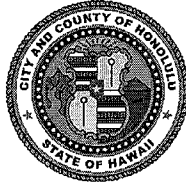


DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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RICK BLANGIARDI
MAYOR



DEAN UCHIDA
DIRECTOR

DAWN TAKEUCHI APUNA
DEPUTY DIRECTOR

EUGENE H. TAKAHASHI
DEPUTY DIRECTOR

February 15, 2022

The Honorable Aaron Ling Johanson, Chair
and Members of the Committee on Consumer
Protection and Commerce
Hawaii House of Representatives
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Johanson and Committee Members:

**Subject: House Bill No. 1434
Relating to the Counties**

The Department of Planning and Permitting (DPP) **strongly supports** House Bill No. 1434, which would allow the counties to collect on liens filed on properties for civil fines through a non-judicial foreclosure process.

This Bill will specifically address the need at the City to bring closure to pending civil fines imposed on landowners who are in violation of the City's land use and building ordinances. Currently, violators are issued a Notice of Violation and provided time to cure the violation, either by removing the violation or obtaining the proper approvals. If no action is taken by the landowner, a Notice of Order is issued with daily civil fines imposed until the violation is corrected. Once the fines accrue to a certain amount based on the type of violation, a lien is placed on the property. The DPP also flags the landowner's driver's license, motor vehicle registration, etc., which the owner will not be able to renew until the fines are paid.

Unfortunately, many of our liens go uncollected, and violators continue to break the law. The City's Corporation Counsel (COR) lacks sufficient resources to invest in the lengthy judicial foreclosure process. Having the ability to pursue an administrative foreclosure process to address outstanding liens and civil fines will give some leverage over the landowner to comply or lose their property.

We have an existing situation in Hauula, where the owner of a property in the Agricultural district is turning the site into a base yard for his construction business. The neighbors are complaining, the Councilmember representing that district is complaining, and we have exhausted our current legal remedies. We have issued NOV's and NOO's

The Honorable Aaron Ling Johanson, Chair
and Members of the Committee on Consumer
Protection and Commerce
Hawaii House of Representatives
House Bill No. 1434
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Page 2

to stop the work and imposed civil fines that are well over \$400,000. We have requested assistance from the Prosecutor's Office, which has declined to pursue charges without a criminal investigation being conducted. The DPP has filed a complaint with DCCA/RICO (contractor's license), and it has declined to pursue the complaint because the actions were taken on his own private property. Currently, we are having COR work on an injunction against the landowner and seeing if we can pursue a criminal investigation in support of prosecution. The DPP is also aware of an ongoing State Attorney General investigation that DPP is assisting, as needed. Having the ability to administratively foreclose would give us more control of the landowner to cease the illegal activities on his property.

Currently, the counties have legislative authority to use the non-judicial foreclosure process to collect on real property tax liens. The proposed legislation would extend this authority to the counties to use a similar process to collect on liens based on civil fines.

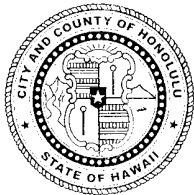
We respectfully request your support and approve this important legislation.

Thank you for this opportunity to testify.

Very truly yours,



Dean Uchida
Director



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
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TOMMY WATERS

HONOLULU CITY COUNCIL, DISTRICT 4
PHONE: 768-5004 FAX: 768-1171
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February 14, 2022

House Committee on Consumer Protection and Commerce
Representative Aaron Johanson, Chair
Representative Lisa Kitagawa, Vice Chair
Members of the Committee

RE: Testimony in Support of HB 1434 – Relating to Counties

Aloha Chair Johanson, Vice Chair Kitagawa, and members of the committee,

Thank you for the opportunity to share my support for HB 1434, Relating to Counties. The purpose of this bill is to grant counties with the express authority to engage in the non-judicial foreclosure process if the county adopts ordinances or rules establishing the process. My support for this measure is specific to public nuisances, specifically the habitual or bad actors who continue to ignore the fines, liens, and other administrative penalties that the City and County of Honolulu's Department of Planning and Permitting assesses. Neighbors of these public nuisance properties are negatively affected and experience frustration with having owners address these issues.

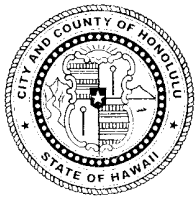
Last year I introduced Bill 17 (2021), which became Ordinance 21-19, that requires owners of public nuisances that reach specific thresholds to have administrative liens attached to other city fees and provided no reduction in fines. Despite this new ordinance, however, the city continues to face challenges with forcing these owners to come under compliance. In these specific instances, having the authority to commence in non-judicial foreclosure proceedings will give the counties a final tool to encouraging compliance and, if necessary, take steps to remove the public nuisance through the foreclosure process. This enforcement action is vital to ensuring that property owners who neglect to address public nuisances and ignore multiple warnings, penalties, and fines can face foreclosure actions to protect our communities and maintain a high quality of life for neighboring residents. Thank you for hearing this important measure.

Mahalo,

A handwritten signature in black ink that reads "Tommy Waters".

Councilmember Tommy Waters

District 4 (*Hawaii Kai, Kuliouou, Niu Valley, Aina Haina, Wailupe, Waialae-Iki, Kalani Valley, Kahala, Wilhemina Rise, Kaimuki, portions of Kapahulu, Diamond Head, Black Point, Waikiki, and Ala Moana Beach Park*)



CITY COUNCIL

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ESTHER KIA'ĀINA
VICE CHAIR
HONOLULU CITY COUNCIL, DISTRICT 3
Email: ekiaaina@honolulu.gov
Telephone: (808) 768-5003

February 14, 2022

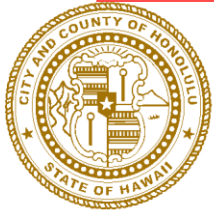
Aloha Chair Johanson, Vice Chair Kitagawa, and members of the House Committee on Consumer Protection and Commerce:

As Vice Chair of the Honolulu City Council, I write in **support** of HB1434, which would grant counties with the express authority to initiate non-judicial foreclosures on properties if the county adopts ordinances or rules establishing the process.

Unfortunately, despite the City and County of Honolulu's Department of Permitting and Planning's attempt to address public nuisances, there are noncompliant individuals who continue to ignore fines, liens, and other administrative penalties, oftentimes to the detriment of the community.

In 2021, the Council passed Bill 17, which became Ordinance 21-19, requiring owners of public nuisances that reach a specific threshold to have administrative liens attached to other City fees and provided no reduction in fines. However, despite this new ordinance, the City continues to face challenges with compliance. Having a non-judicial foreclosure option will provide a necessary tool for the City to protect our communities and maintain a high quality of life for neighboring residents from property owners who do not address public nuisances and ignore warnings, penalties, and fines.

Thank you for your consideration of my testimony on this important matter.



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BRANDON ELEFANTE

Councilmember District 8
'Aiea, Pearl City, Waipahū
Chair, Committee on Zoning and Planning
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LATE

The Honorable Aaron Ling Johanson, Chair
The Honorable Lisa Kitagawa, Vice Chair
And Members of the House Committee on Consumer Protection and Commerce

Subject: Testimony in Support of HB 1434 Relating to the Counties
Hearing: Tuesday, February 15, 2022 at 2:00 p.m., Conference Room 329

I'm Brandon Elefante, Honolulu City Councilmember and Chair of the Zoning and Planning Committee. I am testifying in strong support of HB 1434.

The Bill amends Section 46-1.5 of HRS to authorize counties, including the City and County of Honolulu (City), after adoption of an ordinance, to sell private property after all notices, orders, and appeal proceedings are exhausted and to use those revenues to pay unpaid civil fines related to that property.

It is my understanding that the City has numerous situations where property owners continue with illegal actions, causing a public nuisance to the surrounding communities, despite the City's Department of Planning and Permitting (DPP) issuing multiple Notice of Violations and Notice of Orders.

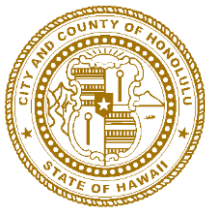
The Bill will provide the City and DPP with an additional, effective tool to stop the illegal actions and public nuisance occurring on the property through a non-judicial foreclosure, which is less time-consuming and more efficient than the judicial foreclosure process.

Please adopt HB 1434.

Sincerely,

A handwritten signature in black ink, appearing to read "Brandon Elefante".

Brandon Elefante



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February 15, 2022

TO: CHAIR AARON LING JOHANSON, COMMITTEE ON CONSUMER
PROTECTION AND COMMERCE
VICE CHAIR LISA KITAGAWA, COMMITTEE ON CONSUMER PROTECTION
AND COMMERCE

FROM: COUNCILMEMBER CALVIN SAY
HONOLULU CITY COUNCIL, DISTRICT V

SUBJECT: TESTIMONY IN SUPPORT OF HOUSE BILL 1434

Aloha Chair Johanson, Vice Chair Kitagawa, and Members of the Committee on Consumer Protection and Commerce:

I am a current member of the Honolulu City Council representing District 5 and serving as the Chair of the Budget Committee. I stand in **support** of House Bill 1434, which aims to authorize counties, after adoption of an ordinance, to sell private property after all notices, orders, and appeal proceedings are exhausted and to use those revenues to pay unpaid civil fines related to that property.

Within the district I represent, we have multiple properties with Notices of Violations and/or Notices of Orders which have resulted in substantial fines to the property owners. These properties have brought health and safety hazards to the neighboring residents and community; however, the accruing fines have not been a strong enough incentive to move the property owners to corrective action.

Our City Corporation Counsel is currently able to initiate a Judicial Foreclosure process, which has been successful in similar instances; however, this is a long process that takes valuable resources away from other pressing legal matters. It also leaves the community with detrimental public nuisances such as fires, trash, and vermin. House Bill 1434 would allow the City to keep our neighborhoods safe by stopping illegal activities, health hazards, and other public nuisances on properties in a more efficient and expeditious manner.

Thank you for this opportunity to testify in **support** of House Bill 1434. Thank you for your time and consideration.