



DAVID Y. IGE
GOVERNOR

JOSH GREEN
LT. GOVERNOR

**STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

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CATHERINE P. AWAKUNI COLÓN
DIRECTOR

JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Finance
Tuesday, February 23, 2021
2:00 p.m.
Via Videoconference**

**On the following measure:
H.B. 947, H.D. 1, RELATING TO HURRICANE PREPAREDNESS**

Chair Luke and Members of the Committee:

My name is Colin M. Hayashida, and I am the Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department supports this administration bill.

The purpose of this bill is to establish the Safe Home Program to provide matching and nonmatching grants for installation of wind resistive devices to single-family, owner-occupied, residential property owners upon certain circumstances. This bill also creates one temporary position within the Insurance Division to implement and administer the Safe Home Program. If passed, this bill will allocate \$2,000,000 earned through interest from assets of the Hawaii Hurricane Relief Fund to provide grants under the Safe Home Program.

Hawaii residents are highly susceptible to property loss due to hurricanes, tropical storms, and strong winds. With climate change affecting average temperatures and extreme temperatures, the likelihood of weather-related natural disasters, such as Hurricane Douglas in 2020, will only continue to increase.

By providing grants to qualifying property owners to make their homes more wind-resistant, this bill will help Hawaii's residents be more resilient in the event of a hurricane, reduce the need for emergency sheltering, and provide for more rapid recovery from a weather-related event. Fewer damages will result in lower or fewer insurance claims and will, over time, reduce insurance premiums for all Hawaii residents.

Thank you for the opportunity to testify, and we respectfully ask the Committee to pass this administration bill.



DAVID Y. IGE
GOVERNOR

GWEN S. YAMAMOTO LAU
EXECUTIVE DIRECTOR

HAWAII GREEN INFRASTRUCTURE AUTHORITY

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Testimony of
Gwen Yamamoto Lau
Executive Director
before the
HOUSE COMMITTEE ON FINANCE
Tuesday, February 23, 2021
Time: 2:00 P.M.
State Capitol, Conference Room No. 308

In consideration of
HOUSE BILL NO. 947, HD1
RELATING TO HURRICANE PREPAREDNESS

Chair Luke, Vice Chair Cullen, and Members of the Committee:

Thank you for the opportunity to testify and provide comments on House Bill 947, HD1, relating to hurricane preparedness. This bill proposes to establish a safe home program to provide matching and nonmatching grants for the installation of wind resistive devices to single-family, owner-occupied, residential property owners. The Hawaii Green Infrastructure Authority supports this bill.

This bill provides a number of benefits to low and moderate-income (“LMI”) homeowners, including, (1) helping to protect their homes from property loss due to hurricanes, tropical storms and strong winds; (2) possibly lowering their premiums for property insurance; and (3) helping to make their rooftop “solar ready”. A significant barrier for a number of LMI households interested in installing solar is the deteriorated condition of their roof. As the state is relying on solar production from 100% of our residential rooftops, this bill will assist our vulnerable households, while helping to achieve the state’s clean energy goals.

Thank you for this opportunity to testify and provide comments in support of HB 947, HD1.

TESTIMONY OF ALISON UEOKA

COMMITTEE ON FINANCE
Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair

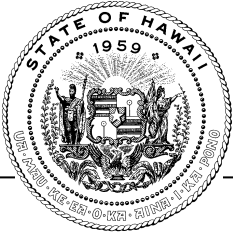
Tuesday, February 23, 2021
2:00 p.m.

HB 947, HD1

Chair Luke, Vice Chair Cullen, and members of the Committee on Finance, my name is Alison Ueoka, President of the Hawaii Insurers Council. The Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council supports the intent of this bill. HB 947, HD1 creates a hurricane grant mitigation program patterned after South Carolina. The program provides grant monies or matching grant monies based on financial need, to mitigate homes against hurricane losses. The bill requests an initial funding of \$2,000,000 from interest earned on the Hawaii Hurricane Relief Fund corpus only for the first year. We believe this program will provide an incentive for homeowners to better protect their homes from future wind losses.

Thank you for the opportunity to testify.



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

DAVID Y. IGE
GOVERNOR

SCOTT J. GLENN
CHIEF ENERGY OFFICER

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Testimony of
SCOTT J. GLENN, Chief Energy Officer

before the
HOUSE COMMITTEE ON FINANCE

Tuesday, February 23, 2021
2:00 PM
State Capitol, Conference Room 308

In support of
HB 947, HD1
RELATING TO HURRICANE PREPAREDNESS.

Chair Luke, Vice Chair Cullen, and Members of the Committee, the Hawaii State Energy Office (HSEO) supports HB 947, HD1, which establishes the Safe Home Program to provide matching and nonmatching grants to strengthen homes and roofs against wind damage.

This Administration bill will improve rooftops and building integrity. Strong roofs give homeowners the confidence to install solar, which will help Hawai'i to achieve the 100% renewable portfolio standard. Electricity generation modeling in the Power Supply Improvement Plan, and subsequent updates, assume photovoltaics on all residential roofs as well as a portion of commercial roofs by 2045. To achieve this, existing buildings must have the structural integrity to support these panels and withstand extreme weather events.

HSEO's comments are guided by its mission to promote energy efficiency, renewable energy, and clean transportation to help achieve a resilient, clean energy, decarbonized economy.

Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR



BONNIE KAHAKUI
ACTING ADMINISTRATOR

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TESTIMONY
OF
BONNIE KAHAKUI, ACTING ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
FINANCE
FEBRUARY 23, 2021, 2:00 p.m.

HOUSE BILL 947, HD1
RELATING TO HURRICANE PREPAREDNESS

Chair Luke, Vice Chair Cullen, and members of the committee, thank you for the opportunity to submit testimony on HB947 HD1. The State Procurement Office (SPO) provides the following comments to the bill regarding the exemption language on page 4, SECTION 2, lines 17 - 21, set forth below.

"(b) The safe home program trust fund may be used by the commissioner to make grants authorized under this part. Matching and nonmatching grants awarded under section 431P-E from the safe home program trust fund shall not be subject to chapter 42F, 91, 103D, or 103F."

It is unclear why exemption from Chapters 103D and 103F, Hawaii Revised Statutes (HRS), are included. Grants and subsidies are already exempt from Chapter 103F, HRS. Furthermore, matching and nonmatching grants will be awarded to eligible owner-occupied residential property owners in the state.

SPO opposes the exemption from Chapter 103D, HRS, for only the administration of the safe home program.

Thank you.

**Testimony of Dennis Hwang, private citizen
Before the
House Committee on Finance**

**Tuesday, February 23, 2021
2:00 p.m.**

**On the following measure:
H.B. 947, RELATING TO HURRICANE PREPAREDNESS**

Chair Luke, Vice Chair Cullen, and Members of the Committee:

My name is Dennis Hwang and I am a Faculty Member at the University of Hawaii Sea Grant College Program, which is part of NOAA. We have produced the *Homeowner's Handbook to Prepare for Natural Hazards 4th Edition* which has gone through 10 print runs with 100,000 copies and has helped to retrofit the residences of over 6,000 proactive homeowners. We also produced for the Legislature the report *Communication Strategy & Outreach Plan to Prepare the Community for Natural Hazards ("Communication Plan")*, under HB 571-2017 and submitted in January of 2020. Both the Handbook and the Communication Plan can be found at <https://seagrantsoest.hawaii.edu/homeowners-handbook-to-prepare-for-natural-hazards/>

Today I am testifying as a private citizen. I strongly support House Bill 947 as it is necessary for Hawaii to take the next step in preparedness. The Communication Plan calls for a grant retrofit program as one of five key measures to prepare the whole community in Hawaii. After Hurricane Lane threatened Oahu in 2018, a FEMA HAZUS study by the Pacific Disaster Center indicated if Lane had struck as Category 2, there would have been 52,000 homes damaged or destroyed and \$27 billion in damages. Wind retrofits can help to reduce that damage if enough houses participate. Our work indicates there is a general benefit to cost ratio of 15 times for all wind retrofits in general. For every dollar spent on the program, there is a potential 15 times return in reduction of losses related to hurricane damage (building damage, house contents, relocation costs and rental). There is even a higher return for some simple measures as roof to wall ties and opening protection. Education and outreach has the highest benefit/cost ratio, helping to retrofit over 6,000 homes in Hawaii. However not everyone in Hawaii is proactive and thus there is a need for HB947 to establish grants for retrofit. The proposed bill is of utmost importance considering the numerous threats we have had recently (2015 record number of tropical cyclones, 2018 Hurricane Lane, 2020

Hurricane Douglas), with at least 2 of these 3 incidents attributed to climate change.

Please note also that in 2020, the Hawaii Emergency Management Agency asked the University of Hawaii Sea Grant College Program to submit an application to FEMA under their new Building Resilient Infrastructure and Communities (“BRIC”) Program to establish a grant wind retrofit program for Hawaii. The application was submitted in January of 2020 and a decision will be made by the summer. The application works with the DCCA, industry and homeowners to establish the program and develop appropriate cost share. There is a strong possibility, though not guaranteed, that the Hawaii Safe Home Program can be supplemented with significant Federal funding. This would mean more homes could potentially be retrofitted at reduced costs. Allow the DCCA the flexibility to supplement grant retrofits with Federal funding, if it materializes, and also encourage the continued education and outreach of hazard risks in our communities so people know why it is important to retrofit, as well as have appropriate emergency supplies and evacuation plans. Thus it is hoped that the Committee pass this important bill and setup the opportunity to strengthen homes in Hawaii.

Thank you for the opportunity to testify.

Dennis Hwang

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OFFICE OF CLIMATE CHANGE, SUSTAINABILITY AND RESILIENCY

CITY AND COUNTY OF HONOLULU

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RICK BLANGIARDI
MAYOR

MATTHEW GONSER, AICP, CFM
EXECUTIVE DIRECTOR &
CHIEF RESILIENCE OFFICER

TUESDAY, FEBRUARY 23, 2021 2:00 PM

STATE OF HAWAII
HOUSE COMMITTEE ON FINANCE

**TESTIMONY ON HOUSE BILL 947, HD1
A BILL RELATING TO HURRICANE PREPAREDNESS**

BY,

MATTHEW GONSER
EXECUTIVE DIRECTOR AND CHIEF RESILIENCE OFFICER
OFFICE OF CLIMATE CHANGE, SUSTAINABILITY AND RESILIENCY

Dear Chair Luke, Vice Chair Cullen, and Members of the Committee:

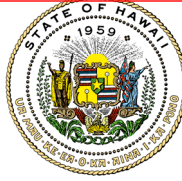
The City and County of Honolulu Office of Climate Change, Sustainability and Resiliency **strongly supports** House Bill 947, HD1, which establishes the Safe Home Program to provide matching and nonmatching grants for installation of wind resistive devices to single-family, owner-occupied, residential property owners and creates one temporary position within the Insurance Division of the Department of Commerce and Consumer Affairs to implement and administer the Safe Home Program.

Hurricane winds can be devastating. When Hurricane Iniki struck Kaua'i in 1992, 41 percent of the island's 15,200 homes were damaged or destroyed. On O'ahu, it is estimated that two out of three single-family homes will not provide sufficient shelter during a Category 1 hurricane and are in need of strengthening. However, older homes can be retrofitted to significantly reduce the risk of structural failure in a storm.

The concept of a residential retrofit program received broad public support during the development of the City's Resilience Strategy in 2019. This Safe Home Program and retrofit grants will help to lower some of the barriers and help property owners to take this critical step. Robustly funding and staffing the program ensures that the Safe Home Program will be able to provide outreach and meet the demand. There are many benefits including: reducing demand for emergency shelter capacity; decreasing damage and economic impact; and, increasing the chances that residents can remain in their homes post-disaster.

Thank you for the opportunity to testify in support of HB947, HD1.

DAVID Y. IGE
GOVERNOR



MAJOR GENERAL KENNETH S. HARA
DIRECTOR OF EMERGENCY MANAGEMENT

LUKE P. MEYERS
ADMINISTRATOR OF EMERGENCY MANAGEMENT

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STATE OF HAWAII
DEPARTMENT OF DEFENSE
HAWAII EMERGENCY MANAGEMENT AGENCY

**TESTIMONY ON HOUSE BILL 947,
RELATING TO THE HAWAII EMERGENCY MANAGEMENT AGENCY**

Before the House Committee on
FINANCE

By

Luke P. Meyers

Administrator, Hawaii Emergency Management Agency (HI-EMA)

Aloha Chair Luke, Vice-Chair Cullen, and Members of the Committee:

Senate Bill 1101 establishes the Safe Home Program to provide matching and nonmatching grants for installation of wind resistive devices to single-family, owner-occupied, residential property owners upon certain circumstances. Creates one temporary position within the Insurance Division of the Department of Commerce and Consumer Affairs to implement and administer the Safe Home Program.

The Hawaii Emergency Management Agency (HI-EMA) **supports** House Bill 947.

HI-EMA hopes that the creation of the Safe Home Program will encourage homeowners across Hawai'i to implement preventative safety measures, helping to mitigate potentially drastic damage from hurricanes with an increased inventory of stronger homes. Also, the Safe Homes program supports HI-EMA's long-time position of advocating "sheltering in place" because of a severe lack of community shelters statewide as well as the added barriers created by the need to social distance during a pandemic whose end is yet to be determined.

HI-EMA strongly supports this potentially life-saving program as long as it does not cause any conflicts with the Governor's budget.

Thank you.

Luke P. Meyers: Luke.P.Meyers@hawaii.gov; 808-733-4300