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STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

Testimony of
SUZANNE D. CASE
Chairperson

Before the Senate Committee on
WATER AND LAND

Friday, January 26, 2018
2:45 P.M
State Capitol, Conference Room 224

In consideration of
SENATE BILL 694
RELATING REAL PROPERTY TRANSACTIONS

Senate Bill 694 proposes to amend Chapter 508 Hawai'i Revised Statutes, to add a new section requiring a purchaser or transferee to execute an oceanfront purchaser statement with every sale or transfer of oceanfront real estate to ensure that new oceanfront property owners understand the special hazards, permitting requirements, and limitations that may affect the oceanfront property. The bill would require the statement to be notarized and recorded with the bureau of conveyances. **The Department of Land and Natural Resources (Department) supports the measure and offers the following comments.**

It is the mission of the Department to manage public lands and ocean resources, including beaches throughout the State. The Department is very much at the forefront of addressing impacts related to coastal erosion and beach loss in Hawai'i. Beaches are central to our culture and economy, yet our beaches are being lost at alarming rates due to natural processes, sea level rise, and other human impacts, threatening alongshore public access and upland development.

Beaches and dunes are highly dynamic natural environments. Beach width and shoreline location can vary dramatically with seasonal waves and storms. In many locations, we have chosen to develop too close to this variable and hazard-prone shoreline environment.


In December 2017, the Hawaii Climate Change Mitigation and Adaptation Commission accepted the Hawaii Sea Level Rise Vulnerability and Adaptation Report (SLR Report). The first recommendation of the SLR Report is to "Recognize the SLR-XA (Sea Level Rise Vulnerability Area) as a statewide vulnerability zone." The SLR-XA demonstrates the extent of the potential exposure of land and structures to flooding and erosion with an increase of 0.5, 1.1, 2.0, and 3.2


feet of sea level rise throughout the State of Hawaii. Sea Level Rise Exposure Maps may be reviewed on the Hawaii Sea Level Rise Viewer (<http://hawaiisealevelriseviewer.org/>).

The Department believes that it is critical that buyers understand the hazards and risks they are assuming in purchasing oceanfront property, in the spirit of transparency and disclosure and to support informed decision making by buyers and government agencies. The Department suggests that the bill be amended to include disclosure requirements for sea level rise exposure.

Thank you for the opportunity to testify on this measure.



 | 808-733-7060

 | 1259 A'ala Street, Suite 300
Honolulu, HI 96817

 | 808-737-4977

 | har@hawaiiirealtors.com

January 26, 2018

The Honorable Karl Rhoads Chair
Senate Committee on Water and Land
State Capitol, Room 224
Honolulu, Hawaii 96813

RE: S.B. 694, Relating to Real Property Transactions

HEARING: Friday, January 26, 2018

Aloha Chair Rhoads, Vice Chair Gabbard, and Members of the Committee,

I am Ken Hiraki, Government Affairs Director, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its over 9,500 members. HAR **opposes** Senate Bill 694, which requires a purchaser or transferee to execute an Oceanfront Purchaser Statement ("Statement") with every sale or transfer of oceanfront real estate. Requires the Statement to be recorded with the Bureau of Conveyances. Additionally, establishes mandatory provisions to be included in the Statement. HAR opposes this measure for the following reasons:

HAR has created an Oceanfront Property Addendum which discloses pertinent information specific to the ownership of oceanfront property. It is HAR's industry practice to create forms that exceed what is called for via laws, rules and regulation. Having set terms and conditions of the Statement contained within the Hawai'i Revised Statutes becomes less flexible when laws, rules, or regulations change. Furthermore, HAR believes that having a set Statement may not be able to adequately address current industry practices, thereby potentially exposing sellers, buyers, and real estate licensees to risk.

Mahalo for the opportunity to testify.



SB-694

Submitted on: 1/23/2018 10:29:53 AM

Testimony for WTL on 1/26/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Benton Kealii Pang, Ph.D.		Support	No

Comments:



LATE

SENATE COMMITTEE ON WATER AND LAND

Friday, January 26, 2018 2:45PM Conference Room 224

In SUPPORT of SB 694 Relating to real property transactions

Aloha Chair Rhoads, Vice Chair Gabbard and members of the Committee,

On behalf of our 20,000 members and supporters, the Sierra Club of Hawai'i, a member of the Common Good Coalition, **supports SB 694**. This measure would require a purchaser or transferee to execute an oceanfront purchaser statement with every sale or transfer of oceanfront real estate.

In December 2017, the new Hawai'i Climate Change Mitigation and Adaptation Commission issued the first statewide assessment of sea level rise¹. The 304-page document emphasized critical need to begin sea level rise mitigation efforts across the islands immediately, highlighting that even if human-induced greenhouse gas emissions (GHG) stopped today, Hawai'i would still experience around a 3.2 foot sea level rise by mid-century. The impacts to our state are many:

- Displacement of 20,000 residents,
- Impact 35 miles of road,
- Inundate 2,000 sewage disposal systems,
- Affect 550 cultural sites, and
- Compromise 6,500 structures - like hotels, shopping malls, and small businesses

SB 694 is one critical step toward protecting our shorelines and the residents that live on and enjoy them. This bill ensures homeowners are well-informed of the risks of owning property along the shoreline. It also helps to protect public beaches at risk of expedited erosion due to shoreline hardening.

Shoreline hardening is often an inevitable outcome when property owners experience shoreline retreat due to sea level rise. Property owners harden their shorelines for a number of reasons, but ignorance to the fact that their property will likely experience shoreline retreat *should not be one of them*. This technique, while protecting the property temporarily, ultimately creates widespread erosion and loss of public beach. SB 694 contributes to the future preservation of our shorelines by:

- Making it very clear to new oceanfront property owners that their property is at high risk of inundation, therefore holding them accountable to take appropriate mitigation

¹ https://climateadaptation.hawaii.gov/wp-content/uploads/2017/12/SLR-Report_Dec2017.pdf

measures that preserve the shoreline to the benefit of all--such as managed retreat of structures--and not resorting to harmful shoreline hardening measures.

- Potentially improving insurance policies that will encourage rebuilding of residence outside of inundation zones upon direct impacts of sea level rise.

The preservation of Hawai'i's shorelines is not only critical to protect the countless flora and fauna living there, but also to protect our island way of life. The science is clear that one of the impacts of warming global temperatures is sea level rise. The negative impacts to low-lying coastal areas are far-reaching and include loss of critical habitat, economic loss, displacement of residents. Most people rely on coastal resources for food subsistence, homes and businesses, traditional practices, and leisure/aesthetics. Based on the magnitude and rate of sea level rise, we as a community must act now to not only mitigate the long-term effects of climate change, but also to adapt to the impacts we will continue to see through the rest of this century and beyond.

We must take action, have the foresight, and plan for a 3.2 foot sea level rise with mitigation solutions that allow the property owners to make informed decisions and provide the state legal protection when denying permits to build shoreline hardening structures.

Thank you very much for this opportunity to provide testimony on this important issue.

Randy Ching

Climate Change Volunteer Leader
Capitol Watch