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STATE PROCUREMENT OFFICE

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TESTIMONY
OF
BONNIE KAHAKUI, ACTING ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE
ON
WAYS AND MEANS
MARCH 2, 2021, 9:30 a.m.

SENATE BILL 1101, SD1
RELATING TO HURRICANE PREPAREDNESS

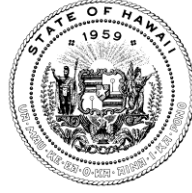
Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committees, thank you for the opportunity to submit testimony on SB1101 SD1. The State Procurement Office (SPO) provides the following comments to the bill due to the exemption language on page 4, SECTION 2, lines 17 - 21 set forth below.

"(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), is included. Grants and subsidies are already exempted from Chapter 103F, HRS. Furthermore, matching and nonmatching grants will be awarded to eligible owner-occupied residential property owners in the state.

This exemption to Chapters 103D and 103F, HRS, appears to be unnecessary as it is not applicable to grants awarded to eligible homeowners. SPO does oppose exemption from Chapter 103D, HRS, for the administration of the safe home program.

Thank you.



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
Senate Committee on Ways and Means
Tuesday, March 2, 2021
9:30 a.m.
Via Videoconference**

**On the following measure:
S.B. 1101, S.D. 1, RELATING TO HURRICANE PREPAREDNESS**

WRITTEN TESTIMONY ONLY

Chair Dela Cruz, 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.

If this bill is passed without an appropriation, the Department will establish the framework for the Safe Home Program, which may take a period of time. While the framework for the Safe Home Program is being established, the Department will also be seeking grant funds for the program and may also return to the Legislature to request additional funds.

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
SENATE COMMITTEE ON WAYS AND MEANS

Wednesday, March 2, 2021
9:30 A.M.
State Capitol, Conference Room No. 211 & Videoconference

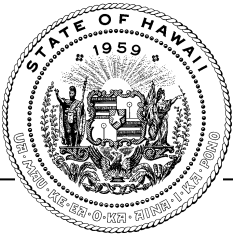
In consideration of
SENATE BILL NO. 1101, SD1
RELATING TO HURRICANE PREPAREDNESS

Chair Dela Cruz; Vice Chair Keith-Agaran; and Members of the Committee on Ways and Means:

Thank you for the opportunity to testify and provide comments on Senate Bill 1101 SD1, 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 SB 1101 SD1.



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
SENATE COMMITTEE ON WAYS AND MEANS

Tuesday, March 2, 2021
9:30 AM
State Capitol, Conference Room 211 & Videoconference

In support of
SB 1101, SD1
RELATING TO HURRICANE PREPAREDNESS.

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee, the Hawaii State Energy Office (HSEO) support SB 1101, SD1, 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.

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, MARCH 2, 2021, 9:30 A.M.

STATE OF HAWAII
SENATE COMMITTEE ON WAYS AND MEANS

**TESTIMONY ON SENATE BILL 1101, SD1
RELATING TO HURRICANE PREPAREDNESS**

BY,

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

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committees:

The City and County of Honolulu Office of Climate Change, Sustainability and Resiliency (CCSR) **strongly supports** Senate Bill 1101, SD1, 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. The Safe Home Program will complement City actions

Chair Dela Cruz and Vice Chair Keith-Agaran
SB1101, SD1
March 2, 2021
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aimed at protecting the 68 percent of single-family homes on O‘ahu that lack sufficient hurricane wind-resistance.¹

Thank you for the opportunity to testify in support of SB1101, SD1.

¹ City and County of Honolulu, *2020 Annual Sustainability Report*, Disaster Resilience, p.23, <https://resilientoahu.org/sustainability-report>.

TESTIMONY OF ALISON UEOKA

COMMITTEE ON WAYS AND MEANS
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

Tuesday, March 2, 2021
9:30 a.m.

SB 1101, SD1

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee on Ways and Means, 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. SB 1101, SD1 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.

Testimony of Dennis Hwang, private citizen

**Before the
Senate Committee on Ways and Means
Tuesday, March 2, 2021
9:30 a.m.
Via Videoconference**

**On the following measure:
S.B. 1101, S.D. 1, RELATING TO HURRICANE PREPAREDNESS**

WRITTEN TESTIMONY ONLY

Chair Dela Cruz, 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 with hurricane wind mitigation devices. We also produced for the Legislature the report *Communication Strategy & Outreach Plan to Prepare the Community for Natural Hazards*, 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 Senate Bill 1101 which establishes the Safe Home Program with grants for hurricane wind retrofits. This is necessary for Hawaii to take the next step in preparedness. 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 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 grants under SB 1101. 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). At least 2 of these 3 incidents have been attributed to climate change, with the ominous implication of greater future risk.

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 help 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, homeowners and FEMA 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. The DCCA should have 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. It is hoped that the Committee pass this important bill, which would setup the opportunity to strengthen homes in Hawaii on a more consistent basis.

Thank you for the opportunity to testify.

Dennis Hwang

djh@opglaw.com, 808-542-7263

SB-1101-SD-1

Submitted on: 2/28/2021 10:47:59 PM

Testimony for WAM on 3/2/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Janet Pappas	Individual	Support	No

Comments:

Dear Chair Dela Cruz, Vice Chair Keith-Agaran and WAM Committee members,

Scientists agree that climate change has brought stronger, slower, more destructive hurricanes closer to our islands than in previous decades. Many of Hawaii's homes would be destroyed if there were a direct hit to one or more of our islands from a Category 3, 4 or 5 hurricane.

We are strongly in favor of bill SB1101 SD1 to make hurricane preparedness more affordable for homeowners. But we have concerns about the limited information on hurricane preparedness reaching Hawaii citizens and about the equity of the proposed grants as outlined in this bill.

As homeowners, we have found little information on hurricane preparedness for Hawaii, aside from the helpful "Homeowner's Handbook to Prepare for Natural Hazards", 4th Edition, available free from the University of Hawai'i Sea Grant College Program. This booklet provides basic information about several natural hazards and ways to prepare for them. However, without funds, many of the options cannot be carried out.

In our experience, the local hardware stores (Lowe's, Home Depot, City Mill, etc.) do not regularly stock wind resistive devices (aside from plywood), so residents must rely on Florida companies for advice and materials. In other words, homeowners are on their own. Plywood, though no longer cheap, is a good alternative as a wind barrier for younger folks, but nearly out of the question for the elderly due to its weight when installing and taking down (which could happen 2 or 3 times per year).

We would like to see/hear more PSAs on TV or radio that inform people of the dangers of these storms. Many families barely have enough money for the basics, and so never even consider hurricane preparedness materials.

We urge you to consider a larger amount (\$10,400) for the non-matching grants. This would equal the spending power of the matching grants (\$5200 (state) \$5200 (homeowner)) that higher income homeowners would receive.

As usual, the wealthy are in a much better position to benefit from the grants this bill would provide. Even so, this bill would help some people with a small portion of the

costs and encourage hurricane preparedness; and in the case of hurricane preparedness, something is always better than nothing!

The cost of NOT passing this bill could bankrupt Hawaii if a devastating hurricane makes a direct hit. Please incentivize preparedness and pass this bill.

Thank you for the opportunity to testify on SB1101 SD1.

Sincerely,

Jan Pappas, Ron Yasuda; Aiea, Hawaii

3318 Martha Street
Honolulu, HI 96815
okimotod@gmail.com

LATE

Senate Committee on Ways and Means

Tuesday, March 2, 2021

9:30 a.m.

Via Videoconference

On the following measure:

S.B. 1101, S.D. 1, RELATING TO HURRICANE PREPAREDNESS
WRITTEN TESTIMONY ONLY

Chair Dela Cruz and Members of the Committee:

My name is Darren Okimoto and I serve as the Associate Director/Extension Leader for the University of Hawai'i Sea Grant College at the University of Hawai'i at Mānoa. I am providing testimony as a private citizen in support of S.B. 1101, S.D. 1.

In 1992, Hurricane Iniki struck Kaua'i and damaged or destroyed over 41% (15,200) of the homes. Since Hurricane Iniki the Hawaiian Islands were threatened numerous times, most notably: i) there was a record of 13 tropical cyclones in the central Pacific in 2015, all of them fortunately missing the Hawaiian Islands, ii) Hurricane Lane threatened to do to O'ahu what Hurricane Iniki did to Kaua'i in 2018, and iii) Hurricane Douglas in 2020 was the closest tropical cyclone to pass near O'ahu in decades. A hurricane warning was issued for O'ahu, indicating hurricane winds were expected within 36 hours. A Federal Emergency Management Agency (FEMA) Hazus study indicates a Category 2 strike on O'ahu would cause 52,000 houses to be displaced and cause \$27 billion in economic losses. The National Oceanic and Atmospheric Administration National Weather Service (NOAA NWS) forecasters have also noticed a trend of hurricane paths that once tracked to the south of Hawai'i, now appear to have a more northerly track, placing the islands at greater risk from storm systems like Hurricane Douglas in 2020. With an apparent increasing trend of hurricane risks, most likely caused by the warmer ocean waters and climate change, it is even more important that residents in Hawai'i prepare their families and homes for future storm threats.

The intent of S.B. 1101, S.D. 1. 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 will also create one temporary position within the Insurance Division of the Hawai'i Department of Commerce and Consumer Affairs (HDCCA) to implement and administer the Safe Home Program. If passed, this bill will allocate \$2,000,000 earned through interest from assets of the Hawai'i Hurricane Relief Fund to provide grants under the Safe Home Program. By providing grants to qualifying property owners to make their homes more wind-resistant, this bill will help Hawai'i'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 Hawai'i residents.

The University of Hawai'i Sea Grant College Program (Hawai'i Sea Grant) submitted a proposal application in January 2021 via the Hawai'i Emergency Management Agency to a notice of funding opportunity from the Federal Emergency Management Agency' Building Resilient Infrastructure and

Communities Program. Under this application, Hawai'i Sea Grant, if awarded the funding, will work with HDCCA to help establish the hurricane grant retrofit program for the state based on research conducted on other states with similar programs as well as the HDCCA program that existed in Hawai'i from 2006 to 2008 that resulted in the retrofit of 430 homes.

Thank you for the opportunity to testify in support of this bill and respectfully ask this committee to pass S.B. 1101, S.D. 1.