

DAVID Y. IGE
GOVERNOR OF
HAWAII



SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

Testimony of
SUZANNE D. CASE
Chairperson

Before the House Committee on
FINANCE

Friday , February 21, 2020
12:00pm
State Capitol, Conference Room 308

In consideration of
HOUSE BILL 1878, HOUSE DRAFT 1
RELATING TO REAL PROPERTY TRANSACTIONS

House Bill 1878, House Draft 1 proposes to require seller disclosure in real property transactions to identify property within the sea level rise exposure area officially designated by the Hawaii Climate Change Mitigation and Adaptation Commission of its successor. **The Department of Land and Natural Resources (Department) supports this 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 Hawaii. Beaches are central to our culture and economy, yet our beaches are being lost at alarming rates due natural processes and human impacts, threatening alongshore public access and upland development. The Department feels strongly that some of these issues can be managed more effectively if property transactions require mandatory disclosure of coastal hazards within areas susceptible to coastal hazards.

In addition, many properties not directly located on the coastline are as vulnerable to sea level rise impacts as their coastal shoreline neighbors because of passive flooding, king tides, or wave inundation. Mandatory real estate disclosure would at least inform and educate prospective buyers of risk.

Coastal properties are vulnerable to erosion (i.e., shoreline recession and land loss) and flooding from high waves, storms and tsunamis. 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.

Thank you for the opportunity to comment on this measure.



STATE OF HAWAII
HAWAII CLIMATE CHANGE MITIGATION & ADAPTATION
COMMISSION
POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
Anukriti Hittle
Coordinator, Hawaii Climate Change Mitigation and Adaptation Commission**

**Before the House Committee on
FINANCE**

**Friday, February 21, 2020
12:00 PM
State Capitol, Conference Room 308**

**In Support of
HOUSE BILL 1878, HOUSE DRAFT 1
RELATING TO REAL PROPERTY TRANSACTIONS**

House Bill 1878, House Draft 1 proposes to require seller disclosure in real property transactions to identify property within the sea level rise exposure area officially designated by the relevant county. **On behalf of the Hawaii Climate Change Mitigation and Adaptation Commission (Commission) I support this measure.**

The Hawaii Climate Change Mitigation and Adaptation Commission “recognizes the urgency of climate threats and the need to act quickly. It promotes ambitious, climate-neutral, culturally responsible strategies for climate change adaptation and mitigation in a manner that is clean, equitable and resilient.” The Commission, established by Act 32 SLH 2017 to uphold the United States’ pledges under the Paris Agreement, is the coordinating body for policies on climate change mitigation and adaptation for the state. It is a high-level multi-jurisdictional body that guides the priorities of the state’s climate response. Co-chaired by DLNR and Office of Planning, it consists of 20 members—chairs of four legislative committees, and executive department heads at the county and state levels.

At its September 2018 meeting, the Climate Commission agreed to five priority recommendations for countering impacts of sea level rise, **including supporting legislation for disclosure for private property and public offerings in areas with potential exposure to sea level rise.** This measure acts on this priority recommendation, and is a crucial component of Hawaii’s adaptation to sea level rise impacts on coastal property.

In December 2017, the Commission accepted the *Hawaii Sea Level Rise Report* and accompanying *Hawaii Sea Level Rise Viewer*. The Report and Viewer provide maps of a Sea Level Rise Exposure Area (SLR-XA) incorporating models of passive flooding, shoreline erosion, and annual high

Co-Chairs:
Chair, DLNR
Director, Office of Planning

Commissioners:
Chair, Senate AEN
Chair, Senate WTL
Chair, House EEP
Chair, House WTH
Chairperson, HTA
Chairperson, DOA
CEO, OHA
Chairperson, DHHL
Director, DBEDT
Director, DOT
Director, DOH
Chairperson, DOE
Director, C+C DPP
Director, Maui DP
Director, Hawai'i DP
Director, Kaua'i DP
The Adjutant General
Manager, CZM

wave run-up with 3.2 feet of sea level rise. These map layers are available for download in a variety of formats from the Viewer as well as the Hawaii Statewide GIS Program website.

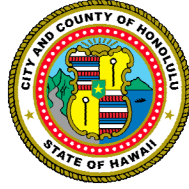
Recent science summarized in the Report and Viewer points to a likelihood of three feet or more of sea level rise in the second half of this century - within the expected lifespan of most existing and new development. It is critical that sea level rise vulnerabilities are disclosed with the sale of a vulnerable coastal property to support informed decision making by buyers and government agencies, and this measure captures that such disclosure is essential

Thank you for the opportunity to testify on this measure.

OFFICE OF CLIMATE CHANGE, SUSTAINABILITY AND RESILIENCY

CITY AND COUNTY OF HONOLULU

925 DILLINGHAM BOULEVARD, SUITE 257 • HONOLULU, HAWAII 96817
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KIRK CALDWELL
MAYOR

JOSHUA W. STANBRO
EXECUTIVE DIRECTOR &
CHIEF RESILIENCE OFFICER

FRIDAY, FEBRUARY 21, 2020 12:00 PM

STATE OF HAWAII
HOUSE COMMITTEE ON FINANCE

**TESTIMONY ON HOUSE BILL 1878 HD1
RELATING TO REAL PROPERTY TRANSACTIONS**

BY,

JOSHUA STANBRO
EXECUTIVE DIRECTOR AND CHIEF RESILIENCE OFFICER
OFFICE OF CLIMATE CHANGE, SUSTAINABILITY AND RESILIENCY

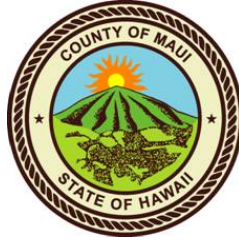
Dear Chair Luke and Members of the Committee:

The City and County of Honolulu (City) Office of Climate Change, Sustainability and Resiliency **supports** HB1878 HD1, which requires that mandatory seller disclosures in real estate transactions include identification of residential real properties lying within the statewide sea level rise exposure area.

In December 2017, per Act 83 Session Laws of Hawaii'i (SLH) 2014 and Act 32 SLH 2017, the Hawaii'i Climate Change Mitigation and Adaptation Commission (Commission) adopted the *Hawaii'i Sea Level Rise Vulnerability and Adaptation Report*. This work produced the statewide sea level rise exposure area (SLR-XA) and was made publicly available on-line at www.hawaiisealevelriseviewer.org. The City and the other three counties all hold seats on the Commission. In September 2018, the Commission provided high-priority recommendations for the legislature to increase climate resilience in the state, including a specific recommendation to ensure mandatory real estate disclosure in the sea level rise exposure area.

Thank you for the opportunity to testify in support of this measure.

MICHAEL P. VICTORINO
Mayor



KAY FUKUMOTO
Economic Development Director

COUNTY OF MAUI
OFFICE OF ECONOMIC DEVELOPMENT
2200 Main Street, Suite 305
WAILUKU, MAUI, HAWAII 96793

FRIDAY, FEBRUARY 21, 2020 12:00 PM

STATE OF HAWAII
HOUSE COMMITTEE ON FINANCE

**TESTIMONY ON HOUSE BILL 1878 HD1
RELATING TO REAL PROPERTY TRANSACTIONS**

BY,
CHANA MAKALE'A DUDOIT ANE
ENVIRONMENTAL COORDINATOR, OFFICE OF ECONOMIC DEVELOPMENT

Dear Chair Luke and Members of the Committee:

The County of Maui Office of Economic Development **supports** HB1878 HD1, which requires that mandatory seller disclosures in real estate transactions include identification of residential real properties lying within the statewide sea level rise exposure area.

In December 2017, per Act 83 Session Laws of Hawai'i (SLH) 2014 and Act 32 SLH 2017, the Hawai'i Climate Change Mitigation and Adaptation Commission adopted the Hawai'i Sea Level Rise Vulnerability and Adaptation Report. This work produced the statewide sea level rise exposure area (SLR-XA) and was made publically available on-line at www.hawaiisealevelriseviewer.org. The County of Maui as well as the other three counties all hold seats on the Hawai'i Climate Change Mitigation and Adaptation Commission (Commission).

In September 2018, the Commission provided high-priority recommendations for the legislature to increase climate resilience in the state, including a specific recommendation to ensure mandatory real estate disclosure in the sea level rise exposure area.

Mahalo for the opportunity to testify in support of this measure.



SIERRA CLUB OF HAWAI'I

HOUSE COMMITTEE ON FINANCE

February 21, 2020 12:00 PM Room 308

In **SUPPORT** of **HB1878 HD1**: Relating to Real Property Transactions

Aloha Chair Luke, Vice Chair Cullen, and committee members,

On behalf of our 20,000 members and supporters, the Sierra Club of Hawai'i **strongly supports HB1878 HD1** Relating to Real Property Transactions.

The State of Hawaii's Climate Mitigation and Adaptation Commission has identified support for legislation requiring disclosure for private property and public offerings located in areas with potential exposure to sea level rise as a high priority for the 2020 legislative session.

Chapter 508D currently requires a written disclosure statement provided by the seller, or at the seller's direction, that purports to fully and accurately disclose all material facts relating to residential real property being offered for sale. This clearly must include disclosure of properties exposed to sea level rise and related threats. The burden of determining whether a given coastal property, especially parcels that are inland from the coast but still vulnerable to sea level exposure in the future, however, is currently left to the seller and the seller's real estate agent, with no clear standard to follow.

HB 1878 HD1 provides a single, governmentally certified, source for determining whether or not a parcel is deemed to be vulnerable to the risks of sea level rise exposure, similar to the manner in which the statute specifies use of the federal flood insurance maps as the standard for disclosure of flood risks.

The bill requires each county to provide sea level rise exposure maps at the tax map key (zone, section, parcel) level of detail, making it possible to determine whether or not any given parcel requires a seller's disclosure statement, and relieving property owners and realtors of the burden of trying to make such determinations from a variety of possible sources of sea level rise projections.

In conclusion, we strongly support passage of HB1878 HD1 and urge its passage.

Thank you very much for this opportunity to provide testimony in **support of HB1878 HD1**.

Mahalo,

A handwritten signature in black ink, appearing to read "Dave Raney". The signature is written in a cursive, flowing style.

Dave Raney

Co-Chair

Sierra Club Climate Adaptation and Restoration Team



Pono Hawai'i Initiative

Josh Frost - President • Patrick Shea - Treasurer • Kristin Hamada
Nelson Ho • Summer Starr

Thursday, February 20, 2020

Relating to Real Property Transactions
Testifying in Support with amendment

Aloha Chair and members of the committee,

The Pono Hawai'i Initiative (PHI) **supports with amendments HB1878, HD1 Relating to Real Property Transactions**, which requires mandatory seller disclosure in all real estate transactions to include identification of residential real properties lying within the sea level rise exposure zone.

Climate change and sea level rise are affecting Hawaii's coastlines more and more with each passing year, creating new hazards for more properties than ever before. Even though a property isn't currently in a vulnerable location, disclosure that the property is in the exposure zone and has the potential to become vulnerable is necessary. Transparency is necessary so that buyers are aware of the risks and hazards they could be forced to deal with.

For all these reasons, we urge you to vote in favor of this measure and pass it out of Committee with a clean effective date.

Mahalo for the opportunity,
Gary Hooser
Executive Director
Pono Hawai'i Initiative



HB 1878, HD1, RELATING TO REAL PROPERTY TRANSACTIONS

FEBRUARY 21, 2020 · HOUSE FINANCE
COMMITTEE · CHAIR REP. SYLVIA LUKE

POSITION: Support.

RATIONALE: IMUAlliance supports HB 1878, HD1, relating to real property transactions, which requires that mandatory seller disclosures in real estate transactions include identification of residential real properties lying within the sea level rise exposure area as designated by the Hawaii climate change mitigation and adaptation commission or its successor.

According to a report produced by the Hawai'i Climate Change Mitigation and Adaptation Commission, global sea levels could rise more than three feet by 2100, with more recent projections showing this occurring as early as 2060. In turn, over the next 30 to 70 years, approximately 6,500 structures and 19,800 people statewide will be exposed to chronic flooding.

Additionally, an estimated \$19 billion in economic loss would result from chronic flooding of land and structures located in exposure areas. Finally, approximately 38 miles of coastal roads and 550 cultural sites would be chronically flooded, on top of the 13 miles of beaches that have already been lost on Kaua'i, O'ahu, and Maui to erosion fronting shoreline armoring, like seawalls.

Furthermore, according to research conducted by Michael B. Gerrard from Columbia Law School, modern-day slavery tends to increase after natural disasters or conflicts where large numbers of people are displaced from their homes. In the decades to come, says Gerrard, **climate change will very likely lead to a significant increase in the number of people who are displaced**

and, thus vulnerable, to human trafficking. While the Paris Climate Agreement of 2015 established objectives to limit global temperature increases and several international agreements are aimed at combating modern-day slavery, it is highly uncertain whether they will be adequate to cope with the scale of the problem that is likely to occur as a result of climate change.

As we work to reduce carbon emissions and stave off the worst consequences of climate change, we must begin preparing for the adverse impact of sea level rise on our shores. We are now quantifying the speed at which we must act. We cannot continue to develop the 25,800-acre statewide sea level rise exposure area—one-third of which is designated for urban use—without risking massive structural damage and, potentially, great loss of life.

Therefore, our state should take steps to protect Hawai'i's coastal areas, including by requiring sellers of residential properties lying within sea level rise exposure areas to disclose to buyers that such properties may be at risk of damage or destruction from climate change. **Doing so may make it easier for our state to implement additional policies that are necessary to deal with the impending climate crisis, like shoreline retreat.** For the sake of our keiki, we cannot afford to wait to solidify strategies to preserve our island home for generations to come.

February 21, 2020

The Honorable Sylvia Luke, Chair
House Committee on Finance
State Capitol, Room 211
Honolulu, HI 96813

RE: H.B. 1878, HD1, Relating to Real Property Transactions

HEARING: Friday, February 21, 2020, at 12:00 p.m.

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

I am Ken Hiraki, Director of Government Affairs, testifying on behalf of the Hawai'i Association of REALTORS® (“HAR”), the voice of real estate in Hawai'i, and its over 10,000 members. HAR **opposes** House Bill 1878, HD1, which requires that mandatory seller disclosures in real estate transactions include identification of residential real properties lying within the sea level rise exposure area as designated by the Hawaii climate change mitigation and adaptation commission or its successor.

Under Hawai'i Revised Statutes §508-D, the law imposes a broad obligation upon sellers of residential property to disclose all material facts that are within the knowledge or control of the seller.

HAR would note that the maps, including identifying the properties by tax map key, should be created to an official government entity prior to changing the disclosure law. Without maps issued by a government entity, it would place an unreasonable burden upon sellers because the typical seller would not have the capacity or ability to know whether their property is within a “sea level rise exposure area.”

The Hawaii Climate Change Mitigation and Adaptation Commission is not a government entity. Once the maps are created, the disclosure should be to the maps as provided by said government entity and not to the Commission or its successors.

Mahalo for the opportunity to testify.

HB-1878-HD-1

Submitted on: 2/19/2020 10:32:25 PM

Testimony for FIN on 2/21/2020 12:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Paula Alcoseba	Individual	Support	No

Comments:

Aloha Chair Luke, Vice Chair Cullen, and members of the Finance Committee.

My name is Paula Alcoseba and I am a student from Maui. I strongly support HB1878 and I humbly ask for you all to support this bill with me. Seller disclosure is already required for homes in flooding and tsunami zones and this bill ensures disclosure of the risks of purchasing a home in areas vulnerable to sea level rise. Disclosure is a common sense solution to help address the \$19 billion that Hawai'i faces in estimated private property loss from sea level rise and the 6,500 structures such as hotels, malls, and businesses that will be impacted. This bill is also an important first step towards managed retreat, which is a long-term solution to strategically move away from the coastline to adapt to sea level rise and other coastal impacts. Thank you for your support of HB1878.

HB-1878-HD-1

Submitted on: 2/19/2020 1:28:58 PM

Testimony for FIN on 2/21/2020 12:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jessica dos Santos	Individual	Support	No

Comments:

HB-1878-HD-1

Submitted on: 2/19/2020 7:39:52 PM

Testimony for FIN on 2/21/2020 12:00:00 PM

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

Comments:

HB-1878-HD-1

Submitted on: 2/20/2020 10:21:21 AM

Testimony for FIN on 2/21/2020 12:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Phaethon Keeney	Individual	Support	No

Comments: