HI	2018-03-15
Erin Wooldridge	Paia, HI	2018-03-15
Susan Leininger	Koloa, HI	2018-03-15
Anne Carter	Kula, HI	2018-03-15
Emma Barrett barrett	Australia	2018-03-15
Anne Eliason	Princeville, HI	2018-03-15
Sam Utlej	Haiku, HI	2018-03-16
Joel Richman	HAIKU, HI	2018-03-16
Lloyd Potts	Lahaina, HI	2018-03-16
Jill Bernshouse	Costa Mesa, CA	2018-03-16
Kimi Correa	Kailua, HI	2018-03-16
Don Harris	Lahaina, HI	2018-03-16
Vincent mina	Wailuku, HI	2018-03-16
Suzanne Lanting	Waipahu, HI	2018-03-16
Jacob Freeman, P.E.	Kihei, HI	2018-03-16
Jennifer Brittin	Kahului, HI	2018-03-16
Steve sadler	Pukalani, HI	2018-03-16
ralf sifford	Makawao, HI	2018-03-16
Kelly Swanson	Makawao, HI	2018-03-16
Jeanne Wheeler	Kaneohe, HI	2018-03-16
Alex Marcelli	Haiku, HI	2018-03-16

Name	Location	Date
Joanne Tice	Waipahu, HI	2018-03-16
Robin Vega	Lahaina, HI	2018-03-16
Klaus Simmer	Makawao, HI	2018-03-16
Patrick Chandler	Honolulu, HI	2018-03-16
Matias Ricci	Kihei, HI	2018-03-16
Sandra Rausch	Lahaina, HI	2018-03-16
Evan Ryan	Makawao, HI	2018-03-16
John Kenton	Lahaina, HI	2018-03-16
Jeremy Fewell	Lahaina, HI	2018-03-16
Ronny Radicalus	Rotterdam, Netherlands	2018-03-16
Bodhi Be	Haiku, HI	2018-03-16
Franz Muellegger	Germany	2018-03-16
Stewart Goldstein	Delray Beach, FL	2018-03-16
Joshua Stone	Makawao, HI	2018-03-16
Taylor Wilson	Vernon, Canada	2018-03-16
Andrew Grier	Haiku, HI	2018-03-16
Jackson Mosher	Kula, HI	2018-03-16
Tad Archer	Haiku, HI	2018-03-16
Brian Davis	Los Angeles, CA	2018-03-16
william fagan	Wailuku, HI	2018-03-16
kurt magness	Santa Barbara, CA	2018-03-16
William Siphers	Haiku, HI	2018-03-16

Name	Location	Date
Keith Christie	Haiku, HI	2018-03-16
Molly Rasmussen	Lahaina, HI	2018-03-16
Douglas Miller	Kula, HI	2018-03-16
Roger Thorson	Makawao, HI	2018-03-16
Dean Frampton	Makawao, HI	2018-03-16
Heleena Oliveira	Haiku, HI	2018-03-16
Michael Leake	Makawao, HI	2018-03-16
Chris Parker, PE	Makawao, HI	2018-03-16
Eduardo Bello	Maui, HI	2018-03-16
Ronny Raducalus	Netherlands	2018-03-16
Eduardo A. Gandolfo	Kihei, HI	2018-03-16
Bennett Walin	Kula, HI	2018-03-16
Gavin Ferguson	Kula, HI	2018-03-16
Dylan Payne	Lahaina, HI	2018-03-16
Luba Kovrigina	Riga, Latvia	2018-03-16
Alexa Hatton	Makawao, HI	2018-03-16
Frederick Hidalgo	Lahaina, US	2018-03-16
Ryan Holtom	WOODINVILLE, WA	2018-03-16
Amanda Cantor	Kahului, HI	2018-03-16
Deanna Ferguson	Kula, HI	2018-03-16
charles Buckingham	Newport Beach, CA	2018-03-16
David Slater	North vancouver, Canada	2018-03-16

Name	Location	Date
peter martin	Haiku, HI	2018-03-16
Jeffrey Lundahl	Paia, HI	2018-03-16
Sam Vessel	Makawao, HI	2018-03-16
Kristin Boese	Wailuku, HI	2018-03-16
Patri McLaughlin	Kihei, HI	2018-03-16
Jennifer Schettewi	Paia, HI	2018-03-16
Garrett Lisi	Makawao, HI	2018-03-16
Héctor Vera García	Las Palmas, Spain	2018-03-16
Peter Haakon Boa	Skanderborg, Denmark	2018-03-16
Darcy Ledesma	Austin, TX	2018-03-16
Kristen Starr	McKinleyville, CA	2018-03-16
Joseph Jalbert	Makawao, HI	2018-03-16
sally johnston	makawao, HI	2018-03-16
Ray Woodward	Kihei, HI	2018-03-16
Brett Christiansen	Paia, HI	2018-03-16
Vern Wichers	Haiku, HI	2018-03-16
linda paul	Satellite Beach, FL	2018-03-16
Kristen Payne	Lahaina, HI	2018-03-17
Edmond Ktafchow	Maui, HI	2018-03-17
Keith Powers	Kula, HI	2018-03-17
Gary Meola	Paia, HI	2018-03-17
Marc Emde	Isleton, CA	2018-03-17

Name	Location	Date
Patrick Mullen	Haiku, HI	2018-03-17
Petra Kreuzwieser	Austria	2018-03-17
James Bickford	Makawao, HI	2018-03-17
Mie Blomgren Lauritzen	Copenhagen, Denmark	2018-03-17
Billy Jalbert	Paia, HI	2018-03-17
Matt Pritchard	Haiku, HI	2018-03-17
Peter.com Lord	Shawnee, KS	2018-03-17
Irene McPhee	Lahaina, HI	2018-03-17
Thomas D. Welch Jr. Welch	Haiku, HI	2018-03-17
Ricky Wright	St Simons Island, GA	2018-03-17
Michael Ayson	Kaneohe, HI	2018-03-17
Cassidy Lum	Honolulu, HI	2018-03-17
Evans Smith	Hilo, HI	2018-03-17
Teresa Olson	Havre, MT	2018-03-17
Ian Hollingsworth	Lahaina, HI	2018-03-17
Mark La Turner	Haiku, HI	2018-03-17
Jonathan Isenberg	Honolulu, HI	2018-03-17
Clayton Matchett	Kula, HI	2018-03-17
Michael Reid	Lahaina, HI	2018-03-17
Beth Miracle	Haiku, HI	2018-03-17
Floyd Rillefstad	Maple Valley, WA	2018-03-17
Tanu Reddi Reddi	New York, NY	2018-03-17

Name	Location	Date
Tyler Pearce	Lockport, NY	2018-03-17
Anne Barber	Haiku, HI	2018-03-17
Janet Anderson-Pung	Makawao, HI	2018-03-17
Lu Morano	Walla Walla, WA	2018-03-17
Shepherd Nelson	Kula, HI	2018-03-17
Thomas Griffith	US	2018-03-17
Joe Bobrow	Sherman Oaks, CA	2018-03-17
jo ann LEWINSKA	US	2018-03-17
Kyle Weldon	Kula, HI	2018-03-17
Sarah Gontoski	Kula, HI	2018-03-17
David Wolf	Kula, HI	2018-03-18
Erick Aversa	Fairfield, CA	2018-03-18
Bruce U'u	Paia, HI	2018-03-18
Erin Mitchell	Portland, OR	2018-03-18
Meredith Shansky	Hamtramck, MI	2018-03-18
Katie Naishktnaish	San Francisco, CA	2018-03-18
Linda Spitz	Tustin, CA	2018-03-18
Ben Mead	Keaau, HI	2018-03-18
Gert Lauritsen	Frederikssund, Denmark	2018-03-18
Scott Corcoran	McKinney, TX	2018-03-18
Dennis DeMase	Palm Beach Gardens, FL	2018-03-18
John Nijenhuis	Sassenheim, Netherlands	2018-03-18

Name	Location	Date
Meli King	Kihei, HI	2018-03-19
Dawn Hudson	Holokai, HI	2018-03-19
Adam Casey	US	2018-03-19
Paquita Peters	US	2018-03-19
Josh Jerman	Haiku, HI	2018-03-19
Donald McGean	Kahului, HI	2018-03-19
Lani Galetto	Haiku, HI	2018-03-19
Patrick Franta	Makawao, HI	2018-03-19
Brian Toker	Honolulu, HI	2018-03-19
Dale Richardson	Kihei, HI	2018-03-19
John Barbier	Lahaina, HI	2018-03-19
Tracy Stice	Haiku, HI	2018-03-19
Cynthia Greenwell	Kihei, HI	2018-03-19
Dylan Davidson	Makawao, HI	2018-03-19
Melissa Newirth	Haiku, HI	2018-03-19
Teresa Adams	Lahaina, HI	2018-03-19
Roy Migita	Seattle, WA	2018-03-19
Mike Adrian	Paia, HI	2018-03-19
Tina Bair	Paia, HI	2018-03-19
Michele Parker	KULA, HI	2018-03-19
Phil deCarion	Laguna Beach, CA	2018-03-19
Kenny Luu	US	2018-03-19

Name	Location	Date
Douglas Salisbury	Riverside, CA	2018-03-19
Michael Adams	US	2018-03-19
Dianne Miller	US	2018-03-19
Chuck Naturale	Miami, FL	2018-03-19
Nick Sieders	US	2018-03-19
Tammy Bossom	Kearney, NE	2018-03-19
Cutie Cat	US	2018-03-19
Jessica Jung	US	2018-03-19
vicki mckenna	US	2018-03-19
Alma Jones	US	2018-03-19
Saul Paredes	US	2018-03-19
Jaycee Huffman	US	2018-03-19
Kate Cheney	Wailuku, HI	2018-03-19
Elizabeth Beyer-Partin	US	2018-03-19
Roberta Rini	US	2018-03-19
Barbara Frisina	US	2018-03-19
Stephen Duarte	Pukalani, HI	2018-03-19
Angelynn Bair	Haiku, HI	2018-03-19
Steve Parker	Kula, HI	2018-03-19
pascal benoist	haiku, HI	2018-03-20
Jenny Hudson	Wailuku, HI	2018-03-20
Joel Friedman	Kula, HI	2018-03-20

Name	Location	Date
Jeff grundhauser	Makawao, HI	2018-03-20
Anthony Sayles	Haiku, HI	2018-03-20
Erin Haywood	Kihei, HI	2018-03-20
ALICE JORDAN	Wailuku, HI	2018-03-20
Linda Briske	Kula, HI	2018-03-20
Diane Hatchett	US	2018-03-20
Brendan O'Colmain	Makawao, HI	2018-03-20
Andrea Fyock	US	2018-03-20
Robin Vajda	US	2018-03-20
Ellen and David Ernisse	Lahaina, HI	2018-03-20
tom lloyd	Kula, HI	2018-03-20
Guida Anderson	Wailuku, HI	2018-03-20
Kimo Haynes	Kahului, HI	2018-03-20
David Mayer	Sandy, TX	2018-03-20
Leah Damon	Kula, HI	2018-03-20
Robin Stone	Santa Cruz, CA	2018-03-20
Martin Verrastro	Lahaina, HI	2018-03-20
Teresa Nelle	Lahaina, HI	2018-03-20
Victor Castillo	US	2018-03-20
Wendy shyler sayles	Kihei, HI	2018-03-20
Heidi Bigelow	Haiku, Maui, HI	2018-03-20
Ricardo Ralha	Kihei, HI	2018-03-20

Name	Location	Date
Lowen Okamoto	Kahului, HI	2018-03-20
Kayla Mccracken	Kula, HI	2018-03-20
William Wittman	La Habra, CA	2018-03-20
Skip Redford	San Diego, CA	2018-03-20
Tammy campbell	Paia, HI	2018-03-20
Van Fischer	Lahaina, HI	2018-03-20
mary ellen mackay	portland, OR	2018-03-20
Michael Matheson	Petaluma, CA	2018-03-20
Robert Adams	Lahaina, HI	2018-03-20
Lance Dunbar	Kaunakakai, HI	2018-03-20
Carter Barto	Wailuku, HI	2018-03-20
Greg Sheehan	Haiku, HI	2018-03-20
Mercy Palmer	Haiku, HI	2018-03-20
Nicole Mcdermott	Kula, HI	2018-03-20
Quincy Dein	Paia, HI	2018-03-20
Carrie Wheatley	Haiku, HI	2018-03-20
Aly Hodges	Haiku, HI	2018-03-20
Jim Robertson	Studio City, CA	2018-03-20
Jack Naiditch	Kula, HI	2018-03-20
Michael Ruiz	US	2018-03-20
Laura Butts	US	2018-03-20
Edward and Loudette Fletcher	US	2018-03-20

Name	Location	Date
lacey renfroe	Birmingham, AL	2018-03-20
Claire Hildebrand	US	2018-03-20
Cheryl Mullen	Makawao, HI	2018-03-20
Lance Holter	Po box 790656, Paia, HI	2018-03-20
Rosendo Valenzuela	Monroe, WA	2018-03-20
Jason Polakow	Kula, HI	2018-03-20
Campbell Farrell	Paia, HI	2018-03-21
Ardis Skillett	US	2018-03-21
Aspen Sims	US	2018-03-21
Shivaram Sitaram	Potomac, MD	2018-03-21
Linda Scott	US	2018-03-21
Heather Rice	US	2018-03-21
Savannah Tibbetts	US	2018-03-21
Tamara Ferri	US	2018-03-21
Argel Gonzalez	US	2018-03-21
Dawne Washington	US	2018-03-21
Robert Swift	Paia, HI	2018-03-21
Cynthia Cook	Honolulu, HI	2018-03-21
Dominic Crosariol	Wailuku, HI	2018-03-21
Brandon Murr	Wailuku, HI	2018-03-21
j m	US	2018-03-21
Elliot Mayer	US	2018-03-21

Name	Location	Date
Sunny Ramirez	US	2018-03-21
deidra thompson	US	2018-03-21
Meagan Williams	US	2018-03-21
Michele Boley	US	2018-03-21
Liliana Bennitr	US	2018-03-21
Kristin Hanscom	US	2018-03-21
Anisa Mathews	US	2018-03-21
Sofia C.	US	2018-03-21
Thomas Welborn	US	2018-03-21
Chris Cook	US	2018-03-21
Pedram Lalezar	US	2018-03-21
Zahraa Younus	US	2018-03-21
Beth Davis	US	2018-03-21
Debbie Robles	US	2018-03-21
Christopher Dennis	Pukalani, HI	2018-03-21
Jacob Ingram	Gilbert, AZ	2018-03-21
Raymond VanDijk	Lahaina, HI	2018-03-21
kathy Davey	Lahaina, HI	2018-03-21
Gabriel Hoeffken	Haiku, HI	2018-03-21
Andrea Render	US	2018-03-21
Lea Rokka	Sweden	2018-03-21
Rex Stinson	US	2018-03-22

Name	Location	Date
Scott Kenar	Wailuku, HI	2018-03-22
Andrew Janssen	Makawao, HI	2018-03-22
Hannah Lange	Mount Horeb, WI	2018-03-22
Amber Lee	Kihei, HI	2018-03-22
Francesco Moretti	Kula, HI	2018-03-22
anita hallard	kula, HI	2018-03-22
John ODonnell	Makawao, HI	2018-03-22
Robert Dein	Waikoloa Village, HI	2018-03-22
Greta Walker	Kula, HI	2018-03-22
Patricia Dukes	Kailua, HI	2018-03-22
Yelena Kogan	Fair Lawn, NJ	2018-03-22
Mike Newbro	Paia, HI	2018-03-22
Lauren Hogam	Kula, HI	2018-03-22
William Frampton	Kula, HI	2018-03-22
Jonathan Boyne	US	2018-03-22
Timothy Paich	US	2018-03-22
Tamara Bexton	Paia, HI	2018-03-22
Jon Woodhouse	Wailuku, HI	2018-03-22
rik taylor	Holualoa, HI	2018-03-22
Izaak Tyrrell	La Habra, CA	2018-03-22
Barbara Underwood	Lady Lake, FL	2018-03-23
Brad Maienschein	Vista, CA	2018-03-23

Name	Location	Date
Cole Whitney	Wailuku, HI	2018-03-23
Robin Kean	Honolulu, HI	2018-03-23
Alyssa Kingston	US	2018-03-23
Sara Mason	Kula, HI	2018-03-23
Rona Alexander	US	2018-03-23
Thomas Blamey	Kula, HI	2018-03-23
Russel Dalida	Makawao, HI	2018-03-23
Kinjal Majmudar	US	2018-03-23
Scott Bushnell	Waianae, HI	2018-03-23
Windy Strauss	Wenatchee, WA	2018-03-23
Vern Niehaus	Medford, OR	2018-03-23
Tamara Barto	Kula, HI	2018-03-23
Amanda Skinner	Kula, HI	2018-03-24
Amy Skinner	Kula, HI	2018-03-24
Rosemarie Plunkett	Haiku, HI	2018-03-24
Randy Keller	US	2018-03-24
Marisa Provost	Haiku, HI	2018-03-25
Anna Cabral	Hilo, HI	2018-03-25
Ashlie McGuire	Pukalani, HI	2018-03-25
Connor Logsdon	Makawao, HI	2018-03-25
Janice Walin	Kula, HI	2018-03-25
Jon Price	US	2018-03-25

Name	Location	Date
Alex Fergus	Honolulu, HI	2018-03-25
Jono Knight	Kahului, HI	2018-03-25
Nancy Sanchez	US	2018-03-26
Jenifer Camarena	US	2018-03-26
David Ward	Wailuku, HI	2018-03-26
Florian Heevel	Netherlands	2018-03-26
nick rasmussen	US	2018-03-26
Karla Hernandez	US	2018-03-26
Brennen Morris	US	2018-03-26
Jake Fergus	Honolulu, HI	2018-03-26
John Papazian	Haiku, HI	2018-03-26
Josef Erlemann	Kula, HI	2018-03-27
Joe Glascott	Chicago, IL	2018-03-27
Charles Wai	Honolulu, HI	2018-03-27
Kathy Johnson	Lahaina, HI	2018-03-27
David Pickett	Kula, HI	2018-03-27
Nandagopal Akkineni	Indonesia	2018-03-27
Diana Papazian	Los Angeles, CA	2018-03-27
Josh Loveless	US	2018-03-27
Smith James	US	2018-03-27
Erin Imes	US	2018-03-27
G G Sakamoto	Makawao, HI	2018-03-27

Name	Location	Date
Jessica Wallace	Kula, HI	2018-03-27
B S	Haiku, HI	2018-03-27
Carolyn Dee	US	2018-03-27
Jason Cantor	Makawao, HI	2018-03-27
Martin Bernstein	Oak Park, IL	2018-03-27
Leah Schaatt	Haiku, HI	2018-03-27
Greg Martin	Kula, HI	2018-03-27
Tracey Cress	US	2018-03-27
Adam Sax	Kula, HI	2018-03-27
Gloria Khalil	Makawao, HI	2018-03-27
Chana Boone	Wailuku, HI	2018-03-27
Mark Waite	Kihei, HI	2018-03-27
Mike Seguin	Paia, HI	2018-03-27
jamie goya	honolulu, HI	2018-03-27
Julianne Prinds	US	2018-03-27

Recipient: STATE OF HAWAII HOUSE FINANCE COMMITTEE

Letter: Greetings,

HEARING ON SB2524 SD1 HD1 (2018): Wednesday, March 28, 2018, at 4:00 p.m.

TESTIMONY OF HAWAII RESIDENTS STRONGLY OPPOSING SB2524 (IT IS REQUESTED THAT THE COMMITTEE COUNT EACH SIGNATURE AS SEPARATE INDIVIDUAL TESTIMONY)

To the House Finance Committee:

Each of the undersigned individuals STRONGLY OPPOSE SB2524 for one or more of the following reasons:

WE STRONGLY OPPOSE SB2524 FOR THE FOLLOWING REASONS:

1. ILLOGICAL AND UNENFORCEABLE: SB2524 is based on a FUNDAMENTAL MISUNDERSTANDING OF THE LAW. Condominium Property Regimes (“CPRs”) are NOT SUBDIVISIONS because they do NOT create SEPARATE PARCELS. As such, CPRs NEVER CHANGE a property’s land-use, zoning, building density, permitting, building codes, community plans, island plans or urban growth boundaries. A CPR is a FORM OF OWNERSHIP (like tenants in common) and NOT a “process of development.” CPRs are NOT the problem, and county-specific land-use issues can only be addressed at the COUNTY LEVEL.

2. THE COUNTY OF MAUI AND/OR SMALL-SCALE PROJECTS MUST BE EXEMPTED: The County of Maui (or CPRs with 3-units or less) must be exempted from this legislation because MAUI COUNTY’S ZONING, BUILDING, AND DEVELOPMENT CODES ALREADY FULLY ADDRESS THE INTENT OF SB2524. Maui County codes clearly stipulate that each agriculturally zoned parcel, REGARDLESS OF SIZE, may qualify for permits to build NO MORE THAN TWO (2) FARM DWELLINGS after implementation of a farm plan. Furthermore, the COUNTY OF MAUI ALREADY REQUIRES INFRASTRUCTURE IMPROVEMENTS for ALL parcels, regardless of zoning, with more than 3-dwellings. As such, the issues of agricultural use, infrastructure improvements, over-development of agricultural lands, and County participation in the CPR process are already thoroughly addressed by the County of Maui. If other counties, such as the City and County of Honolulu, wish to “participate in the CPR process” their mayors/county

councilmembers MUST do so by STRENGTHENING AND ENFORCING THEIR COUNTY'S LAND-USE CODES.

3. FAILS TO ADDRESS STATED PURPOSE AND FAR EXCEEDS ITS SCOPE:

The preamble states: "The purpose of this Act is to provide an option for county participation in the approval of MAJOR condominium property regimes" (emphasis added). As drafted, the bill does NOT define or even reference MAJOR condominium property regimes, and instead recklessly applies "county subdivision requirements" to ALL CPRs, regardless of the number of units. Furthermore the introduction states: "the legislature finds that there is a need to revise laws related to agricultural property regimes," but as written the bill APPLIES TO ALL CPRs and does NOTHING to protect agriculture. Finally, the bill perpetuates the erroneous belief that the CPR process can be used to "circumvent county subdivision requirements," and fails to address property overdevelopment and lack of infrastructure, which are exclusively COUNTY ZONING/ENFORCEMENT ISSUES.

4. DAMAGES THE LOCAL ECONOMY, ELIMINATES JOBS, AND REDUCES TAX REVENUES: This Bill would have an extremely negative impact on our State economy in the form of reduced real estate sales, less affordable housing, millions of dollars in lost real property tax revenues from the separate tax assessment of CPR units, lost State income/GET/TAT tax revenue from the sale and rental of CPR units, and far reaching negative impacts on the entire real estate industry and local residents.

5. CREATES AN UNFUNDED COUNTY MANDATE: The proposed legislation would create an unfunded mandate, putting an overwhelming burden on already overworked and under-staffed county planning departments, as well as the State of Hawaii Real Estate Branch, who will be tasked with interpreting, implementing, and enforcing the new law.

6. UNNECESSARY AND UNFAIR: The proposed Bill unfairly targets the CPR process, which is already authorized and highly regulated under Chapter 514-B of the Hawaii Revised Statutes for ALL parcels. Strengthening State/county zoning ordinances, building codes, development standards, and enforcement of these rules are the only appropriate solutions for protecting land use, zoning, density, permitting/building codes, community plans, island plans, and urban growth boundaries, NOT further additions to the complex statewide CPR registration process already in place.

7. ELIMINATES AFFORDABLE HOUSING: We are experiencing an affordable housing crisis in Hawaii. This Bill will effectively wipe out one of the only

means of creating new affordable housing for working class residents, farmers, and local families.

8. DISCRIMINATORY AND UNLAWFUL: SB2524 is discriminatory in that the Bill would disproportionately affect agricultural landowners (especially small private landowners, farmers, and families) and borders on a “regulatory taking” because it unreasonably prevents private property owners from making economically viable use of their land, which could result in litigation against the State for just compensation.

FOR THE REASONS LISTED ABOVE, WE DEMAND THAT SB2524 BE TERMINATED OR AMENDED TO EXEMPT CPR PROJECTS OF 3-UNITS OR LESS.

Comments

Name	Location	Date	Comment
Cassandra Jones	Haiku, HI	2018-03-13	The majority of habitable land on our island is Ag zoned. If you support affordable housing, please read, sign, and share. You'll be doing the due diligence that those who drafted this nonsensical bill failed to do.
Mino Mclean	Kula, HI	2018-03-14	I am an agricultural land owner and feel this reduces the potential use for my property
patty sadler	Makawao, HI	2018-03-14	There is no direct impact as far was density with an AG CPR and it allows numerous people who live and work her to be able to get into the real estate market here on Maui. It is un affordable for most people to get their foot in the door to own a home here on the island.
sally bumpus	Paia, HI	2018-03-14	i support providing affordable real estate
Ronald Howlett	Pukalani, HI	2018-03-14	Ronald Howlett
Cassandra Wylie	Pahoa, HI	2018-03-14	It's the right thing to do!
Camila Wai	haiku, HI	2018-03-14	I cant believe the county is doing this to local people. why would you do this to your own people?
Shawn McLaughlin	Lahaina, HI	2018-03-14	I have legally cpr'd my property for greater farming potential.I am very surprised this Bill is sneaking by without public hearings?
Rebecca Brooking	Michigan	2018-03-14	I live on Maui and now how critical it the affordable housing situation has become.
Patricia Cadiz	Paia, HI	2018-03-15	I'm concerned about young people having access to own property in the state in which they were born. I believe CPRs offer an affordable avenue for ownership
Nancy Montoya	Lahaina, HI	2018-03-15	I believe that we have already allowed for legal CPR lots in may neighborhoods. I do not think it is fair to close the door on CPR's where they already exist.
Kaeli Ho	Lahaina, HI	2018-03-15	Keep the cpr ability for Maui county subdivisions that already exist. Maui has codes in action that keep the number of structures limited. The county does need to keep up with maintaining the integrity of the codes and require lot owners to keep their Ag plans intact on their parcels.
Jerry Tichy	Lahaina, HI	2018-03-15	This is just wrong. This bill would make the affordable home crisis even worse, deprives homeowners of making best use of their land, would result in less tax revenues, just wrong on so many levels.
Todd Erickson	Salt Spring Island, B.C., Canada	2018-03-15	This is the only way to make Maui housing more affordable.
Steve sadler	Pukalani, HI	2018-03-16	It's affordable housing for the most expensive state in the USA!

Name	Location	Date	Comment
Bodhi Be	Haiku, HI	2018-03-16	this is so discriminatory and unjust as well as making it harder for local small farmers.
Dean Frampton	Makawao, HI	2018-03-16	Please allow individual counties to address ag land issues on an island by island basis
Kristin Boese	Wailuku, HI	2018-03-16	The does not work for the island of Maui and needs to be completely re-considered.
Peter Haakon Boa	Skanderborg, Denmark	2018-03-16	I'm signing this petition, because my friend Josh Stone asked me to. I live in Denmark and have only been to Maui once. But reading through the petition it only makes sense to oppose this. Maui for rich & poor, big and small alike!
linda paul	Satellite Beach, FL	2018-03-16	Linda Paul
Keith Powers	Palo Alto, CA	2018-03-17	This would be very, very bad. The summary above describes all the reasons very concisely. Thx Jakob. 1. ELIMINATES AFFORDABLE HOUSING2. DISCRIMINATORY AND UNLAWFUL 3. DAMAGES ECONOMY AND REDUCES TAX REVENUES4. CREATES AN UNFUNDED MANDATE5. ILLOGICAL AND UNENFORCEABLE 6. UNNECESSARY AND REDUNDANT:7. NOT APPLICABLE TO THE COUNTY OF MAUI
Peter.com Lord	Shawnee, KS	2018-03-17	We oppose this bill, and are property owners on Maui.
Ian Hollingsworth	Lahaina, HI	2018-03-17	This would not help anybody or anything locally.
Anne Barber	Haiku, HI	2018-03-17	I just sold a CPR property on Ag land in Haiku. It allowed my buyer to find the perfect home for him, small size, acreage, perfect! We do not have enough homes on Maui, please keep on allowing CPRs on Ag properties, it allows buyers to get in our real estate market.
Erick Avena	Fairfield, CA	2018-03-18	Senate Bill 2524 doesn't appear to be in the best interest of the people of the great state of Hawaii. Let's stop it and then reassess the motivation and intent behind this bill.
Linda Spitz	Tustin, CA	2018-03-18	Linda Spitz
Patrick Franta	Makawao, HI	2018-03-19	This is an Oahu focused bill that will have statewide effects. They are trying to combat their zoning issues of Ag lands on Oahu with CPR restrictions statewide. This makes absolutely no sense. CPRing does not increase entitlements or create "increased pressure on infrastructure." Whoever wrote this Bill does not understand how it works.
Cynthia Greenwell	Kihei, HI	2018-03-19	The County of Maui already has strict rules that regulate CPRs. Oahu's issues with Ag Zoning should be handled within the County of Oahu. Further tightening of the supply of smaller, more affordable homes benefits no one!
Chuck Naturale	Miami, FL	2018-03-19	Time for this rip off to end if they could tax sunshine and the air we breath they would. Here's a good idea stop pissing away our money like drunken sailors and wasting it at every turn you politicians will not be happy until we pay 90% of our income in taxes

Name	Location	Date	Comment
Camila Wai	haiku, HI	2018-03-20	By passing sb2524 bill you will be putting tons of families, realtors, etc in big financial distress. I remind you that the reason why this is not your reality is because ,us, local people gave you the opportunity to have a better lifestyle by allowing you to have the position you are currently holding. People spoke, people are opposed to this bill (sb2524), and yet, even thou the opposition to this is overwhelming it passed like nothing, as simple as that....I wonder how.....I am overwhelmed and disgusted by the intentions on taking the little that is left to the locals and Hawaiian people. When you do wrong it always comes back to you.To sum up I strongly disagree with banning Cpr on Ag land and I strongly suggest and beg to stop this bill immediately.Do what is right for the people.
Teresa Nelle	Lahaina, HI	2018-03-20	I strongly oppose this bill.
Wendy shyer sayles	Kihei, HI	2018-03-20	WENDY shyer- sayles
Van Fischer	Lahaina, HI	2018-03-20	This bill as it currently is written will destroy the ability of first time home buyers to purchase single family homes at an affordable price
Alexa Hatton	Makawao, HI	2018-03-20	Please, please, please stop the CPR ban. It will make life all the harder for working folks to own homes here.
Carrie Wheatley	Haiku, HI	2018-03-20	Maui needs housing options. Banning CPR's has a negative effect on housing market. I oppose this bill.
Aly Hodges	Haiku, HI	2018-03-20	I think banning CPR's is a terrible idea. CPR properties allow many local folks the ability to afford homes here in Hawaii.
Campbell Farrell	Paia, HI	2018-03-21	Banning CPR's blocks opportunity for people to buy cheaper first homes.
Raymond VanDijk	Lahaina, HI	2018-03-21	CB recommended
Amber Lee	Kihei, HI	2018-03-22	I care
Robert Dein	Waikoloa Village, HI	2018-03-22	It s important to allow for more homes of sizes and to meet people's Personal needs
Mike Newbro	Paia, HI	2018-03-22	CPR is necessary to help provide affordable housing in Hawaii!
Camila Wai	haiku, HI	2018-03-26	I cant believe this is even a consideration. You were voted by the people and yet you try to put local people under financial distress by passing this non sense bill. I strongly oppose to ban ag cpr on Hawaii!
Josef Erlemann	Kula, HI	2018-03-27	This is bad for Hawaii.
gary meola	Paia, HI	2018-03-27	Counter productive with no reasoning !
Chana Boone	Wailuku, HI	2018-03-27	Please help families affordably looking for a way to either downsize or simply divide their property. CPR's are imparative to helping people affordably begin to own land while helping others to

Name	Location	Date	Comment
			downsize and take care of the amount of property they are comfortable afford.

SB-2524-HD-1

Submitted on: 3/26/2018 10:53:56 AM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
JOEL RICHMAN	Individual	Oppose	Yes

Comments:

- We understand the impetus of this Bill is derived from a large Oahu Ag CPR project in which buyers built illegal dwellings, even though the project clearly stated there was no potable water for residential development at the time of sale and purchase.
- We believe the intent to mitigate this Oahu specific issue via the proposed legislation, that places County oversight on CPRs, is not the most efficient course of action, and that stronger City & County enforcement is the proper course of action.
- We on Maui have a much larger proportion of land ownership in Agricultral districts, and we do not have the dwelling density issues on Ag land that Oahu faces, as our zoning limits only two dwellings per single Ag lot, no matter what the size of the lot.
- We on Maui use the CPR tool often as an easy and inexpensive way to split ownership of a single Ag lot, typically seperating the two allowed dwellings into separate units. This allows small landowners, farmers, and ranchers a number of very important options with their large Ag lots.
 - - Obvious examples:
 - - - Allows a parent to pass separate ownerships of an Ag lot to multiple children/families.
 - Allows a farm operation the ability to sell only a poriton of an Ag lot to support the operation, without being forced to sell the entire lot, or loosing the operation all together.
 - Allows families to finance only a portion of an Ag lot, instead of incumbering the entire lot. Often monies from these sales are used to build one of the two allowed dwellings for example.
- We believe requiring small CPR projects, 3 or less units, to meet County subdivison requirements would be prohibitively expensive and unrealistic. Even the soft costs required to meet these standards would not equal the value of creating 3 or less units.

- For the reasons above, and the fact that the CPR tool is extremely important to Maui County, and to small landowners State wide, we are strongly opposed to this Oahu specific Bill, HOWEVER we offer simple proposed additions to the Bill that would preserve it's intent to include County oversight on "large" CPR projects, while allowing "small", family sized CPR projects, 3 or less units, to continue without prohibitive costs.
- 1. **ILLOGICAL AND UNENFORCEABLE:** SB2524 is based on a **FUNDAMENTAL MISUNDERSTANDING OF THE LAW.** Condominium Property Regimes ("CPRs") are **NOT SUBDIVISIONS** because they do **NOT** create **SEPARATE PARCELS.** As such, CPRs **NEVER** change a property's land-use, zoning, building density, permitting, building codes, community plans, island plans or urban growth boundaries. A CPR is a **FORM OF OWNERSHIP** and **NOT** a "process of development."

2. **THE COUNTY OF MAUI AND/OR SMALL-SCALE PROJECTS MUST BE EXEMPTED:** The County of Maui (or CPRs with less than 3-units) must be summarily exempt from this legislation because **MAUI COUNTY'S ZONING, BUILDING, AND DEVELOPMENT CODES ALREADY FULLY ADDRESS THE INTENT OF SB2524.** Maui County codes clearly stipulate that each agriculturally zoned parcel, **REGARDLESS OF SIZE,** may qualify for permits to build **NO** more than two (2) farm dwellings after implementation of a farm plan. Furthermore, the County of Maui already requires infrastructure improvements for **ALL** parcels, regardless of zoning, with more than 3-dwellings. As such, the issues of infrastructure improvements, over-development of agricultural lands, and County participation in the CPR process are already thoroughly addressed by the County of Maui. If other counties, such as the City and County of Honolulu, wish to "participate in the CPR process" they may do so by strengthening and enforcing their county's own zoning and building codes.

3. **FAILS TO ADDRESS STATED PURPOSE AND FAR EXCEEDS ITS SCOPE:** The preamble states: "The purpose of this Act is to provide an option for county participation in the approval of **MAJOR** condominium property regimes" (emphasis added). As drafted, the bill does **NOT** define or even reference **MAJOR** condominium property regimes, and instead recklessly applies to **ALL** CPRs, regardless of the number of units. Furthermore the introduction states: "the legislature finds that there is a need to revise laws related to agricultural property regimes," but as written the bill **APPLIES TO ALL** CPRs and **DOES NOTHING TO PROTECT AGRICULTURE.** Finally, the bill perpetuates the erroneous belief that the CPR process can be used to "circumvent county subdivision requirements," while failing to address property over-development and lack of infrastructure, which are exclusively **COUNTY ZONING/ENFORCEMENT ISSUES.**

4. **DAMAGES THE LOCAL ECONOMY, ELIMINATES JOBS, AND REDUCES TAX REVENUES:** This Bill would have an extremely negative impact on our State economy in the form of reduced real estate sales, less affordable housing,

millions of dollars in lost real property tax revenues from the separate tax assessment of CPR units, lost State income/GET/TAT tax revenue from the sale and rental of CPR units, and far reaching negative impacts on the entire real estate industry and local residents.

5. **CREATES AN UNFUNDED COUNTY MANDATE:** The proposed legislation would create an unfunded mandate, putting an overwhelming burden on already overworked and under-staffed county planning departments, as well as the State of Hawaii Real Estate Branch, who will be tasked with interpreting, implementing, and enforcing the new law.

6. **UNNECESSARY AND UNFAIR:** The proposed Bill unfairly targets the CPR process, which is already authorized and highly regulated under Chapter 514-B of the Hawaii Revised Statutes for ALL parcels. Strengthening State/county zoning ordinances, building codes, development standards, and enforcement of these rules are the only appropriate solutions for protecting land use, zoning, density, permitting/building codes, community plans, island plans, and urban growth boundaries, NOT further additions to the complex statewide CPR registration process already in place.

7. **ELIMINATES AFFORDABLE HOUSING:** We are experiencing an affordable housing crisis in Hawaii. This Bill will effectively wipe out one of the only means of creating new affordable housing for working class residents, farmers, and local families.

8. **DISCRIMINATORY AND UNLAWFUL:** SB2524 is discriminatory in that the Bill would disproportionately affect agricultural landowners (especially small private landowners, farmers, and families) and borders on a “regulatory taking” because it unreasonably prevents private property owners from making economically viable use of their land, which could result in litigation against the State for just compensation.

SB 2542 – MAUI LANDOWNERS UNDERSTANDING & PROPOSAL:

- We understand the impetus of this Bill is derived from a large Oahu Ag CPR project in which buyers built illegal dwellings, even though the project clearly stated there was no potable water for residential development at the time of sale and purchase.
- We believe the intent to mitigate this Oahu specific issue via the proposed legislation, that places County oversight on CPRs, is not the most efficient course of action, and that stronger City & County enforcement is the proper course of action.
- We on Maui have a much larger proportion of land ownership in Agricultural districts, and we do not have the dwelling density issues on Ag land that Oahu faces, as our zoning limits only two dwellings per single Ag lot, no matter what the size of the lot.
- We on Maui use the CPR tool often as an easy and inexpensive way to split ownership of a single Ag lot, typically separating the two allowed dwellings into separate units. This allows small landowners, farmers, and ranchers a number of very important options with their large Ag lots.
 - o Obvious examples:
 - Allows a parent to pass separate ownerships of an Ag lot to multiple children/families.
 - Allows a farm operation the ability to sell only a portion of an Ag lot to support the operation, without being forced to sell the entire lot, or losing the operation all together.
 - Allows families to finance only a portion of an Ag lot, instead of encumbering the entire lot. Often monies from these sales are used to build one of the two allowed dwellings for example.
- We believe requiring small CPR projects, 3 or less units, to meet County subdivision requirements would be prohibitively expensive and unrealistic. Even the soft costs required to meet these standards would not equal the value of creating 3 or less units.

- For the reasons above, and the fact that the CPR tool is extremely important to Maui County, and to small landowners State wide, we are strongly opposed to this Oahu specific Bill, HOWEVER we offer simple proposed additions to the Bill that would preserve it's intent to include County oversight on "large" CPR projects, while allowing "small", family sized CPR projects, 3 or less units, to continue without prohibitive costs. (PLEASE SEE ATTACHED ADDITIONS)

Mahalo,

A handwritten signature in black ink, appearing to be the initials 'JL' followed by a long horizontal stroke.

A BILL FOR AN ACT

RELATING TO COUNTY LAND USE REQUIREMENTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that there is a need to revise laws related to agricultural property regimes. Recently, there has been an increased interest in developing agricultural lands through the condominium property regime process. While this provides land developers with a process to reduce front-end costs of selling agricultural lands, it often thwarts the long-term viability of these "units", as master planning is absent, particularly with respect to supporting county infrastructure.

The legislature further finds that current condominium property regime laws only require that the proposed condominium property regime comply with county zoning, but do not require compliance with county subdivision requirements, which is where counties can review and ensure that necessary supportive infrastructure is available, including roads, water, and sewer lines, prior to the sale of the property.

The legislature additionally finds that current condominium property regime laws do not require county approval of the condominium property regime. This current process inhibits a county's ability to plan, regulate, and enforce its agricultural plans, goals, and infrastructure services.

The legislature also finds that section 205-4.5(f), Hawaii Revised Statutes, specifically allows agricultural land developers to bypass county subdivision requirements, which promotes the condominium property regime process over the county subdivision process. The condominium property regime process is a complex set of regulations and restrictions that are often not easily

understood at the time of purchase.

The purpose of this Act is to provide an option for county participation in the approval of certain major condominium property regimes.

SECTION 2. Section 205-4.5, Hawaii Revised Statutes, is amended by amending subsection (f) to read as follows:

"[+] (f) [+] Notwithstanding any other law to the contrary, agricultural lands may be subdivided and leased for the agricultural uses or activities permitted in subsection (a); provided that:

(1) The principal use of the leased land is agriculture;

(2) No permanent or temporary dwellings or farm dwellings, including trailers and campers, are constructed on the leased area. This restriction shall not prohibit the construction of storage sheds, equipment sheds, or other structures appropriate to the agricultural activity carried on within the lot; [and] provided that no residential or congregate use of such sheds or other structures for any length of time shall be permitted, and any violation of this paragraph shall be subject to county enforcement authority and fines pursuant to sections 46-4, 205-12, and 205-13;

(3) No residential development is constructed on lands that were or are currently in a preservation zoning district; and

~~[(3)]~~ (4) The lease term for a subdivided lot shall be for at least as long as the greater of:

- (A) The minimum real property tax agricultural dedication period of the county in which the subdivided lot is located; or
- (B) Five years.

Lots created and leased pursuant to this section shall be legal lots of record for mortgage lending purposes and shall be exempt from county subdivision standards."

SECTION 3. Section 514B-5, Hawaii Revised Statutes, is amended to read as follows:

where a project contains more than three (3) units on a single parcel of land, county

"**§514B-5 Conformance with county [land use] laws.** Any condominium property regime established under this chapter shall conform to the existing underlying county zoning and subdivision or equivalent requirements, except as provided in section 205-4.5(f), for the property and all applicable county permitting requirements adopted by the county in which the property is located, including any supplemental rules adopted by the county, pursuant to section 514B-6, to ensure the conformance of condominium property regimes to the

purposes and provisions of county zoning, subdivision, and development ordinances and rules and chapter 205, including section 205-4.6 where applicable[-], except as provided in section 205-4.5(f). In the case of a property which includes one or more existing structures being converted to condominium status, the condominium property regime shall comply with section 514B-32(a)(13) or 514B-84(a)."

SECTION 4. Section 514B-6, Hawaii Revised Statutes, is amended to read as follows:

"~~{}~~**§514B-6**~~}~~ **Supplemental county ordinances and rules governing a condominium property regime.** Whenever any county deems it proper, the county may adopt supplemental ordinances and rules governing condominium property regimes established under this chapter in order to implement this program; provided that any of the supplemental rules adopted shall not conflict with this chapter or with any of the rules adopted by the commission to implement this chapter."

SECTION 5. Section 514B-52, Hawaii Revised Statutes, is amended to read as follows:

"§514B-52 Application for registration. (a) An application for registration of a project shall:

(1) Be accompanied by nonrefundable fees as provided in rules adopted by the director of commerce and consumer affairs pursuant to chapter 91; and

(2) Contain the documents and information concerning the project and the condominium property regime as required by sections 514B-54, 514B-83, and 514B-84, as applicable, and as otherwise may be specified by the commission.

(b) An application for registration of a project in the agricultural district classified pursuant to chapter 205 shall include a verified statement, signed by an appropriate county official, that the project as described and set forth in the project's declaration, condominium map, bylaws, and house rules does not include any restrictions limiting or prohibiting agricultural uses or activities, in compliance with section 205-4.6. The commission shall not accept the registration of a project where a county official has not signed a verified

statement.

containing more than three (3) units on a single parcel of land

(c) An application for registration of a project in a county agricultural zoning district or preservation zoning district shall include:

(1) A verified statement, signed by an appropriate county official, that the project is in compliance with any supplemental county ordinances, county subdivision standards, except as provided in section 205-4.5(f), and other rules adopted pursuant to section 514B-6; and

(2) An agricultural business plan, farm plan, or conservation plan, to be updated every five years after submission.

~~(+e)~~ (d) The commission need not process any incomplete application and may return an incomplete application to the developer and require that the developer submit a new application, including nonrefundable fees. If an incomplete application is not completed within six months of the date of the original submission, it shall be deemed abandoned and registration of the project shall require the submission of a new application, including nonrefundable fees.

~~(+d)~~ (e) A developer shall promptly file amendments to report either any actual or expected pertinent or material change, or both, in any document or information contained in the application."

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 1, 2100.

Report Title:

Condominium Property Regimes; Agricultural Lands; County Subdivision Requirements

Description:

Prohibits residential or congregate use of sheds or other structures on agricultural lands. Prohibits residential development on lands previously or currently in a preservation zoning district. Requires condominium property regimes to comply with county subdivision or equivalent requirements subject to exceptions. Requires that an application for registration of a project in a county agricultural zoning district or preservation zoning district include a verified statement, signed by an appropriate county official, that the project is in compliance with any applicable supplemental county ordinances, county subdivision standards, and other rules, and an agricultural business plan, farm plan, or conservation plan. (SB2524 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

FIN-Jo

From: info@legalserviceshawaii.com
Sent: Tuesday, March 27, 2018 8:46 AM
To: FINTestimony; Rep. Sylvia Luke; Rep. Ty Cullen; Rep. Romy Cachola; Rep. Lynn DeCoite; Rep. Beth Fukumoto; Rep. Cedric Gates; Rep. Daniel Holt; Rep. Jarrett Keohokalole; Rep. Bertrand Kobayashi; Rep. Nicole Lowen; Rep. Nadine Nakamura; Rep. Chris Todd; Rep. Kyle Yamashita; Rep. Andria Tupola; Rep. Gene Ward
Subject: RESPONSE REQUESTED - SB2524 SD1 HD1 (requiring all CPRs to comply with county subdivision or equivalent requirements)
Attachments: SB2524 SD1 HD1 (proposed changes).pdf
Importance: High

Dear Honorable Chair Luke and Members of the House Finance Committee,

Tomorrow at 4:00pm, your Committee will hold the FINAL PUBLIC HEARING on SB2524 SD1 HD, which requires ALL future CPRs in Hawaii to somehow “comply with county subdivision or equivalent requirements.” This is one of the most misinformed, overreaching, and damaging pieces of legislation in a very long time and your Committee has the last chance to fix it.

Please CONTACT US to provide an assurance that the Finance Committee will represent the interests of Hawaii Residents and the whole State of Hawaii in VOTING NO on this bill, or agree to include the attached AMENDMENTS, which at the very least make this bill intelligible and legally enforceable.

- The inclusion of the word “SUBDIVISION” in the CPR STATUE (HRS CHAPTER 514B) is LEGALLY UNACCEPTABLE.
- A CPR is a FORM OF LEGAL OWNERSHIP (similar to tenants in common), because the underlying CPR property remains ONE UN-SUBDIVIDED PARCEL OF LAND for ALL county zoning and land-use purposes.
- A CPR NEVER changes a property’s use, zoning, building density, permitting requirements, building codes, community plans, island plans, urban growth boundaries, or any other COUNTY land-use regulation applicable to the property.
- Ensuring compliance with zoning, building, and other applicable property development standards is SOLELY THE RESPONSIBILITY OF THE COUNTIES in which the parcel is located (and they already have this authority).
- Applying subdivision requirements to all CPRs is a LEGAL IMPOSSIBILITY, that will EFFECTIVELY REPEAL the entire CPR STATUTE and cause immeasurable damage to the State, without solving any of the underlying County-specific land-use issues.
- If lawmakers do NOT understand the fundamental legal difference between CPRs and Subdivisions, they should NOT be drafting substantive amendments the CPR Law.

We have also created a [petition](#) signed by 500 Hawaii Residents with further explanation. We look forward to hearing from you ASAP. If we do not receive a response, it will force many of us to fly to Oahu just to provide 3 minutes of testimony.

Sincerely,
Jakob K. Wormser
Attorney at Law

--

Jakob K. Wormser, Attorney at Law, LLC

500 Haloa Road

Haiku, HI 96708

Phone: (808) 877-8877

www.legalserviceshawaii.com

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A BILL FOR AN ACT

RELATING TO COUNTY LAND USE REQUIREMENTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that there is a need to revise laws related to agricultural property regimes. Recently, there has been an increased interest in developing agricultural lands through the condominium property regime process. While this provides land developers with a process to reduce front-end costs of selling agricultural lands, it often thwarts the long-term viability of these "units", as master planning is absent, particularly with respect to supporting county infrastructure.

The legislature further finds that current condominium property regime laws only require that the proposed condominium property regime comply with county zoning, but do not require compliance with county subdivision requirements, which is where counties can review and ensure that necessary supportive infrastructure is available, including roads, water, and sewer lines, prior to the sale of the property.

The legislature additionally finds that current condominium property regime laws do not require county approval of the condominium property regime. This current process inhibits a county's ability to plan, regulate, and enforce its agricultural plans, goals, and infrastructure services.

The legislature also finds that section 205-4.5(f), Hawaii Revised Statutes, specifically allows agricultural land developers to bypass county subdivision requirements, which promotes the condominium property regime process over the county subdivision process. The condominium property regime process is a complex set of regulations and restrictions that are often not easily

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(1) The principal use of the leased land is agriculture;

(2) No permanent or temporary dwellings or farm dwellings, including trailers and campers, are constructed on the leased area. This restriction shall not prohibit the construction of storage sheds, equipment sheds, or other structures appropriate to the agricultural activity carried on within the lot; ~~[and] provided that no residential or congregate use of such sheds or other structures for any length of time shall be permitted, and any violation of this paragraph shall be subject to county enforcement authority and fines pursuant to sections 46-4, 205-12, and 205-13;~~

~~(3) No residential development is constructed on lands that were or are currently in a preservation zoning district; and~~

~~[(3)]~~ (4) The lease term for a subdivided lot shall be for at least as long as the greater of:

(A) The minimum real property tax agricultural dedication period of the county in which the subdivided lot is located; or

(B) Five years.

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statement.

containing more than five (5) units on a single parcel of land

(c) An application for registration of a project in a county agricultural zoning district or preservation zoning district shall include:

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(2) An agricultural business plan, farm plan, or conservation plan, to be updated every five years after submission.

[+e)] (d) The commission need not process any incomplete application and may return an incomplete application to the developer and require that the developer submit a new application, including nonrefundable fees. If an incomplete application is not completed within six months of the date of the original submission, it shall be deemed abandoned and registration of the project shall require the submission of a new application, including nonrefundable fees.

[+d)] (e) A developer shall promptly file amendments to report either any actual or expected pertinent or material change, or both, in any document or information contained in the application."

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SB-2524-HD-1

Submitted on: 3/24/2018 6:05:40 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ben Walin	Individual	Oppose	No

Comments:

I strongly oppose SB 2425.

Our Islands are experiencing a extreme housing crisis and this bill will only add to the cost and availability of housing. It unfairly targets ag land owners that are required to operate under county and State laws and zoning. This will have a huge negative economic impact on our island economy.

Ben Walin

SB-2524-HD-1

Submitted on: 3/26/2018 9:51:17 AM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Katie Moquin	Individual	Oppose	No

Comments:

I am in strong opposition to this bill on CPR's on AG zoned land.

CPR is an effective way to hold title, and does not increase development or density.

On Maui, we see AG CPR's as great way to convey property that is more reasonably priced.

A CPR does not change the underlying zoning, and what is permitted on the property. For AG zoned land, you are allowed to build only two living square footage structures - a main house and a cottage up to 1,000 square feet, regardless of a CPR or no CPR. So, with a CPR you have 2 properties instead of just one (one with the main house and one with the cottage), which helps with number of homes offered (assisting in our housing shortage), and also keeps the real estate prices down (since the AG CPR property only allows 2 living square footage dwellings and once divided the price tag is lower than as a whole).

SB-2524-HD-1

Submitted on: 3/26/2018 12:07:07 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
louis shields	Individual	Oppose	No

Comments:

I oppose SB2524 as is based on a misunderstanding of the law on "CPRs. CPRs do NOT create separate parcels or change the potential density on the property. I live in Launiupoko and each lot allows for the same number of structures, regarding of whether it is CPRed or not. The proposed law will limit the provision of additional affordable housing. Please consider exempting smaller land parcels from this law as it does not achieve the stated goals of the bill as such CPR's are not Major Condo projects. Thank you for your consideration.Louis Shields

SB-2524-HD-1

Submitted on: 3/26/2018 12:32:59 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
camila wai	Individual	Oppose	No

Comments:

EXEMP MAUI!!!!!!AG CPR IS ALREADY EXTREMELY REGULATED AND DOESNT ALLOW TO BUILD MORE THAN ONE 1000 SQ FT OHANA ON LOT B AND A MAIN HOUSE ON LOT A. WHY WOULD YOU TAKE THIS FROM THE LOCAL PEOPLE????

WHO WILL DIRECTLY BE IMPACTED:

STATE OF HAWAII WILL LOSE MONEY ON PROPERTY TAXES.

CPR LOTS ARE THE MOST AFFORDABLE ON THE MARKET PREVENTING LOCALS FROM BEING ABLE TO BUY THESE.

REALTORS WILL HAVE LESS SALES AND OPPORTUNITY.

DEVELOPMENT LOCAL COMPANIES THAT ARE SELLING SUBDIVISIONS WILL LOSE TONS OF MONEY AS IT WILL BE HARDER FOR EVERYONE TO BUY LANDS WITHOUT BEING ABLE TO CPR AND DIMINISH THEIR MORTGAGE COSTS. INTEREST RATES ON LAND ALONE ARE EXTREMELY HIGH.

AFFORDABLE HOUSING CRISIS WILL BE WORSE.

WHY ARE YOU DOING THIS TO THE PEOPLE THAT VOTED YOU?????STOP EXCUSING YOURSELF AT TIME OF VOTING, AND SPEAK YOUR SELF UP, THIS IS WHEN THE COMMUNITY NEEDS YOU THE MOST!! STRONGLY OPPOSE TO THIS NONSENSE RACIST BILL BANNING CPR ON AG LAND!!!!!!

SB-2524-HD-1

Submitted on: 3/26/2018 2:37:07 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
David Pickett	Individual	Oppose	No

Comments:

I oppose HAWAII SENATE BILL 2524 SD1 which requires that ALL CPRs comply with county subdivision standards and prevent all CPRs, regardless of zoning or number of units. Maui County (or small 3 dwelling CPRs) should be exempted since zoning laws are already in place which protect agricultural land lot size and restrict the number of buildings and water use.

I don't own a house, my family rents. We hope someday to be able to afford a house and CPR property listings are some of the only affordable-looking places where I live.

SB-2524-HD-1

Submitted on: 3/26/2018 3:17:06 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Randy S Keller	Individual	Oppose	No

Comments:

THE COUNTY OF MAUI AND/OR SMALL-SCALE PROJECTS MUST BE EXEMPTED: The County of Maui (or CPRs with 3-units or less) must be exempted from this legislation because MAUI COUNTY'S ZONING, BUILDING, AND DEVELOPMENT CODES ALREADY FULLY ADDRESS THE INTENT OF SB2524. Maui County codes clearly stipulate that each agriculturally zoned parcel, REGARDLESS OF SIZE, may qualify for permits to build NO MORE THAN TWO (2) FARM DWELLINGS after implementation of a farm plan. Furthermore, the COUNTY OF MAUI ALREADY REQUIRES INFRASTRUCTURE IMPROVEMENTS for ALL parcels, regardless of zoning, with more than 3-dwellings. As such, the issues of agricultural use, infrastructure improvements, over-development of agricultural lands, and County participation in the CPR process are already thoroughly addressed by the County of Maui. If other counties, such as the City and County of Honolulu, wish to "participate in the CPR process" their mayors/county councilmembers MUST do so by STRENGTHENING AND ENFORCING THEIR COUNTY'S LAND-USE CODES.

SB-2524-HD-1

Submitted on: 3/26/2018 1:24:48 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Van Fischer	Individual	Oppose	No

Comments:

Dear Committee Members,

I am opposed to this bill as amended as it now affects all properties and not just agricultural lands. I agree that Ag lands should be protected and while I do not feel this is the best method to accomplish this, I am not opposed to it being imposed on Ag land.

Where I am opposed is in that this bill as amended will now prevent using the CPR process to take existing properties with multiple existing houses in urban and rural areas and using the CPR process to create affordable individual homes for sale. These homes are mostly in more local oriented areas and the division by CPR of them does not result in any additional impact on the neighborhoods as no new homes are created. What this process allows is a reasonably priced path where existing properties with multiple houses can be divided and sold to individual entry level buyers. As opposed to being sold to investors who in turn raise the rents to astronomical rates to justify the high price they paid for a multifamily property.

I live and work on Maui and have used the CPR process to put 10 families into homes at a price range of \$350,000 to \$650,000 in an area where normal house prices are drastically higher. Creating additional time and costs will drive these homes out of the reach of work force housing families and create a situation where developers will just now aim for a higher market of 2nd home buyers from the mainland which in turn will ruin these local neighborhoods.

Please reject this bill as proposed for further discussion or at a minimum, remove the amendments so it only affects Ag lands. Or limit it to Oahu as our situation on Maui is much different than Oahu. Approval of this bill as is will destroy the dreams of home ownership for a substantial number of local families.

Thank you for your time.

Van Fischer

SB-2524-HD-1

Submitted on: 3/26/2018 6:15:56 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Cynthia L Warner	Individual	Oppose	No

Comments:

I oppose this bill. It does not support land ownership rights. CPRs do not give greater entitlement than County zoning restricts already. A CPR is a good vehicle to be able to give families the means to share their property with their ohana and keep Hawaii families together. It also creates more affordable housing. **DO NOT PASS THIS BILL.** If any aspect of this bill does pass, please include an exemption that would make it ok for a 3 unit or less CPR.

SB-2524-HD-1

Submitted on: 3/26/2018 2:40:00 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lucy Wormser	Individual	Oppose	No

Comments:

WE STRONGLY OPPOSE SB2524 FOR THE FOLLOWING REASONS:

1. ILLOGICAL AND UNENFORCEABLE
2. THE COUNTY OF MAUI AND/OR SMALL-SCALE PROJECTS MUST BE EXEMPTED: The County of Maui (or CPRs with 3-units or less) must be exempted from this legislation because MAUI COUNTY'S ZONING, BUILDING, AND DEVELOPMENT CODES ALREADY FULLY ADDRESS THE INTENT OF SB2524.
3. FAILS TO ADDRESS STATED PURPOSE AND FAR EXCEEDS ITS SCOPE.
4. DAMAGES THE LOCAL ECONOMY, ELIMINATES JOBS, AND REDUCES TAX REVENUES.
5. CREATES AN UNFUNDED COUNTY MANDATE.
6. UNNECESSARY AND UNFAIR: The proposed Bill unfairly targets the CPR process, which is already authorized and highly regulated under Chapter 514-B of the Hawaii Revised Statutes for ALL parcels.
7. ELIMINATES AFFORDABLE HOUSING.
8. DISCRIMINATORY AND UNLAWFUL: SB2524 is discriminatory in that the Bill would disproportionately affect agricultural landowners (especially small private landowners, farmers, and families) and borders on a "regulatory taking".

FOR THE REASONS LISTED ABOVE, WE DEMAND THAT SB2524 BE TERMINATED OR AMENDED TO EXEMPT CPR PROJECTS OF 3-UNITS OR LESS.

SB-2524-HD-1

Submitted on: 3/26/2018 12:13:16 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Patrick Mullen	Individual	Oppose	No

Comments:

WE STRONGLY OPPOSE SB2524 FOR THE FOLLOWING REASONS:

1. **ILLOGICAL AND UNENFORCEABLE:** SB2524 is based on a **FUNDAMENTAL MISUNDERSTANDING OF THE LAW**. Condominium Property Regimes (“CPRs”) are **NOT SUBDIVISIONS** because they do **NOT** create **SEPARATE PARCELS**. As such, CPRs **NEVER CHANGE** a property’s land-use, zoning, building density, permitting, building codes, community plans, island plans or urban growth boundaries. A CPR is a **FORM OF OWNERSHIP** (like tenants in common) and **NOT** a “process of development.” CPRs are **NOT** the problem, and county-specific land-use issues can only be addressed at the **COUNTY LEVEL**.
2. **THE COUNTY OF MAUI AND/OR SMALL-SCALE PROJECTS MUST BE EXEMPTED:** The County of Maui (or CPRs with 3-units or less) must be exempted from this legislation because **MAUI COUNTY’S ZONING, BUILDING, AND DEVELOPMENT CODES ALREADY FULLY ADDRESS THE INTENT OF SB2524**. Maui County codes clearly stipulate that each agriculturally zoned parcel, **REGARDLESS OF SIZE**, may qualify for permits to build **NO MORE THAN TWO (2) FARM DWELLINGS** after implementation of a farm plan. Furthermore, the **COUNTY OF MAUI ALREADY REQUIRES INFRASTRUCTURE IMPROVEMENTS** for **ALL** parcels, regardless of zoning, with more than 3-dwellings. As such, the issues of agricultural use, infrastructure improvements, over-development of agricultural lands, and County participation in the CPR process are already thoroughly addressed by the County of Maui. If other counties, such as the City and County of Honolulu, wish to “participate in the CPR process” their mayors/county councilmembers **MUST** do so by **STRENGTHENING AND ENFORCING THEIR COUNTY’S LAND-USE CODES**.
3. **FAILS TO ADDRESS STATED PURPOSE AND FAR EXCEEDS ITS SCOPE:** The preamble states: “The purpose of this Act is to provide an option for county

participation in the approval of MAJOR condominium property regimes” (emphasis added). As drafted, the bill does NOT define or even reference MAJOR condominium property regimes, and instead recklessly applies “county subdivision requirements” to ALL CPRs, regardless of the number of units. Furthermore the introduction states: “the legislature finds that there is a need to revise laws related to agricultural property regimes,” but as written the bill APPLIES TO ALL CPRs and does NOTHING to protect agriculture. Finally, the bill perpetuates the erroneous belief that the CPR process can be used to “circumvent county subdivision requirements,” and fails to address property overdevelopment and lack of infrastructure, which are exclusively COUNTY ZONING/ENFORCEMENT ISSUES.

1. **DAMAGES THE LOCAL ECONOMY, ELIMINATES JOBS, AND REDUCES TAX REVENUES:** This Bill would have an extremely negative impact on our State economy in the form of reduced real estate sales, less affordable housing, millions of dollars in lost real property tax revenues from the separate tax assessment of CPR units, lost State income/GET/TAT tax revenue from the sale and rental of CPR units, and far reaching negative impacts on the entire real estate industry and local residents.

1. **CREATES AN UNFUNDED COUNTY MANDATE:** The proposed legislation would create an unfunded mandate, putting an overwhelming burden on already overworked and under-staffed county planning departments, as well as the State of Hawaii Real Estate Branch, who will be tasked with interpreting, implementing, and enforcing the new law.

1. **UNNECESSARY AND UNFAIR:** The proposed Bill unfairly targets the CPR process, which is already authorized and highly regulated under Chapter 514-B of the Hawaii Revised Statutes for ALL parcels. Strengthening State/county zoning ordinances, building codes, development standards, and enforcement of these rules are the only appropriate solutions for protecting land use, zoning, density, permitting/building codes, community plans, island plans, and urban growth boundaries, NOT further additions to the complex statewide CPR registration process already in place.

2. **ELIMINATES AFFORDABLE HOUSING:** We are experiencing an affordable housing crisis in Hawaii. This Bill will effectively wipe out one of the only means

of creating new affordable housing for working class residents, farmers, and local families.

1. **DISCRIMINATORY AND UNLAWFUL:** SB2524 is discriminatory in that the Bill would disproportionately affect agricultural landowners (especially small private landowners, farmers, and families) and borders on a “regulatory taking” because it unreasonably prevents private property owners from making economically viable use of their land, which could result in litigation against the State for just compensation.

SB-2524-HD-1

Submitted on: 3/26/2018 12:19:10 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Demian Dressler	Individual	Oppose	No

Comments:

WE STRONGLY OPPOSE SB2524 FOR THE FOLLOWING REASONS:

1. **ILLOGICAL AND UNENFORCEABLE:** SB2524 is based on a **FUNDAMENTAL MISUNDERSTANDING OF THE LAW**. Condominium Property Regimes (“CPRs”) are **NOT SUBDIVISIONS** because they do **NOT** create **SEPARATE PARCELS**. As such, CPRs **NEVER CHANGE** a property’s land-use, zoning, building density, permitting, building codes, community plans, island plans or urban growth boundaries. A CPR is a **FORM OF OWNERSHIP** (like tenants in common) and **NOT** a “process of development.” CPRs are **NOT** the problem, and county-specific land-use issues can only be addressed at the **COUNTY LEVEL**.

2. **THE COUNTY OF MAUI AND/OR SMALL-SCALE PROJECTS MUST BE EXEMPTED:** The County of Maui (or CPRs with 3-units or less) must be exempted from this legislation because **MAUI COUNTY’S ZONING, BUILDING, AND DEVELOPMENT CODES ALREADY FULLY ADDRESS THE INTENT OF SB2524**. Maui County codes clearly stipulate that each agriculturally zoned parcel, **REGARDLESS OF SIZE**, may qualify for permits to build **NO MORE THAN TWO (2) FARM DWELLINGS** after implementation of a farm plan. Furthermore, the **COUNTY OF MAUI ALREADY REQUIRES INFRASTRUCTURE IMPROVEMENTS** for **ALL** parcels, regardless of zoning, with more than 3-dwellings. As such, the issues of agricultural use, infrastructure improvements, over-development of agricultural lands, and County participation in the CPR process are already thoroughly addressed by the County of Maui. If other counties, such as the City and County of Honolulu, wish to “participate in the CPR process” their mayors/county councilmembers **MUST** do so by **STRENGTHENING AND ENFORCING THEIR COUNTY’S LAND-USE CODES**.

3. **FAILS TO ADDRESS STATED PURPOSE AND FAR EXCEEDS ITS SCOPE:** The preamble states: “The purpose of this Act is to provide an option for county participation in the approval of **MAJOR** condominium property regimes”

(emphasis added). As drafted, the bill does NOT define or even reference MAJOR condominium property regimes, and instead recklessly applies “county subdivision requirements” to ALL CPRs, regardless of the number of units. Furthermore the introduction states: “the legislature finds that there is a need to revise laws related to agricultural property regimes,” but as written the bill APPLIES TO ALL CPRs and does NOTHING to protect agriculture. Finally, the bill perpetuates the erroneous belief that the CPR process can be used to “circumvent county subdivision requirements,” and fails to address property overdevelopment and lack of infrastructure, which are exclusively COUNTY ZONING/ENFORCEMENT ISSUES.

4. **DAMAGES THE LOCAL ECONOMY, ELIMINATES JOBS, AND REDUCES TAX REVENUES:** This Bill would have an extremely negative impact on our State economy in the form of reduced real estate sales, less affordable housing, millions of dollars in lost real property tax revenues from the separate tax assessment of CPR units, lost State income/GET/TAT tax revenue from the sale and rental of CPR units, and far reaching negative impacts on the entire real estate industry and local residents.

5. **CREATES AN UNFUNDED COUNTY MANDATE:** The proposed legislation would create an unfunded mandate, putting an overwhelming burden on already overworked and under-staffed county planning departments, as well as the State of Hawaii Real Estate Branch, who will be tasked with interpreting, implementing, and enforcing the new law.

6. **UNNECESSARY AND UNFAIR:** The proposed Bill unfairly targets the CPR process, which is already authorized and highly regulated under Chapter 514-B of the Hawaii Revised Statutes for ALL parcels. Strengthening State/county zoning ordinances, building codes, development standards, and enforcement of these rules are the only appropriate solutions for protecting land use, zoning, density, permitting/building codes, community plans, island plans, and urban growth boundaries, NOT further additions to the complex statewide CPR registration process already in place.

7. **ELIMINATES AFFORDABLE HOUSING:** We are experiencing an affordable housing crisis in Hawaii. This Bill will effectively wipe out one of the only means of creating new affordable housing for working class residents, farmers, and local families.

8. DISCRIMINATORY AND UNLAWFUL: SB2524 is discriminatory in that the Bill would disproportionately affect agricultural landowners (especially small private landowners, farmers, and families) and borders on a “regulatory taking” because it unreasonably prevents private property owners from making economically viable use of their land, which could result in litigation against the State for just compensation.

FOR THE REASONS LISTED ABOVE, WE DEMAND THAT SB2524 BE TERMINATED OR AMENDED TO EXEMPT CPR PROJECTS OF 3-UNITS OR LESS.

SB-2524-HD-1

Submitted on: 3/26/2018 1:18:15 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
PR	Individual	Oppose	No

Comments:

WE STRONGLY OPPOSE SB2524 FOR THE FOLLOWING REASONS:

1. **ILLOGICAL AND UNENFORCEABLE:** SB2524 is based on a **FUNDAMENTAL MISUNDERSTANDING OF THE LAW**. Condominium Property Regimes (“CPRs”) are **NOT SUBDIVISIONS** because they do **NOT** create **SEPARATE PARCELS**. As such, CPRs **NEVER CHANGE** a property’s land-use, zoning, building density, permitting, building codes, community plans, island plans or urban growth boundaries. A CPR is a **FORM OF OWNERSHIP** (like tenants in common) and **NOT** a “process of development.” CPRs are **NOT** the problem, and county-specific land-use issues can only be addressed at the **COUNTY LEVEL**.
2. **THE COUNTY OF MAUI AND/OR SMALL-SCALE PROJECTS MUST BE EXEMPTED:** The County of Maui (or CPRs with 3-units or less) must be exempted from this legislation because **MAUI COUNTY’S ZONING, BUILDING, AND DEVELOPMENT CODES ALREADY FULLY ADDRESS THE INTENT OF SB2524**. Maui County codes clearly stipulate that each agriculturally zoned parcel, **REGARDLESS OF SIZE**, may qualify for permits to build **NO MORE THAN TWO (2) FARM DWELLINGS** after implementation of a farm plan. Furthermore, the **COUNTY OF MAUI ALREADY REQUIRES INFRASTRUCTURE IMPROVEMENTS** for **ALL** parcels, regardless of zoning, with more than 3-dwellings. As such, the issues of agricultural use, infrastructure improvements, over-development of agricultural lands, and County participation in the CPR process are already thoroughly addressed by the County of Maui. If other counties, such as the City and County of Honolulu, wish to “participate in the CPR process” their mayors/county councilmembers **MUST** do so by **STRENGTHENING AND ENFORCING THEIR COUNTY’S LAND-USE CODES**.
3. **FAILS TO ADDRESS STATED PURPOSE AND FAR EXCEEDS ITS SCOPE:** The preamble states: “The purpose of this Act is to provide an option for county

participation in the approval of MAJOR condominium property regimes” (emphasis added). As drafted, the bill does NOT define or even reference MAJOR condominium property regimes, and instead recklessly applies “county subdivision requirements” to ALL CPRs, regardless of the number of units. Furthermore the introduction states: “the legislature finds that there is a need to revise laws related to agricultural property regimes,” but as written the bill APPLIES TO ALL CPRs and does NOTHING to protect agriculture. Finally, the bill perpetuates the erroneous belief that the CPR process can be used to “circumvent county subdivision requirements,” and fails to address property overdevelopment and lack of infrastructure, which are exclusively COUNTY ZONING/ENFORCEMENT ISSUES.

1. **DAMAGES THE LOCAL ECONOMY, ELIMINATES JOBS, AND REDUCES TAX REVENUES:** This Bill would have an extremely negative impact on our State economy in the form of reduced real estate sales, less affordable housing, millions of dollars in lost real property tax revenues from the separate tax assessment of CPR units, lost State income/GET/TAT tax revenue from the sale and rental of CPR units, and far reaching negative impacts on the entire real estate industry and local residents.

1. **CREATES AN UNFUNDED COUNTY MANDATE:** The proposed legislation would create an unfunded mandate, putting an overwhelming burden on already overworked and under-staffed county planning departments, as well as the State of Hawaii Real Estate Branch, who will be tasked with interpreting, implementing, and enforcing the new law.

1. **UNNECESSARY AND UNFAIR:** The proposed Bill unfairly targets the CPR process, which is already authorized and highly regulated under Chapter 514-B of the Hawaii Revised Statutes for ALL parcels. Strengthening State/county zoning ordinances, building codes, development standards, and enforcement of these rules are the only appropriate solutions for protecting land use, zoning, density, permitting/building codes, community plans, island plans, and urban growth boundaries, NOT further additions to the complex statewide CPR registration process already in place.

2. **ELIMINATES AFFORDABLE HOUSING:** We are experiencing an affordable housing crisis in Hawaii. This Bill will effectively wipe out one of the only means

of creating new affordable housing for working class residents, farmers, and local families.

1. **DISCRIMINATORY AND UNLAWFUL:** SB2524 is discriminatory in that the Bill would disproportionately affect agricultural landowners (especially small private landowners, farmers, and families) and borders on a “regulatory taking” because it unreasonably prevents private property owners from making economically viable use of their land, which could result in litigation against the State for just compensation.

FOR THE REASONS LISTED ABOVE, WE DEMAND THAT SB2524 BE TERMINATED OR AMENDED TO EXEMPT CPR PROJECTS OF 3-UNITS OR LESS.

SB-2524-HD-1

Submitted on: 3/27/2018 9:03:30 AM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Carter Barto	Individual	Oppose	No

Comments:

I appose this bill because I am currently committed to a small 3 unit CPR on land my father and I purchased together in Wailuku on Maui. I have partially financed this project by putting loans against the home my pregnant wife and two daughters currently live in. We are not in a position to pull out of this project, which we would be forced to do if this bill passed, without great financial loss to my family, and potentially needing to sell our home. We would need to sell the land intended to be "CPR'd" at a loss, as the value of the land would be reduced by this bill, not to mention all the time and money I have put into the project.

We need more homes on Maui, my Dad and I entered into this project together because I can not afford it alone. We were looking to provide more homes to the tight housing market in a local housing area, as well as begin to build a financially stable future for my children.

Please do not pass this bill, or please change the wording to protect my family from great financial harm by exempting CPR's of 3 units or less.

Thank you,

Carter Barto

SB-2524-HD-1

Submitted on: 3/27/2018 9:44:28 AM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jamie Goya	Individual	Oppose	No

Comments:

I am writing to express my **STRONG OPPOSITION** to SB524. For years, the CPR process in Hawaii has been a vehicle utilized by middle and low income families to realize their dream of home ownership. Given the current climate of an ongoing housing crisis and the high price of real estate in our state, the vast majority of working class Hawaii residents will never have the opportunity to own their own home. The reduced cost of a CPR'd unit has provided that opportunity for thousands of families in our state. My family has lived and worked the lands here for FOUR generations yet my generation would be the first unable to afford to live on our island home. I humbly ask that you allow those opportunities to continue. Please vote **NO** on this bill. Thank you for your consideration. -Jamie Goya, Kuli'ou'ou

SB-2524-HD-1

Submitted on: 3/27/2018 10:28:41 AM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Joseph Peter Jalbert	Individual	Oppose	No

Comments:

Aloha,

I am writing in opposition to this proposed legislation. It is addressing a Honolulu County problem by creating issues on the outer islands. We have seen a growing number of people condominiumizing properties on agricultural land in Maui county. As pricing on the island has steadily risen during this market cycle, it has provided opportunities to get into the market that they would not have had otherwise. It has not increased density above and beyond what zoning allows. That seems like a win/win to me. I hope that the existing legislation is not passed or at least significantly modified.

Thank you for your consideration.

Best,

Joseph "Pete" Jalbert

SB-2524-HD-1

Submitted on: 3/27/2018 9:12:02 AM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jon Woodhouse	Individual	Oppose	No

Comments:

The release of the alarming Hawaii Vacation Rental Report highlights how Maui is being gradually engulfed by non-residents buying property and transforming them into lucrative, mostly illegal vacation rentals.

The dream of the average Maui family to own a home is becoming increasingly dim as prices continue to escalate and affluent non-residents buy up the meager supply.

As a resident of Maui for 38 years I too have dreamt of owning my own home where I could retire and live my last days. That was basically a fantasy for me until I discovered the reality of CPR ownership which would allow someone of limited means to co-own property with friends.

This current proposed SB2524 legislation would make this almost impossible and impose impossible costs.

Maui is in a unique position regarding CPR/subdivision regulations, as Maui County's zoning, building, and development codes already fully address the intent of the bill. A property cannot be developed via the CPR process beyond the underlying zoning, use and permitting process already designated by the State and County. And the CPR process does not allow for additional structures beyond what a property is entitled for, and it does not allow for more density than what already exists. So the purpose of the bill is moot.

Please do not pass this unnecessary bill, which could contribute to reducing the already limited land available to residents.

SB-2524-HD-1

Submitted on: 3/27/2018 9:42:48 AM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Peter Hamill	Individual	Oppose	No

Comments:

Aloha,

I am submitting testimony to voice my **STRONG OPPOSITION** to SB2524 SD1 HD1. This bill will negatively impact Hawaii residents across the board. It eliminates affordable housing units, closes the door on an opportunity for home ownership for middle class families, damages the local economy by eliminating jobs and reducing real estate sales and tax revenues, and subjects the state to lawsuits from private landowners claiming that they have suffered a regulatory taking.

Beyond the big picture policy implications, passage of this bill will have an immediate and devastating personal impact on many Hawaii residents. I work with a number of older residents who are counting on the revenue generated from selling a CPR'd lot to have enough money to live out the rest of their lives or leave something to their grandchildren. Passing this bill without an exception for small scale CPR projects will shake the foundations of people's lives and it is the wrong thing to do. Please vote no.

Thank you for your consideration.

SB-2524-HD-1

Submitted on: 3/27/2018 11:35:47 AM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Cassandra Jones	Individual	Oppose	No

Comments:

Dear House Committee on Finance,

I STRONGLY OPPOSE SB2524 SD1 for the following reasons:

1. The proposed bill is based on misinformation. A CPR is form of ownership, not a process of “development.” Counties cannot apply “subdivision standards” to CPRs because they are not subdivisions; CPRs do not create separate parcels. Making “subdivision standards” a CPR requirement will effectively place a ban on CPRs in Hawaii.
2. The proposed bill does not provide an effective or efficient solution for the problems it seeks to address, including the protection of agricultural land from overdevelopment and lack of supporting infrastructure. SB2524 SD1 will not improve infrastructure and is more likely to hurt local farmers and residents than protect agricultural land. Strengthening state/county zoning ordinances, building codes, development standards, and enforcement of these rules are the only appropriate solutions, not legislation that further complicates the statewide CPR registration process that is authorized and highly regulated under Chapter 514-B of the Hawaii Revised Statutes.
3. The proposed bill is redundant. The County of Maui already requires subdivision-type infrastructure improvements for all parcels, regardless of zoning, with more than 3-dwellings. Other counties concerned with overdevelopment should adopt and enforce similar zoning and building codes. At the very least, Maui County should be exempt from SB2524 SD1.
4. The bill would have a significant negative impact on the real estate industry, jobs, and the State economy as a whole due to large losses in tax revenue from reduced real estate sales, less affordable housing, millions of dollars in lost real property tax revenues (from the separate tax assessment of CPR units), and lost State income/GET/TAT tax revenue (from the sale and rental of CPR units).
5. The bill would create an unfunded mandate, and task under-staffed county departments and the State of Hawaii Real Estate Branch with interpreting, implementing, and enforcing the new law.

6. The bill would severely limit affordable housing options by effectively wiping out CPRs, one of the only means of creating new affordable housing for working class residents, farmers, and local families.

7. The bill is discriminatory in that it will disproportionately affect agricultural landowners and prevent private property owners from making economically viable use of their land (a form of “regulatory taking” that could result in litigation against the State for just compensation).

From: [Kathy Davey](#)
To: [FINTestimony](#)
Subject: SB2524 SD1 HD1 STRONGLY OPPOSE
Date: Monday, March 26, 2018 8:30:39 PM

Aloha,

I am strongly opposed to this bill : SB2524 SD1 HD1

By not allowing CPR of agricultural land you really are limiting the opportunity for families to purchase a starter home (the Ohana portion) of a CPR lot. Also, CPR does NOT increase density, The number of homes (two) remains the same whether the lot is CPRd or not.

Mahalo for considering this testimony.

Kathy Davey

808.866.7353
KathyMaui@outlook.com

Kathy Davey
KW Island Living
808.866.7353
KathyMaui@outlook.com

SB-2524-HD-1

Submitted on: 3/27/2018 12:33:15 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jamil Newirth	Individual	Oppose	No

Comments:

I STRONGLY OPPOSE SB2524 FOR THE FOLLOWING REASONS:

1. **ILLOGICAL AND UNENFORCEABLE:** SB2524 is based on a **FUNDAMENTAL MISUNDERSTANDING OF THE LAW**. Condominium Property Regimes (“CPRs”) are **NOT SUBDIVISIONS** because they do **NOT** create **SEPARATE PARCELS**. As such, CPRs **NEVER CHANGE** a property’s land-use, zoning, building density, permitting, building codes, community plans, island plans or urban growth boundaries. A CPR is a **FORM OF OWNERSHIP** (like tenants in common) and **NOT** a “process of development.” CPRs are **NOT** the problem, and county-specific land-use issues can only be addressed at the **COUNTY LEVEL**.
- **THE COUNTY OF MAUI AND/OR SMALL-SCALE PROJECTS MUST BE EXEMPTED** The County of Maui (or CPRs with 3-units or less) must be exempted from this legislation because **MAUI COUNTY’S ZONING, BUILDING, AND DEVELOPMENT CODES ALREADY FULLY ADDRESS THE INTENT OF SB2524**. Maui County codes clearly stipulate that each agriculturally zoned parcel, **REGARDLESS OF SIZE**, may qualify for permits to build **NO MORE THAN TWO (2) FARM DWELLINGS** after implementation of a farm plan. Furthermore, the **COUNTY OF MAUI ALREADY REQUIRES INFRASTRUCTURE IMPROVEMENTS** for **ALL** parcels, regardless of zoning, with more than 3-dwellings. As such, the issues of agricultural use, infrastructure improvements, over-development of agricultural lands, and County participation in the CPR process are already thoroughly addressed by the County of Maui. If other counties, such as the City and County of Honolulu, wish to “participate in the CPR process” their mayors/county councilmembers **MUST** do so by **STRENGTHENING AND ENFORCING THEIR COUNTY’S LAND-USE CODES**.
- **FAILS TO ADDRESS STATED PURPOSE AND FAR EXCEEDS ITS SCOPE:** The preamble states: “The purpose of this Act is to provide an option for county

participation in the approval of MAJOR condominium property regimes” (emphasis added). As drafted, the bill does NOT define or even reference MAJOR condominium property regimes, and instead recklessly applies “county subdivision requirements” to ALL CPRs, regardless of the number of units. Furthermore the introduction states: “the legislature finds that there is a need to revise laws related to agricultural property regimes,” but as written the bill APPLIES TO ALL CPRs and does NOTHING to protect agriculture. Finally, the bill perpetuates the erroneous belief that the CPR process can be used to “circumvent county subdivision requirements,” and fails to address property overdevelopment and lack of infrastructure, which are exclusively COUNTY ZONING/ENFORCEMENT ISSUES.

- **DAMAGES THE LOCAL ECONOMY, ELIMINATES JOBS, AND REDUCES TAX REVENUES:** This Bill would have an extremely negative impact on our State economy in the form of reduced real estate sales, less affordable housing, millions of dollars in lost real property tax revenues from the separate tax assessment of CPR units, lost State income/GET/TAT tax revenue from the sale and rental of CPR units, and far reaching negative impacts on the entire real estate industry and local residents.

- 1. **CREATES AN UNFUNDED COUNTY MANDATE:** The proposed legislation would create an unfunded mandate, putting an overwhelming burden on already overworked and under-staffed county planning departments, as well as the State of Hawaii Real Estate Branch, who will be tasked with interpreting, implementing, and enforcing the new law.

- **UNNECESSARY AND UNFAIR:** The proposed Bill unfairly targets the CPR process, which is already authorized and highly regulated under Chapter 514-B of the Hawaii Revised Statutes for ALL parcels. Strengthening State/county zoning ordinances, building codes, development standards, and enforcement of these rules are the only appropriate solutions for protecting land use, zoning, density, permitting/building codes, community plans, island plans, and urban growth boundaries, NOT further additions to the complex statewide CPR registration process already in place.

- **ELIMINATES AFFORDABLE HOUSING:** We are experiencing an affordable housing crisis in Hawaii. This Bill will effectively wipe out one of the only means

of creating new affordable housing for working class residents, farmers, and local families.

- **DISCRIMINATORY AND UNLAWFUL:** SB2524 is discriminatory in that the Bill would disproportionately affect agricultural landowners (especially small private landowners, farmers, and families) and borders on a “regulatory taking” because it unreasonably prevents private property owners from making economically viable use of their land, which could result in litigation against the State for just compensation.

FOR THE REASONS LISTED ABOVE, WE REQUEST THAT SB2524 BE TERMINATED OR AMENDED TO EXEMPT CPR PROJECTS OF 3-UNITS OR LESS.

WE STRONGLY OPPOSE SB2524 FOR THE FOLLOWING REASONS:

Hugh Starr
P.O. Box 33
Makawao, HI 96768
starr@maui.net
mauiranchland.com

March 27, 2018

Representative Sylvia Luke, Chair, House Finance Committee

Ty J.K. Cullen, Vice Chair

Members: Rep. Romy M. Cachola Rep. Lynn DeCoite
Rep. Beth Fukumoto Rep. Cedric Asuega Gates
Rep. Daniel Holt Rep. Jarrett Keohokalole
Rep. Bertrand Kobayashi Rep. Nicole E. Lowen
Rep. Nadine K. Nakamura Rep. Chris Todd
Rep. Kyle T. Yamashita Rep. Andria P. L. Tupola
Rep. Gene Ward

Re: **SB2524 SD1 HD1**

Aloha Chair Luke, Vice Chair Cullen, & House Finance Committee Members:

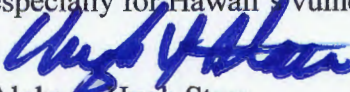
I write today to share my opposition to SB2524 SD1 HD1.

Maui County doesn't presently require 'subdivision' for the 2 houses allowed on Ag parcels. To require this will be VERY hard for Maui's rural families. For those of us struggling to assure our children have their own homes to raise the next generations in, this needless new requirement would be really sad for these families.

By now we hopefully all realize the intent of this bill isn't to create another horrendous obstacle to our local families' housing affordability...rather, it's to solve a very specific challenge on O'ahu with large scale 'development'. Maui's small-scale use of CPR is definitely not that. I trust your committee will agree there's really no need to unintentionally create a huge hardship where such simply isn't necessary.

I respectfully implore you to please **oppose passage of SB2524 SD1 HD1**...please protect the last standing refuges that are our Islands' rural communities.

Thank you for your consideration of this request Chair Luke, Vice Chair Cullen and Finance Committee Members. And, yes, thank's for your amazingly tireless leadership, especially for Hawaii's vulnerable rural communities...we really appreciate it!!


Aloha, Hugh Starr

SB-2524-HD-1

Submitted on: 3/27/2018 2:12:41 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Graham Ezzy	Individual	Oppose	No

Comments:

I oppose SB2524 as it is currently worded because it would be detrimental to Maui county.

Maui county already has ordinances in place that solve what SB2524 sets out to solve. **Maui CPR's on Agricultural land do NOT change population density. CPR's on Maui DO increase the amount of affordable housing while at the same time increasing land values for current land owners.**

The current CPR legality is the perfect balance of helping BOTH aspiring land owners and current land owners--two parties with often opposing interests.

Please regard the following:

THE COUNTY OF MAUI AND/OR SMALL-SCALE PROJECTS MUST BE EXEMPTED: The County of Maui (or CPRs with 3-units or less) must be exempted from this legislation because MAUI COUNTY'S ZONING, BUILDING, AND DEVELOPMENT CODES ALREADY FULLY ADDRESS THE INTENT OF SB2524. Maui County codes clearly stipulate that each agriculturally zoned parcel, REGARDLESS OF SIZE, may qualify for permits to build NO MORE THAN TWO (2) FARM DWELLINGS after implementation of a farm plan. Furthermore, the COUNTY OF MAUI ALREADY REQUIRES INFRASTRUCTURE IMPROVEMENTS for ALL parcels, regardless of zoning, with more than 3-dwellings. As such, the issues of agricultural use, infrastructure improvements, over-development of agricultural lands, and County participation in the CPR process are already thoroughly addressed by the County of Maui. If other counties, such as the City and County of Honolulu, wish to "participate in the CPR process" their mayors/county councilmembers MUST do so by STRENGTHENING AND ENFORCING THEIR COUNTY'S LAND-USE CODES.

To: State of Hawaii House Committee on Finance
Re: SB2524

Dear Finance Committee Chair Rep. Sylvia Luke, Vice-Chair Rep. Ty J.K. Cullen and Members,

Thank you for the opportunity to submit testimony **AGAINST** S.B. No. 2524, as written with amendments from committees. I am specifically against the language in the Report Title and Description:

“Requires condominium property regimes to comply with county subdivision or equivalent requirements subject to exceptions.”

The “subject to exceptions” is vague and can be unfairly interpreted by county officials. Placing all CPR projects into subdivision requirement will negatively impact any current project that is in the works under the current CPR specifications. Also, in reading and familiarizing myself more with CPR intention, I am **against** any bill which will take away from the landowner inside county zoning requirements the rights to build CPR projects for any reason.

I understand that this bill is primarily written to impact large developments on AG land, but as a small developer on a small project, I’m asking the committee to **either strike the CPR ambiguity or extend the effective date for further discussion**. The original bill had an effective date of July 1, 2018, and **I agree with an effective date of July 1, 2100 to encourage more public input on such an important topic**.

I believe the intent of this bill is to address the large agricultural lands and the development of those lands in certain situations. However, if your interpretation of this bill is to take away the CPR rights of agricultural and ALL LAND OWNERS, please do not make this bill a law.

I have taken the time to read every testimony in support and the pages of testimony against this bill. I have also read and familiarized myself with several Hawaii Revised Statutes that it is safe to say many Hawaii residents do not take the time to read. Most Hawaii residents work hard every day to raise their families and live their lives, trusting in the members of the State Legislature to make the right decisions for them. My point is that I trust you to read each testimony in support or against this bill and frame your decisions wisely. Please consider all potential negative repercussions and the negative impact this bill may have.

Every land owner has a right to treat their properties within the scope of the county requirements at time of purchase. To pass this bill, as written, takes away those rights and changes the values of our property in a negative way.

Please, **either extend the effective date of this bill** to encourage input from every landowner in Hawaii **or eliminate the CPR restrictions** in this bill by referring any changes in CPR back to the respective counties for further discussion.

Thank you again for the opportunity to submit my testimony.

Sincerely,

Tamara Barto
5229 Lower Kula Road

Kula, Maui, Hawaii

Dear Sirs,

Thank you for the opportunity to submit my testimony AGAINST SB2524. I am against this bill for the following reasons:

1). It will harm the local people of Maui trying to buy an affordable home. If this bill passes, then housing will be limited and therefore much more expensive.

2). The laws and requirements for CPR are already established for Maui County. CPR is a great way for young families to buy their first home or for local Maui families to provide homes for their children.

I urge you to vote AGAINST this Bill.

Sincerely,

Eric Barto
Kula, Maui, Hawaii

SB-2524-HD-1

Submitted on: 3/27/2018 3:25:33 PM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Rory Frampton	Individual	Oppose	No

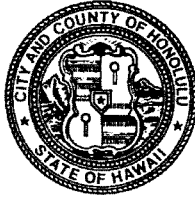
Comments:

This bill is not necessary and should be held in committee. This is a zoning and enforcement issue which should be addressed at the County level. The CPR process should not be used to address land use issues, there will be unintended consequences.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6041
DEPT. WEB SITE: www.honolulu.dpp.org • CITY WEB SITE: www.honolulu.gov

KIRK CALDWELL
MAYOR



KATHY K. SOKUGAWA
ACTING DIRECTOR

TIMOTHY F. T. HIU
DEPUTY DIRECTOR

EUGENE H. TAKAHASHI
DEPUTY DIRECTOR

March 28, 2018

The Honorable Sylvia Luke, Chair
and Members of the Committee on Finance
Hawaii House of Representatives
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

LATE

Dear Chair Luke and Committee Members:

Subject: Senate Bill No. 2524, SD 1, HD 1
Relating to County Land Use Requirements

The Department of Planning and Permitting (DPP) **supports** Senate Bill No. 2524, SD 1, HD 1, which requires condominium property regimes to comply with county subdivision requirements.

The Bill will allow county participation in the condominium property regime process, in order to ensure availability of necessary supportive infrastructure, and identification of potential negative impacts to environmentally important or culturally significant resources, prior to the piecemeal sale of the property.

Accordingly, we urge that this Bill be passed by your committees.

Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kathy K. Sokugawa".

Kathy K. Sokugawa
Acting Director



Hawaii Cattlemen's Council, Inc.

LATE

COMMITTEE ON FINANCE
Rep. Sylvia Luke, Chair
Rep. Ty J.K. Cullen, Vice Chair

DATE: Wednesday, March 28, 2018
TIME: 4:00 P.M.
PLACE: Conference Room 308

SB 2524, SD1, HD1 – RELATING TO COUNTY LAND USE REQUIREMENTS.

Prohibits residential or congregate use of sheds or other structures on agricultural lands. Prohibits residential development on lands previously or currently in a preservation zoning district. Requires condominium property regimes to comply with county subdivision or equivalent requirements subject to exceptions. Requires that an application for registration of a project in a county agricultural zoning district or preservation zoning district include a verified statement, signed by an appropriate county official, that the project is in compliance with any applicable supplemental county ordinances, county subdivision standards, and other rules, and an agricultural business plan, farm plan, or conservation plan.

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

My name is Dale Sandlin, and I am Managing Director of the Hawaii Cattlemen's Council. The Hawaii Cattlemen's Council, Inc. (HCC) is the Statewide umbrella organization comprised of the four county level Cattlemen's Associations. Our 150+ member ranchers represent over 60,000 head of beef cows; more than 75% of all the beef cows in the State. Ranchers are the stewards of approximately 25% of the State's total land mass.

The Hawaii Cattlemen's Council **strongly opposes** SB 2524, SD1, HD1 as this measure seeks to prevent those that willfully disobey zoning laws on ag land, but will actually be detrimental to the success of actual agricultural operations by punishing those that do follow the rules.

With the constant pressure of development, keeping lands that have been in agricultural production becomes more difficult every year. While placing restrictions and requirements on the subdivision of these lands may seem a logical choice, it reduces the landowner's ability to provide for the future of their operations whether dividing their lands for estate planning or selling less productive lands which provide capital for operating costs.

Preventing the use of these CPR's for housing, specifically for farm worker housing, puts yet another hurdle to expanding our agricultural production. With ag theft a major problem, having personnel on-site goes a long way to deter theft. Also, most farms and ranches in Hawaii are family owned and operated. In most instances, the lands that have been subdivided using the CPR mechanism are for family members who are actively engaged in farm activities. If we want to double our food production, we need the ability to provide housing on agricultural lands, even those which have been through a CPR.

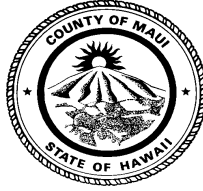


Skilled labor also remains an issue for agriculture production in Hawaii. In order to recruit/retain this skilled labor, farmers and ranchers often use ag housing as a portion of their benefit package to employees. Being able to supply employee housing remains to be a critical need to expand our workforce and expand our agricultural output.

While we appreciate the previous committee's efforts to revise the bill in order to restore the ag exemption for subdivision requirements, the bill remains very flawed. **We respectfully ask that this measure be deferred and a task force to be put into place to take up the issue. We also ask that those who will be affected most, be placed on the task force in order to address this matter once and for all. With that said, we ask that representatives from Hawaii Cattlemen's Council, Hawaii Farm Bureau Federation and the Land Use Research Foundation of Hawaii be placed as members of this task force.**

We all want to keep productive ag land in production, and not lose it to misuse. We ask the ability to address this specific concern that will impact the future of agriculture in this state and have a seat at the table to correct this long-standing issue. Thank you for giving us the opportunity to testify on this important matter.

ALAN M. ARAKAWA
MAYOR



200 South High Street
Wailuku, Maui, Hawai'i 96793-2155
Telephone (808) 270-7855
Fax (808) 270-7870
E-mail: mayors.office@mauicounty.gov

OFFICE OF THE MAYOR
Ke`ena O Ka Meia
COUNTY OF MAUI – Kalana O Maui

March 27, 2018



TESTIMONY OF ALAN M ARAKAWA
MAYOR
COUNTY OF MAUI

BEFORE THE HOUSE COMMITTEE ON FINANCE

Wednesday, March 28, 2018; 4:00PM
Conference Room 308

SB 2524 SD1 HD1 RELATING TO COUNTY LAND USE REQUIREMENTS.

Honorable Sylvia Luke, Chair
Honorable Ty J.K. Cullen, Vice Chair
Honorable Members of the House Committee on Finance

Thank you for this opportunity to offer **COMMENTS** on SB 2524 SD1 HD1.

The purpose of this bill is to prohibit residential or congregate use of sheds or other structures on agricultural lands; prohibit residential development on lands previously or currently in a preservation zoning district; require condominium property regimes to comply with county subdivision or equivalent requirements subject to exceptions; and requires that an application for registration of a project in a county agricultural zoning district or preservation zoning district include a verified statement, signed by an appropriate county official, that the project is in compliance with any applicable supplemental county ordinances, county subdivision standards, and other rules, and an agricultural business plan, farm plan, or conservation plan.

Maui County **strongly opposes** the detailed prohibitions on our zoning codes. We believe that the Counties have the responsibility and authority to determine what can and can't be done on lands in specified COUNTY zones. The State should not mandate county zoning restrictions. One example is that Maui County allows residential use in "other structures" on its AG zoned land. We support one Accessory Dwelling Unit (ADU) per AG lot. This appears to fall under the definition (or lack thereof) of "other structures". If residential use is prohibited by this bill, the housing crisis on Maui will grow at least 40% since many ADUs would become illegal.

Maui County Code requires that if there is a fourth dwelling requested on any lot then the Maui County subdivision requirements are required to be met.

If you still need to solve a problem that is not occurring in Maui County, might I recommend the following amendments to this bill:

TESTIMONY OF ALAN M ARAKAWA
MAYOR
COUNTY OF MAUI

BEFORE THE HOUSE COMMITTEE ON FINANCE
Page 2

1. On Page 4 Line 8, please add the following phrase between the words “and” and “structure”:
, where a project contains more than three (3) units on a single parcel of land, county
2. On Page 6 Line 13 please add the following phrase between the words “project” and “in”:
containing more than three (3) units on a single parcel of land
3. Please define “other structures” to exclude Accessory Dwelling Units as permitted by county zoning codes

I strongly urge you to consider my amendments or please do not pass SB 2524 SD1 HD1.

Sincerely,

Alan M. Arakawa
Mayor, County of Maui

LATE

From: [Lawrence Carnicelli](#)
To: [FINTestimony](#)
Cc: [Rep. Kyle Yamashita](#); [Rep. Lynn DeCoite](#)
Subject: SB2524 SD1 HD1 ***STRONG OPPOSITION***
Date: Tuesday, March 27, 2018 5:15:31 PM

Aloha Chair Luke and Committee members,

I am Lawrence Carnicelli, Government Affairs Director for the REALTORS® Association of Maui. I am testifying in **STRONG OPPOSITION** to SB2524 SD1 HD1 which requires Condominium Property Regimes (“CPR”) to comply with county subdivision requirements. Allows the Real Estate Commission to adopt rules that require a developer to seek County Council approval for significant projects. Requires agricultural lands that are subdivided and leased for agricultural uses or activities to comply with county subdivision standards.

CPR is a legal mechanism by which a person can hold title to a property. **CPR is a form of ownership and not a process of development.** What this bill is trying to accomplish is a COUNTY ISSUE not a State issue.

CPR does NOT affect: use, zoning, density, permitting, building codes, community plans, island plans or urban growth boundaries. None of those things change during or after a property has been CPR’ed. A property cannot be developed via the CPR process beyond the underlying zoning, use and permitting process already designated by the State and County. The CPR process does not allow for additional structures beyond what a property is entitled for. The CPR process does not allow for more density than what already exists. The CPR process does not change the uses permitted on the property. The only change is in how possession is held.

There is no nexus for County Council approval requirements. A CPR does NOT change any of the County’s oversight already granted and approved via zoning and any additional requirements. The County’s jurisdictional oversight already exists on these properties via zoning and permitting. This bill is attempting to put subdivision and development requirements on the CPR vehicle that’s only means and use is a splitting of title which has nothing to do with neither County Council nor subdivision requirements.

As an example;

A person on Maui owns a 50 acre parcel in Launiupoko that is zoned agriculture. In this case, this person is only entitled to build two habitable

structures on the property even though is it greater than two acres; One main farm dwelling and ancillary farm dwelling of no more than 1000 square feet. Upon permitting that owner must have an implemented farm plan for the property guaranteeing its farming uses greater than 50% of the land. That will never change, even if the property is CPR'd the entitlements and use will not increase nor change. Should that owner CPR the property and sell off one of the dwelling units nothing changes except there are now two owners and not one. The new 'lots' are only how title is owned on paper at the Bureau of Conveyances and real property tax office. The new ownership does not create a situation where two more dwellings are allowed. The underlying zoning and allowances govern that, and CPR does not modify it.

If that owner would like to increase the density and build more than the allowable two habitable dwellings he/she would have to go through the County subdivision process and not merely CPR the property multiple ways.

Therefore, there is no nexus to holding title via a CPR and needing County Council approvals nor subdivision requirements.

Mahalo for the opportunity to testify on this measure.

Lawrence Carnicelli

Government Affairs Director
REALTORS® Association of Maui
Office (808) 243-8585
Cell (808) 283-6090
Lawrence@RAMaui.com

LATE

SB-2524-HD-1

Submitted on: 3/28/2018 12:00:02 AM

Testimony for FIN on 3/28/2018 4:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Councilmember Yuki Lei Sugimura	Maui County Council	Oppose	No

Comments:

My name is Yuki Lei Sugimura, Councilmember for the County of Maui. I OPPOSE SB2524 which would impact the careful developmen of our agiculture Inds. The County of Maui is made up of vast agriculture lands. Through the years, Maui County has carefully planned the zoning requirements for these lands. This proposed bill infringes upon the existing process we have in place. I OPPOSE SB 2524, SD1 HD1.

MAUI COUNTY'S ZONING, BUILDING, AND DEVELOPMENT CODES ALREADY FULLY ADDRESS THE INTENT OF SENATE BILL 2524. Maui County codes clearly stipulate that each agriculturally zoned parcel, REGARDLESS OF SIZE, may qualify for permits to build NO more than two (2) farm dwellings, AFTER implementation of farming activities on at least 51% of the property. This is why nearly all agricultural parcels on Maui are only 2-units, regardless of parcel size. Furthermore, the County of Maui already requires subdivision-type infrastructure improvements for all parcels, regardless of zoning, with more than 3- dwellings. As such, the issues of infrastructure improvements, over-development of agricultural lands, and County participation in the CPR process are already thoroughly addressed by the County of Maui.

As a way of defining agriculture lands, this bill takes a stab at "true" farming through justification with a bussiness plan, farm plan or soil, water conservation plan.

Council Chair
Mike White

Vice-Chair
Robert Carroll

Presiding Officer Pro Tempore
Stacy Crivello

Councilmembers
Alika Atay
Elle Cochran
Don S. Guzman
Riki Hokama
Kelly T. King
Yuki Lei K. Sugimura



COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

LATE

March 28, 2018

TO: Honorable Sylvia Luke, Chair
House Committee on Finance

FROM: Mike White
Council Chair

A handwritten signature in black ink, appearing to read "Mike White".

SUBJECT: **HEARING OF MARCH 28 2018; TESTIMONY IN OPPOSITION TO SB
2524 SD1, HD1, RELATING TO COUNTY LAND USE REQUIREMENTS**

Thank you for the opportunity to testify in opposition of this bill. The main purpose of this measure is to require condominium property regimes to comply with county subdivision or equivalent requirements, subject to exceptions.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I oppose this measure for the following reasons:

1. In consultation with the Maui County Department of Public Works, this legislation is unnecessary for the County of Maui. The bill requires a County official to certify that a proposed condominium meets all subdivision ordinances. This will result in more work that is currently unnecessary, as each lot on record must currently meet all subdivision ordinances.
2. In Maui County, additional subdivision requirements, such as road widening are triggered when a fourth dwelling is constructed. It currently does not matter whether there is one owner or four owners in a condo.
3. Rather than creating statewide requirements, this could be easily addressed by each county passing their own set of unique regulations to avoid creating redundancies in the subdivision review process.

For the foregoing reasons, I oppose this measure.



LATE

March 28, 2018

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

Comments in Opposition to SB 2524, SD1, HD 1, Relating to County Land Use Requirements (Prohibits residential or congregate use of sheds or other structures on agricultural lands. Prohibits residential development on lands previously or currently in a preservation zoning district. Requires condominium property regimes to comply with county subdivision or equivalent requirements subject to exceptions. Requires that an application for registration of a project in a county agricultural zoning district or preservation zoning district include a verified statement, signed by an appropriate county official, that the project is in compliance with any applicable supplemental county ordinances, county subdivision standards, and other rules, and an agricultural business plan, farm plan, or conservation plan.)

Wednesday, March 28, 2018, at 4:00 p.m., in Conference Room 308

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF’s mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii’s significant natural and cultural resources, and public health and safety.

LURF appreciates the opportunity to provide comments in **opposition** to **SB 2524, SD1, HD1**, as well as **proposed amendments**. LURF respectfully requests that this measure be **held**, or that this Committee favorably consider the revisions proposed by LURF, the Hawaii Farm Bureau Federation and Hawaii Cattlemen’s Council (Agricultural Stakeholders”) and **amend** the bill.

SB 2524 SD1, HD1. This bill proposes to: (1) Prohibit residential or congregate use of sheds or other structures on agricultural lands; (2) Prohibit residential development on lands previously or currently in a preservation zoning district; (3) Require condominium property regimes (“CPRs”) to comply with county subdivision or

equivalent requirements subject to exceptions; (4) Require that an application for registration of a CPR project in a county agricultural zoning district or preservation zoning district include a verified statement, signed by an appropriate county official, that the project is in compliance with any applicable supplemental county ordinances, county subdivision standards, and other rules, and an agricultural business plan, farm plan, or conservation plan. The effective date for this bill is July 1, 2018.

LURF's Position. Prior testimony relating to this measure from the Agricultural Stakeholders indicate that the current HD1 version probably will not solve the county-related land use issues and problems described in the bill; the proposed "*subdivision*" language could create unintended negative consequences for bonafide farmers, ranchers and agricultural operations, by requiring county subdivision standards (curbs, gutters, sidewalks, street lights, paved roads, etc.) for agricultural, ranch and pasture lands; and the proposed prohibition on "*congregate use*" of agricultural sheds and structures, could thwart current practices of shared facilities for pesticides, and processing of agricultural products, add unnecessary process, costs and other problems for bonafide farmers, ranchers and agricultural operations.

This well-meaning bill unfortunately misunderstands and mischaracterizes the CPR process and effect relating to agricultural lands. Also, the justifications for the amendments proposed by this bill have not thus far been convincingly proven or supported by a review of the CPR process and the types of violations or problems which prompted the introduction of this measure, particularly when balanced against other currently prioritized and significant challenges being faced by this State relating to, bonafide farmers, ranchers, agricultural operations, the goal of doubling local food production by 2030, the Right to Farm law, the current law exempting agricultural properties from county subdivision requirements, the county home-rule authority and enforcement of agricultural land uses, residents legally living on agricultural lands and CPRs, and the overwhelming need for more affordable housing.

LURF sympathizes with, and supports the intent of the introducers of this measure, however, it must oppose the HD1 version of this bill, because it has unintended negative consequences on bonafide farmers, ranchers and agricultural operators, and adverse impact on residents who are legally living on CPRs. LURF is respectfully recommending amendments which will:

- Require that CPRs of Agricultural or Preservation Lands are planned, developed, sold and used in compliance with applicable county land use laws, ordinances and permits;
- Assure that the Application for CPR Registration and Developer's Public Report include full disclosures to potential purchasers of CPR units on Agricultural or Preservation-zoned lands, the counties and other government agencies, and the public, relating to available and permitted land uses, infrastructure, utilities, water, sewer, drainage, access and other government services and plans relating to the property, including agricultural business plans, farm plans or conservation plans relating to the property ("Agricultural Plans");

- Provide the counties and other government agencies with the above-referenced detailed and accurate information in the Application for CPR Registration and Developer's Public Report, which will allow the government agencies to plan and provide adequate infrastructure, utilities, water, sewer, drainage, access and services; and
- Facilitate the county enforcement of ordinances, rules and regulations for CPRs on lands in the Agricultural and Preservation zoning districts.

Proposed Amendments. The Agricultural Stakeholders believe that the following proposed amendments will address the county land use issues and CPR requirements on agricultural lands, and respectfully recommend that this measure be amended as follows:

1. **DELETE** the proposed language banning "*congregate use*" of sheds or other structures in SECTION 2. As described above, this prohibition could harm the current joint use of sheds and structures by bonafide farmers, ranchers and agricultural operations for pesticide and fertilizer storage and processing facilities for agricultural products;
2. **ADD** language regarding "*compliance with all other applicable requirements relating to infrastructure, utilities, sewer, drainage, access or other government services.*"
3. **DELETE** all references in SECTION 3 and SECTION 5 to "*subdivision or equivalent requirements, "subdivision," and "county subdivision standards.*" This proposed language is unnecessary and could be interpreted as rescinding the exemption from county subdivision standards for agricultural lands, which are provided by HRS §205-4.5 (f)(3)(B).
4. **ADD** a new SECTION 6, which would amend the contents of the Developer's Public Report in Section 514B-83(a)(8), Hawaii Revised Statutes, by requiring that the Public Report include information relating to: "*infrastructure, utilities, water, sewer, drainage access and other government services and agricultural business plan, farm plan or conservation plan.*" This will provide the counties with enough information to adequately plan, service, regulate and enforce its agricultural plans, goals and infrastructure services, without subjecting bonafide farmers, ranchers and agricultural operators to an expensive and time consuming county subdivision process.

Conclusion. In view of the above discussion, LURF must **oppose SB 2524, SD1, HD1**, and respectfully requests that this bill be **held**, or that this Committee favorably consider the revisions proposed by the Agricultural Stakeholders and **amend** the bill.

**PRESENTATION OF THE
REAL ESTATE COMMISSION**

TO THE HOUSE COMMITTEE ON FINANCE

TWENTY-NINTH LEGISLATURE
Regular Session of 2018

Wednesday, March 28, 2018
4:00 p.m.

LATE

**TESTIMONY ON SENATE BILL NO. 2524, S.D. 1, H.D. 1, RELATING TO COUNTY LAND
USE REQUIREMENTS.**

TO THE HONORABLE SYLVIA LUKE, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Nikki Senter, and I am the Chairperson of the Hawaii Real Estate Commission ("Commission"). Thank you for the opportunity to testify on S.B. 2524, S.D. 1, H.D. 1, Relating to County Land Use Requirements. The Commission appreciates the intent of this bill and offers the following comments.

This bill provides an option for county participation in the approval of certain major condominium property regimes. Specifically, it prohibits residential or congregate use of sheds or other structures on agricultural lands; prohibits residential development on lands previously or currently in a preservation zoning district; requires condominium property regimes to comply with county subdivision or equivalent requirements subject to exceptions; and requires that an application for registration of a project in a county agricultural zoning district or preservation zoning district include a verified statement, signed by an appropriate county official, that the project is in compliance with any applicable supplemental county ordinances, county subdivision standards, and other rules, and an agricultural business plan, farm plan, or conservation plan.

Section 5 of the bill amends HRS section 514B-52 to add as an application registration requirement the submission of an additional document styled as an agricultural business plan, farm plan, or conservation plan. The Commission respectfully suggests that it may be more useful for the county to receive the agricultural business plan, farm plan or conservation plan as part of the compliance check it would perform under §514B-52(c)(1) rather than submitting the plan directly to the Commission.

Thank you for the opportunity to testify on S.B. 2524, S.D. 1, H.D. 1.