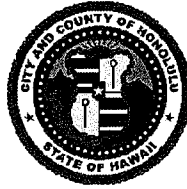


DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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RICK BLANGIARDI
MAYOR



DAWN TAKEUCHI APUNA
DIRECTOR

JIRO SUMADA
DEPUTY DIRECTOR

March 22, 2023

The Honorable Mark M. Nakashima, Chair
and Members of the Committee on Consumer Protection
& Commerce
Hawaii State House of Representatives
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Nakashima and Committee Members:

**Subject: Senate Bill No. 463, SD 2
Relating to Property Development**

The Department of Planning and Permitting (DPP) **has strong concerns** regarding Senate Bill No. 463, SD 2, and provides additional suggested language for inclusion.

This Bill requires the counties to require as a condition of approval of a subdivision of land, or approval of a building permit for a building or buildings containing dwelling units, that the subdivider or developer: a) Obtain a street name approval and address; and b) Erect and install mailboxes should the United States Postal Service (USPS) decide to extend its delivery service to the subdivision or buildings.

There are two issues with the Bill as written. First, it allows the erection and installation of mailboxes without the input of the United States Postal Service (USPS), which has sole authority, under the Code of Federal Regulations, to approve how and where mail is delivered.

According to the USPS National Delivery Planning Standards: A Guide for Builders and Developers (Handbook PO-632, July 2020), the USPS "is responsible for establishing the method or "mode" of delivery for all new developments –both residential and commercial.

The mode of delivery includes the following:

- Type of mailbox you will use.
- Location of the mailbox for each delivery address."

Second, the Bill does not specify an appropriate threshold for this mandatory mailbox requirement. By its definitions section, the Bill applies to owners of subdivisions as small as two lots, or projects comprising no less than three dwellings, of which perhaps only one may be a new dwelling that requires a county building permit. The Bill, as written, will create further permitting delays and impose additional conditions on the approval of county permits for very small projects. Therefore, we suggest the requirement apply to subdivisions of 10 or more lots, or projects comprising 10 or more dwelling or lodging units.

The Honorable Mark M. Nakashima, Chair
and Members of the Committee on Consumer Protection
& Commerce
Hawaii State House of Representatives
March 22, 2023
Senate Bill No. 463, HD 2
Page 2

Accordingly, to address the above concerns, we recommend the addition of language to subsections (a) and (b) to read as follows:

“(a) No later than June 30, 2024, each county shall adopt ordinances that require the subdivider or developer to perform the requirements in subsection (b) as a condition to the county’s approval of any subdivision for 10 or more lots or project comprising 10 or more dwelling or lodging units, that has not been approved before July 1, 2024.

(b) Before the sale or lease of any lot, parcel, structure, or unit of a structure located within the subdivision, the subdivider or developer making the sale or lease shall:

- (1) Obtain the county’s approval of:
 - (A) The street name for the street on which the lot, parcel, or structure is located, if one has not been assigned already; and
 - (B) The street address for the lot, parcel, structure, or unit of the structure, as applicable; and
- (2) Obtain the United States Postal Service’s approval to [E]rect and install within a reasonable distance from the lot, parcel, structure, or unit, as applicable, a mailbox assigned thereto for use by the United States Postal Service to deliver mail, should the United States Postal Service decide to extend its delivery service to the subdivision.”

Accordingly, we urge that Bill No. 463, SD 2, be passed by your committee only with the proposed amendment.

Thank you for the opportunity to testify.

Very truly yours,



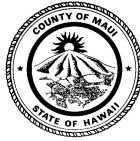
Dawn Takeuchi Apuna
Director

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore
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Councilmembers
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Nohelani U'u-Hodgins



Director of Council Services
Traci N. T. Fujita, Esq.

Deputy Director of Council Services
David M. Raatz, Jr., Esq.

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

March 21, 2023

TO: The Honorable Representative Mark M. Nakashima, Chair, and
Members of the House Committee on Consumer Protection & Commerce

FROM: Alice L. Lee
Council Chair

A handwritten signature in cursive script, appearing to read "Alice L. Lee".

SUBJECT: **HEARING OF MARCH 22, 2023; TESTIMONY IN OPPOSITION TO
SB 463, SD2, RELATING TO REAL PROPERTY DEVELOPMENT**

Thank you for the opportunity to testify in **opposition** to this measure. This measure's purpose is to require each county to enact ordinances mandating that developers or subdividers obtain a street address and install a mailbox for all lots, parcels, structures, and units of structures located within new subdivisions before the sale or lease of the property.

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. The Legislature should not be imposing policy mandates on the counties on issues that the county councils are capable of addressing based on local conditions, if necessary.
2. The United States Postal Service already has numerous mailbox regulations. There is no need for the State to legislate on this matter.
3. Imposing these requirements on counties could create an additional burden on county departments responsible for permitting, possibly resulting in delays of much-needed housing projects.

For the foregoing reasons, I **oppose** this measure.

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March 22, 2023

The Honorable Mark M. Nakashima, Chair

House Committee on Consumer Protection & Commerce
State Capitol, Conference Room 329 & Videoconference

RE: Senate Bill 463, SD2, Relating to Property Development

HEARING: Wednesday, March 22, 2023, at 2:00 p.m.

Aloha Chair Nakashima, Vice Chair Sayama, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i and its over 11,000 members. HAR provides **comments** on Senate Bill 463, SD2, which requires each county to adopt, no later than June 30, 2024, ordinances applicable to subdivisions not approved by July 1, 2024, requiring as a condition of approval, the subdivider or developer to obtain a street address and install a mailbox for lots, parcels, structures, or units of a structure within the subdivision before the sale or lease thereof. Requires condominium maps recorded in the Bureau of Conveyances or registered in the Land Court after June 30, 2024, to include a mailbox plan for the condominium property regime, showing the location of all mailboxes for all units in the regime. Defines approval, mail, mailbox, street address, subdivider, and subdivision. Requires, prior to the sale of residential real property, the disclosure as to the existence of a United States Postal Service deliverable mailbox for the property. Effective 7/1/2050.

While we appreciate the intent of this measure, we believe that Section 3 pertaining to the seller's disclosure provision of the existence of a United States Postal Service deliverable mailbox for the property may not be necessary. **United States Postal Service delivery is already considered a material fact** on HAR's *Seller's Real Property Disclosure Statement* ("SRPDS") form. The SRPDS form is filled out by the seller describing material facts and other information about property and given to the buyer to acknowledge. On the SRPDS form, there are options for the seller to indicate that mail delivery is either via P.O. Box, Community/Cluster, Individual Curbside Box, or Other with a space for the seller to describe the situation of that property.

Thank you for your consideration of our comments. Mahalo for the opportunity to testify.

Testimony of the Real Estate Commission

**Before the
House Committee on Consumer Protection & Commerce
Wednesday, March 22, 2023
2:00 p.m.**

Via Videoconference and Conference Room 329

**On the following measure:
S.B. 463, S.D. 2, RELATING TO PROPERTY DEVELOPMENT**

Chair Nakashima and Members of the Committee:

My name is Derrick Yamane, and I am the Chairperson of the Hawaii Real Estate Commission (Commission). The Commission provides comments related to condominiums for this bill.

The purposes of this bill are to (1) require each county to adopt, no later than June 30, 2024, ordinances applicable to subdivisions not approved by July 1, 2024; (2) require as a condition of approval, the subdivider or developer to obtain a street address and install a mailbox for lots, parcels, structures, or units of a structure within the subdivision before the sale or lease thereof; (3) require condominium maps recorded in the Bureau of Conveyances or registered in the Land Court after June 30, 2024, to include a mailbox plan for the condominium property regime, showing the location of all mailboxes for all units in the regime; (4) define approval, mail, mailbox, street address, subdivider, and subdivision; and (5) require, prior to the sale of residential real property, the disclosure as to the existence of a United States Postal Service deliverable mailbox for the property.

The Commission limits its comments to the requirement for condominium maps to include a mailbox plan for the condominium property regime, showing the location of all mailboxes for all units in the regime.

Since condominiums may contain more than residential units, the Commission has concerns about the proposed condominium map requirements. A few examples of differing types of units, include: parking stalls, storage units, and livestock grazing property. Developers also sell spatial units, or land without any structures, giving future buyers freedom to determine how they want to build their future unit. A mailbox plan requirement for the differing types of units would act as an additional cost and burden to

developers that serves no immediate consumer protection purpose, as developers selling spatial and non-residential units do not need a mailbox plan at the time of the condominium registration.

If the Committee chooses to move forward with this measure, the Commission offers the following alternative clarifying language for section 514B-33, Hawaii Revised Statutes, starting on page 6, line 8:

“(7) For any condominium map recorded after June 30, 2024, a mailbox plan for the condominium property regime, showing the location of all mailboxes for residential, agricultural farm dwellings, or commercial units, containing or will contain structures at the time of sale by the developer in the condominium property regime. Commercial units for this section do not include storage or parking units.”

Thank you for the opportunity to testify on this bill.