DEPARTMENT OF PLANNING AND PERMITTING

CITY AND COUNTY OF HONOLULU

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RICK BLANGIARDI MAYOR



April 5, 2022

DEAN UCHIDA DIRECTOR

DAWN TAKEUCHI APUNA DEPUTY DIRECTOR

EUGENE H. TAKAHASHI DEPUTY DIRECTOR

The Honorable Karl Rhoads, Chair and Members of the Committee on Judiciary
The Honorable Donovan M. Dela Cruz, Chair and Members of the Committee on Ways and Means Hawaii State Senate
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chairs Rhoads and Dela Cruz, and Committee Members:

Subject: House Bill No. 1434, HD 1
Relating to the Counties

The Department of Planning and Permitting (DPP) **strongly supports**, with a suggested amendment, House Bill No. 1434, HD 1, 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

The Honorable Karl Rhoads, Chair and Members of the Committee on Judiciary
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neighbors are complaining, the Councilmember representing that district is complaining, and we have exhausted our current legal remedies. We have issued NOVs and NOOs 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 that the effective date of this measure be amended to July 1, 2022. If approved by the House and signed by the governor, this would allow the counties to proceed with non-judicial foreclosures immediately.

Thank you for this opportunity to testify.

Very truly yours,

ean Uchida

Director



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ESTHER KIA'ĀINA
VICE CHAIR
HONOLULU CITY COUNCIL, DISTRICT 3
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April 4, 2022

Aloha Chair Dela Cruz, Chair Rhoads, Vice Chair Keith-Agaran, Vice Chair Keohokalole, and members of the Ways and Means and Judiciary Committees:

As Vice Chair of the Honolulu City Council, I write in <u>support</u> of HB1434 HD1, 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.



BRANDON ELEFANTE

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

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> The Honorable Karl Rhoads, Chair The Honorable Jarrett Keohokalole, Vice Chair And Members of the Committee on Judiciary

The Honorable Donovan M. Dela Cruz, Chair The Honorable Gilbert S.C. Keith-Agaran, Vice Chair And Members of the Committee on Ways and Means

Subject: Testimony in Support of HB 1434, HD1, Relating to the Counties Hearing: Tuesday, April 5, 2022 at 10:05 a.m., Conference Room 211

I'm Brandon Elefante, Honolulu City Councilmember and Chair of the Zoning and Planning Committee. I am testifying in strong support of HB 1434, HD1.

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.

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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, HD1.

Sincerely,

Brandon Elefante



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April 4, 2022



TO: Senator Karl Rhoads, Chair

Senator Donovan M. Dela Cruz, Chair Senator Jarrett Keohokalole, Vice Chair Senator Gilbert S.C. Keith-Agaran, Vice Chair

FROM: Councilmember Calvin Say

Honolulu City Council, District V

SUBJECT: TESTIMONY IN **SUPPORT** OF HOUSE BILL 1434, HD1 **WITH PROPOSED AMENDMENT**

Aloha Chairs Rhoads and Dela Cruz, Vice Chairs Keohokalole and Keith-Agaran, and Members of the Senate Committees on the Judiciary and Ways and Means.

I am a current member of the Honolulu City Council representing District V and serving as the Chair of the Budget Committee. I stand in **support** of House Bill 1434, HD1, 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. I would humbly request amending the measure by inclusion either a sunset or review after 15 years.

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. Most notably, 1421 Pensacola Street, which has been abandoned and burned twice, has accumulated substantial fines over the past decade due, in part, to inaction by the owner.

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, HD1 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, HD1. Thank you for your time and consideration.



HB-1434-HD-1

Submitted on: 4/4/2022 10:24:41 PM

Testimony for JDC on 4/5/2022 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Keke Manera	Individual	Oppose	Written Testimony Only

Comments:

EVERY PROPERTY OWNER HAS A RIGHT TO HAVE THEIR DAY IN COURT IF AND WHEN IT COMES TO THAT, YOU ALL JUST BEING LAZY AND GREEDY!



HB-1434-HD-1

Submitted on: 4/4/2022 11:32:32 PM

Testimony for JDC on 4/5/2022 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Kapohuolahaina Moniz Pa	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this bill as it is an abuse of power. Local residents are struggling as is, there are better ways that are not harsh to foreclose property this way especially for many struggling seniors. There will be more forced out of their homes adding to the houseless problems. This bill is heartless!