

February 11, 2021

The Honorable David A. Tarnas, Chair
House Committee on Water & Land
Via Videoconference

RE: H.B. 502, Relating to Real Property Transactions

HEARING: Thursday, February 11, 2021, at 8:30 a.m.

Aloha Chair Tarnas, Vice Chair Branco, 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 **supports** House Bill 554 which beginning 07/01/2022, requires sellers to disclose whether the real property lies within the sea level rise exposure area designated by the Hawai'i Climate Change Mitigation and Adaptation Commission or its successor.

As an industry, we have been proactive on the issue of climate change. To that end, we have created an Oceanfront Property Addendum and have included the following language within the disclosure section of our Purchase Contract:

“Climate Changes and Natural Hazards. Climate changes (including sea level rise) could affect properties in Hawaii, particularly those at the shoreline and in coastal areas. All properties in Hawaii are also subject to natural hazards such as: hurricanes, storms, earthquakes, tsunamis, floods, landslides, etc. Buyer is advised to consult experts of Buyer’s choice regarding any questions concerning the effects of climate changes and natural hazards that may affect the Property. For more information, visit the Hawaii Climate Adaptation Portal (climateadaptation.hawaii.gov).”

Additionally, HAR has worked with stakeholders in the interim, including reviewing the Hawai'i sea level rise viewer with new TMK overlay/search features.

If the Committee is inclined to pass this measure, we would respectfully request an effective date of May 1, 2022, as part of our Standard Forms May release date. This would allow us to update our Purchase Contract, Seller’s Real Property Disclosure Statement and Oceanfront Property Addendum. Additionally, this would allow us time to educate our members on the changes to the Standard Forms and provide any information on the new process, including the new sea level rise viewer.

Mahalo for the opportunity to testify.

HB-554

Submitted on: 2/9/2021 8:29:31 AM

Testimony for WAL on 2/11/2021 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Milholen	Individual	Support	No

Comments:

Mahalo for supporting this important measure, as we work to mitigate the coming effects of climate change.



SIERRA CLUB OF HAWAI'I

HOUSE COMMITTEE ON WATER AND LAND

February 11, 2021 8:30 AM

In **SUPPORT** of **HB554**: Relating to Real Property Transactions

Aloha Chair Tarnas, Vice Chair Branco, and members of the committee,

On behalf of our 27,000 members and supporters, the Sierra Club of Hawai'i **supports HB554**. This bill requires that sellers of properties within the Sea Level Rise Exposure Area (SLR-XA), as determined by the state Climate Adaptation and Mitigation Commission, include this information in their seller disclosure document.

Existing law (Chapter 508-D), requires disclosure of material facts that are expected to measurably affect the value of the property being sold. Inclusion within the Sea Level Rise Exposure Area qualifies as such a material fact, as this would mean a parcel is subject to possible risks of sea level rise, storm surge, and king tide flooding.

HB554 provides a single, government-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. Sellers or realtors would search the Sea Level Rise Viewer (HawaiiSeaLevelRiseViewer.org) by Tax Map Key to determine whether a parcel is within the SLR-XA, providing a convenient and accessible data source for seller disclosure.

Over 20,000 Hawai'i residents will be displaced and in need of new homes due to the loss of homes and apartment buildings vulnerable to sea level rise. The value of projected flooded structures, combined with the land value of the 25,800 acres projected to be flooded, amounts to over \$19 billion across the State.¹ Mandatory sea level rise disclosure is a common sense solution and low hanging fruit to begin to address these impacts.

Thank you very much for this opportunity to provide testimony in **support of HB554**.

¹ Hawai'i Climate Change Mitigation and Adaptation Commission. 2017. [Hawai'i Sea Level Rise Vulnerability and Adaptation Report](#). Prepared by Tetra Tech, Inc. and the State of Hawai'i Department of Land and Natural Resources, Office of Conservation and Coastal Lands, under the State of Hawai'i Department of Land and Natural Resources Contract No: 64064.



HB 554, RELATING TO REAL PROPERTY TRANSACTIONS

FEBRUARY 11, 2021 · HOUSE WATER AND LAND
COMMITTEE · CHAIR REP. DAVID A. TARNAS

POSITION: Support.

RATIONALE: Imua Alliance supports HB 554, relating to real property transactions, which beginning 07/01/2022, requires sellers to disclose whether the real property lies within the sea level rise exposure area designated by the Hawai'i 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**

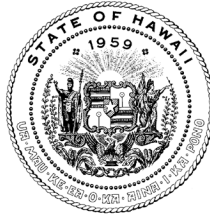
and, thus vulnerable, to human trafficking. While the Paris Climate Agreement of 2015 established objectives to limit global temperature increases and several international agreements are aimed at combating modern-day slavery, it is highly uncertain whether they will be adequate to cope with the scale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

Kris Coffield · Executive Director, Imua Alliance · (808) 679-7454 · kris@imuaalliance.org

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
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KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

OFFICE OF CONSERVATION AND COASTAL LANDS
POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the House Committee on
WATER & LAND**

**Thursday, February 11, 2021
8:30 AM**

State Capitol, Via Videoconference, Conference Room 430

**In consideration of
HOUSE BILL 554
RELATING TO REAL PROPERTY TRANSACTIONS**

House Bill 554 proposes to require that mandatory seller disclosures in real property transactions include indication that a residential real property lies within the sea level rise exposure area. **The Department of Land and Natural Resources (Department) supports the measure and offers the following comments.**

House Bill 554 proposes to amend Chapter 508D, Hawaii Revised Statutes, to add a new provision that requires a seller of residential real property to disclose whether a residential property is located within a sea level rise vulnerability area as officially designated by the Hawaii Climate Change Mitigation and Adaptation Commission or its successor.

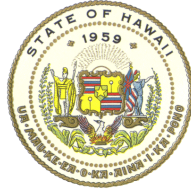
As you know, it is the mission of the Department to manage public lands and ocean resources, including beaches throughout the State. The Department is very much at the forefront of addressing impacts related to coastal erosion and beach loss in Hawaii. Beaches are central to our culture and economy, yet our beaches are being lost at alarming rates due natural processes and human impacts, threatening alongshore public access and upland development.

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.

In December 2017, the Commission accepted the Hawaii Sea Level Rise Report and accompanying Hawaii Sea Level Rise Viewer. Along with the Report, a newly issued guidance (Guidance for Using the Sea Level Rise Exposure Area in Local Planning and Permitting Decisions, Oct 2020) and updated Viewer provide maps of a Sea Level Rise Exposure Area (SLR-XA) incorporating models of passive flooding, shoreline erosion, and annual high 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. The Viewer also includes a property address and property tax map (TMK map) search tool.

Thank you for this important legislation and for the opportunity to comment on this measure.

DAVID Y. IGE
GOVERNOR OF HAWAII



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
WATER & LAND**

**Thursday, February 11, 2021
8:30 AM
State Capitol, Via Videoconference**

**In support of
HOUSE BILL 554
RELATING TO REAL PROPERTY TRANSACTIONS**

House Bill 554 proposes to require that mandatory seller disclosures in real property transactions include indication that a residential real property lies within the sea level rise exposure area. **On behalf of the Hawaii Climate Change Mitigation and Adaptation Commission (Commission) I support this measure, and offer the following comments.**

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*. Along with the Report, a newly issued guidance (*Guidance for Using the Sea Level Rise Exposure Area in Local Planning and Permitting Decisions*, Oct 2020)

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

and updated Viewer provide maps of a Sea Level Rise Exposure Area (SLR-XA) incorporating models of passive flooding, shoreline erosion, and annual high 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, Guidance 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 offer comments in support of this measure.



HOUSE COMMITTEE ON WATER AND LAND

Joint Hearing Wednesday, February 11, 2021 8:AM Conference Room 430

IN SUPPORT OF HB 554 Relating to Real Property Transactions

Chair Tarnas, Co-Chair Branco, and Committee Members:

The HAWAI'I REEF AND OCEAN COALITION –HIROC– was formed in 2017 by coral reef scientists, educators, local Hawai'i environmental organizations, elected officials, and others to address a crisis facing Hawaii's coral reefs and ocean. We are currently asking the Legislature to pass a handful of very important bills to save our coral reefs – they are bills relating to sunscreens, cesspools, plastic marine debris, climate and sea level rise

We support passage of HB 554 Relating to Real Property Transactions.

This bill requires that sellers of properties within the Sea Level Rise Exposure Area (SLR-XA) complete and file a Sellers Disclosure Statement to notify potential purchasers of the risks facing such properties. We find this requirement to be prudent, given the inevitability of sea level rise and the associated impacts. Recent enhancements to the Hawai'i Sea Level Rise Viewer now allow a search by Tax Map Key, making it easier to determine whether a parcel is within the SLR-XA and requiring the filing of a Seller's Disclosure Statement.

Thank you for the opportunity to testify on this important bill.

Dave Raney

On behalf of the Hawai'i Reef Ocean Coalition