DAVID Y. IGE GOVERNOR OF HAWAII





STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621 HONOLULU, HAWAII 96809

Testimony of SUZANNE D. CASE Chairperson

Before the Senate Committees on AGRICULTURE AND ENVIRONMENT and WATER AND LAND

Wednesday, June 24, 2020 12:30 PM State Capitol, Conference Room 229

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.

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

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

ROBERT K. MASUDA

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 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 Senate Committees on AGRICULTURE AND ENVIRONMENT and WATER AND LAND

Wednesday, June 24, 2020 12:30 PM **State Capitol, Conference Room 229**

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 Hawaii climate change mitigation and adaptation commission or its successor. 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 Session Laws of Hawaii 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 the Department of Land and Natural Resources 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.

Co-Chairs:

Chair, DLNR Director, Office of Planning

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

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 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.

Council Chair Alice L. Lee

Vice-Chair Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore Tasha Kama

Councilmembers
Riki Hokama
Kelly Takaya King
Michael J. Molina
Tamara Paltin
Shane M. Sinenci
Yuki Lei K. Sugimura



COUNTY COUNCIL

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

June 19, 2020

TO: The Honorable Kaiali'i Kahele, Chair

Senate Committee on Water and Land The Honorable Mike Gabbard, Chair

Senate Committee on Agriculture and Environment

FROM: Tamara Paltin, Councilmember for West Maui

Maui County Council

SUBJECT: HEARING OF WEDNESDAY, JUNE 24, 2020; IN SUPPORT OF HB 1878

HD1, RELATING TO REAL PROPERTY TRANSACTIONS

Thank you for the opportunity to **SUPPORT** on this important measure. The purpose of this bill 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.

The Maui County Council has recently established a Climate Action Resiliency Committee to address many of the challenges that we foresee due to Climate Change, including sea level rise. Therefore, I am providing this support as an individual member of the Maui County Council with the understanding that this is an important issue for Maui County as a whole.

I believe that a mandatory disclosure will better inform potential property owners about the climate-related risks associated with properties within the sea level rise exposure area. Damage to buildings and infrastructure, as well as the financial costs of maintaining and repairing the property need to be part of the assessment that buyers consider as they enter into such an important purchase.

Thank you, once again, for the opportunity to testify and for your consideration.









June 24, 2020

The Honorable Mike Gabbard, Chair

Senate Committee on Agriculture and Environment

The Honorable Kaiali'i Kahele, Chair

Senate Committee on Water and Land

RE: H.B. 1878, HD1, Relating to Real Property Transactions HEARING: Wednesday, June 24, 2020, at 12:30 p.m.

Aloha Chair Gabbard, Chair Kahele, and Members of the Joint Committees,

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 9,800 members. HAR supports the intent of this measure but is opposed to House Bill 1878, HD1, as currently drafted.

It is our position that official government designation maps should properly be provided by a permanent official government entity, such as the counties, and not an appointed temporary commission or non-department level body. HAR respectfully requests that the current language on Page 3, lines 10-12 be deleted and replaced with the following language requiring each relevant county to designate such exposure areas:

• Insert page 3, lines 10-12 to: "(5) Within the sea level rise exposure area as officially designated by the relevant county,"

Additionally, HAR would note that as presently designated, the SLR-XA maps are broadly color coded with vague boundary lines and property details, which creates uncertainty in determining which properties are subject to disclosure placing homeowners at unnecessary legal risk for non-compliance.

As such, HAR requests an amendment to page 4 by deleting the current HD1 language referencing SLR-XA maps and instead clarifying that each relevant county designate affected properties by tax map key:

• Delete page 4, Lines 4-5: "Until these maps are made available, State-produced and adopted SLR-XA maps shall be accepted."

Finally, if the Committee is inclined to pass the measure, HAR respectfully requests an effective date of November 1st for Part XI. This will allow our Standard Forms Committee to make changes to the Seller's Real Property Disclosure Statement and educate our members on the changes.

Mahalo for the opportunity to testify.





SENATE COMMITTEE ON AGRICULTURE AND THE ENVIRONMENT SENATE COMMITTEE ON WATER AND LAND

June 24, 2020

12:30 PM

Room 229

In SUPPORT of HB1878 HD1: Relating to Real Property Transactions

Dear Chair Gabbard, Chair Kahele, and members of the committees,

On behalf of our 27,000 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.

We support language in the HD1 to authorize the Hawai'i Climate Change Mitigation and Adaptation Commission to officially designate "sea level rise exposure areas" and utilize the State's SLR-XA maps as the basis of producing county exposure maps at the tax map key level of detail. All counties currently serve on the State's Climate Commission and consistency is key to relieve property owners and realtors of the burden of trying to make such determinations from a variety of possible sources of sea level rise projections.

We started the 2020 legislative session with seven various sea level rise disclosure bills and are pleased that mandatory disclosure, a common sense solution and "low hanging fruit" to address the unavoidable impacts of sea level rise, is being reconsidered during the June reconvening. The Sierra Club strongly **supports HB1878 HD1 and encourages its adoption.**



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

Wednesday, March 11, 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 seal 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 is not 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 essential 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

<u>HB-1878-HD-1</u> Submitted on: 6/23/2020 10:35:06 AM

Testimony for AEN on 6/24/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lucy Fagan	Testifying for Hawaii Youth Climate Coalition	Support	No

Comments:



HB 1878, HD1, RELATING TO REAL PROPERTY TRANSACTIONS

JUNE 24, 2020 - SENATE WATER AND LAND COMMITTEE AND SENATE AGRICULTURE AND ENVIRONMENT COMMITTEE - CHAIRS SEN. KAIALI'I KAHELE AND SEN. MIKE GABBARD

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 Colombia 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.

HB-1878-HD-1

Submitted on: 6/21/2020 3:05:33 PM

Testimony for AEN on 6/24/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
De Austin	Individual	Support	No

Comments:

Aloha Chair Gabbard, Chair Kahele, and members of the AEN and WTL Committees,

I support HB1878 to require sea level rise disclosure for real estate transactions, with an amendment to use the "3.2 SLR-XA" maps to determine which areas are impacted. Seller disclosure is already required for homes in flooding and tsunami zones and sea level rise disclosure is a common sense solution to help buyers better understand and prepare for the impacts of sea level rise.

Thank you,

Dezireen Austin

<u>HB-1878-HD-1</u> Submitted on: 6/22/2020 6:34:05 AM

Testimony for AEN on 6/24/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mary Lacques	Individual	Support	No

Comments:

<u>HB-1878-HD-1</u> Submitted on: 6/22/2020 7:50:33 AM

Testimony for AEN on 6/24/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lois Crozer	Individual	Support	No

Comments:

From: <u>Debbie Ward</u>
To: <u>AEN Testimony</u>

Subject: Testimony in support of HB1878- sea level rise disclosure bill

Date: Monday, June 22, 2020 3:36:32 AM

Aloha Chair Gabbard, Chair Kahele, and members of the AEN and WTL Committees,

I support HB1878 to require sea level rise disclosure for real estate transactions, with an amendment to use the "3.2 SLR-XA" maps to determine which areas are impacted. Seller disclosure is already required for homes in flooding and tsunami zones and sea level rise disclosure is a common sense solution to help buyers better understand and prepare for the impacts of sea level rise.

Thank you, Deborah Ward From: Anna Chua
To: AEN Testimony

Subject: Testimony in support of HB1878- sea level rise disclosure bill

Date: Sunday, June 21, 2020 10:55:51 PM

Aloha Chair Gabbard, Chair Kahele, and members of the AEN and WTL Committees,

I support HB1878 to require sea level rise disclosure for real estate transactions, with an amendment to use the "3.2 SLR-XA" maps to determine which areas are impacted. Seller disclosure is already required for homes in flooding and tsunami zones and sea level rise disclosure is a common sense solution to help buyers better understand and prepare for the impacts of sea level rise.

Thank you, Anna Chua From: mdeycaza
To: AEN Testimony

Subject: Testimony in support of HB1878- sea level rise disclosure bill

Date: Sunday, June 21, 2020 12:15:10 AM

Aloha Chair Gabbard, Chair Kahele, and members of the AEN and WTL Committees,

I support HB1878 to require sea level rise disclosure for real estate transactions, with an amendment to use the "3.2 SLR-XA" maps to determine which areas are impacted. Seller disclosure is already required for homes in flooding and tsunami zones and sea level rise disclosure is a common sense solution to help buyers better understand and prepare for the impacts of sea level rise.

Thank you, Michael deYcaza