DEPARTMENT OF PLANNING AND PERMITTING

CITY AND COUNTY OF HONOLULU

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March 20, 2018

The Honorable Clarence K. Nishihara, Chair and Members of the Committee on Public Safety, Intergovernmental, and Military Affairs

The Honorable Karl Rhoads, Chair and Members of the Committee on Water and Land Hawaii State Senate

Hawaii State Capitol

415 South Beretania Street

Honolulu, Hawai 96813

Dear Chairs Nishihara and Rhoads, and Committee Members:

Subject: House Bill No. 2539, HD 1
Relating to Planned Communities

The Department of Planning and Permitting (DPP) **opposes** House Bill No. 2539, HD 1, which requires counties to designate an agency to inform the public and hold a hearing when lands for purposes other than proposed as part of a master plan for a community are being sold.

The City does not have oversight or direct involvement in real estate transactions between a buyer and seller (unless the City is party to such a transaction). Requiring the City to inform the public and provide a means for community input is misleading. It incorrectly implies that the City has discretionary review and decision-making authority over the sale of real property between two entities.

It is understandable that residents, particularly purchasers of homes in a master planned community, may be opposed to a change in the original intended use of a property. However, albeit it is not perfect, the role of zoning is to allow a range of permitted uses for designated districts, and not to regulate and offer hearings for every change of use. Ironically, developers of "master planned communities," by definition, should plan for acceptable changes in use. House Bill No. 2539, HD 1, represents a threat to property rights, in that a hearing on a sales transaction effectively becomes a political referendum to entitlements already granted. Such action may be grounds for a "takings" challenge.

The Honorable Clarence K. Nishihara, Chair and Members of the Committee on Public Safety, Intergovernmental, and Military Affairs The Honorable Karl Rhoads, Chair and Members of the Committee on Water and Land Hawaii State Senate March 20, 2018 House Bill No. 2539 HD 1 Page 2

We ask that House Bill No. 2539, HD 1, be deferred.

Thank you for the opportunity to testify.

Very truly yours,

Kathy K. Sokugawa Acting Director