



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

DAVID Y. IGE
GOVERNOR

SCOTT J. GLENN
CHIEF ENERGY OFFICER

235 South Beretania Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone:
Web:

(808) 587-3807
energy.hawaii.gov

Testimony of
SCOTT J. GLENN, Chief Energy Officer

before the
COMMITTEE ON FINANCE

Tuesday, March 1, 2022
11:00 AM
State Capitol, Conference Room 308 & Videoconference

**COMMENTS
HB 1747 HD1
RELATING TO THE STATE BUILDING CODE COUNCIL.**

Chair Luke, Vice Chair Yamashita, and Members of the Committee, the Hawai'i State Energy Office (HSEO) offers comments on HB 1747 HD1, which requires the State Building Code Council (SBCC) to consult with building industry trade associations to gather cost data on the implementation of building codes or standards and calculate the financial impact of those codes and standards, including amortized utility costs, on the cost of single-family and multi-family homes built in the state. It also requires the annual report to the Governor to include the cost provided by building industry trade associations on certain codes and standards adopted by the council.

We have several comments which point to the SBCC already having significant trade association involvement.

Hawai'i Revised Statutes Chapter 107 Part II,¹ "State Building Code and Design Standards," which formed the SBCC, reads in part, "The council shall consult with building trade associations to gather information and recommendations on construction practices and training relevant to building codes and standards."²

The composition of the SBCC shall include, "One member representing the Building Industry Association of Hawai'i, or the General Contractors Association of

¹ Hawai'i Revised Statutes, sections [107-21 through 107-31](#), inclusive.

² Hawai'i Revised Statutes, section [107-24\(e\)](#).

Hawai'i, who has significant experience with building codes, with alternating four-year terms between the two organizations.”³

The SBCC also includes representatives from the state fire council, the department of labor and industrial relations, and the Subcontractors Association of Hawai'i.

As a State entity, the SBCC abides by sunshine laws and welcomes representatives from the industry and unions to raise concerns regarding codes and construction costs. Participants in SBCC meetings include representatives from Pacific Resource Partnership, Hawai'i Regional Council of Carpenters, Plumbers & Fitters Local 675, Hawai'i Laborers and Employers Cooperation and Education Trust Fund, Hawai'i Construction Alliance, United Brotherhood of Carpenters, United Brotherhood of Carpenters and Joiners of America, Laborers International Union of North America Local 363 and the Laborers International Union of North America.

While the State Building Code statute refers to an “executive director and executive assistant,” and cites “budgetary requirements for conducting meetings, training, travel and other related responsibilities,”⁴ the SBCC has received no funding. Adding a requirement to provide estimated costs for each new code provision and an annual report with those cost estimates, will require specialized expertise and necessitate funding of the SBCC.

Thank you for the opportunity to testify.

³ Hawai'i Revised Statutes, [section 107-22\(a\)](#).

⁴ Hawai'i Revised Statutes, [section 107-23](#).



**HOUSE COMMITTEE ON FINANCE
State Capitol, Via Videoconference
415 South Beretania Street
11:00 AM**

March 1, 2022

RE: HB 1747 HD1, RELATING TO THE STATE BUILDING CODE COUNCIL

Chair Luke, Vice Chair Yamashita, and members of the committee:

My name is Daryl Takamiya, 2022 President of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii. Our members build the communities we all call home.

BIA-Hawaii is in strong support of HB 1747 HD1, which would require the state building code council (SBCC) to consult with building industry trade associations to gather cost data on the implementation of building codes or standards and calculate the financial impact of those codes and standards, including amortized utility costs, on the cost of single-family and multi-family homes built in the state, and will require the annual report to the governor to include the cost provided by building industry trade associations on each code and standard adopted by the council.

The current SBCC does not take into consideration the cost implications of adopting new codes. Nationally, many of the new codes have mandates built-in that manufacturers and special interest groups have embedded into new code revisions. These mandates are not intended to protect the public health or safety, and ultimately increase the cost of housing. Requiring the SBCC to consider cost implications and report to the Governor would provide the public and the building industry with much-needed information.

The state of Hawaii is in a dire housing crisis which has been further exacerbated by the ongoing pandemic situation. As the Legislature is aware, the cost of housing in Hawaii is extremely high, with Oahu's median price of homes being currently over \$1 million. Approximately 153,967 U.S. households are priced out of buying a home for every \$1000 increase in price, according to the National Association of Home Builders (NAHB).

We appreciate the opportunity to express our strong support for HB 1747 HD1.



February 28, 2022

Representative Sylvia Luke, Chair
Representative Kyle T. Yamashita, Vice Chair
Members of the House Committee on Finance
Thirty-First Legislature, Regular Session of 2022

RE: **HB 1747 – RELATING TO THE STATE BUILDING CODE COUNCIL**
Hearing Date: March 1, 2022 at 11:00 a.m.

Aloha Chair Luke and Members of the Committee on Finance,

Mahalo for the opportunity to submit testimony on behalf of D.R. Horton Hawaii LLC (“D.R. Horton”) in **SUPPORT** of HB 1747 – RELATING TO THE STATE BUILDING CODE COUNCIL. D.R. Horton is one of Hawaii’s largest home builders and has been providing affordable housing and first-time buyer homes for Hawaii’s families throughout Oahu for nearly fifty years. D.R. Horton agrees that it is critical to keep abreast of state building codes as building technologies continue to change, new life safety concerns continue to arise and the need for sustainable building practices continue to increase. D.R. Horton is a leader in building quality and sustainable home designs and has adopted an overall sustainability plan for its Ho’opili master planned community in East Kapolei. This commitment to our community and the overall health of the environment has resulted in energy efficient design in excess of current codes.

The primary purpose of building codes is to set minimum requirements of the built environment that protect the life, health and safety of its occupants. The primary purpose of energy codes is to set minimum requirements for the energy efficient design of buildings. Although well intended, some of the recent state building and energy codes proposed often exceeded these minimum requirements creating unintended consequences that resulted in substantial cost increases to critical industries such as housing. Over the last decade, there has been an increase in code content resulting in ever growing volumes of code categories and publications. Fueled by climate change and special interest groups, such as product manufactures, this uptick in code requirements has yielded “nice to have” added benefits versus need to have” minimum standards. While this can be beneficial to needed advancement in research and development of building products, it has without a doubt increased the cost of housing. New code requirements always add new costs, very rarely do they reduce cost.

HB 1747 would create a mechanism for the building industry as a collective whole to:

- Conduct a cost benefit analysis of proposed new building and energy codes that is essential to evaluating and finding a balance between well intended life safety and sustainability standards and the increased cost to housing. This analysis would help evaluate and determine whether such

Oahu · Maui · Hawaii Island · Kauai

130 Merchant Street, Suite 112 · Honolulu, Hawaii 96813 · 808.521.5661

www.drhorton.com/hawaii

added costs are congruent with the added value of the new code requirement.

- Evaluate proposed code requirements through actual case study analysis on projects here in Hawaii, facilitating review for appropriateness and applicability to Hawaii's climate, construction types and housing market. This will help Hawaii adapt building and energy codes that were created for broad application across the United States.
- Evaluate material supply chain availability to avoid sole source or proprietary manufacturers in an already isolated and limited product distribution market.
- Solicit broad feedback to avoid an inherently flawed "one size fits all" approach to code adoption which may work for one type of housing but be detrimental to another.

One recent, and sobering, example of why HB 1747 is critically needed is the SBCC's adoption of code related to wind borne debris that resulted in a requirement for either impact resistant windows or a safe room shelter in new single-family homes. The unintended additional cost to much needed housing was astronomical. Impact resistant windows added approximately \$8-10K per home and the safe room alternative added \$17-20k per home. The adoption of this wind-borne debris code, while well meaning, inadvertently and unnecessarily inflated the cost of housing, something we are all collectively trying to decrease. Recognizing the misstep, industry leaders including contractors, structural engineers, architects and material suppliers met with the State Building Code Council's member from the Structural Engineers Association of Hawaii (SEAOH), Lyle Carden, to share supply chain challenges and cost impacts, discuss the code's life safety code intent and explore more cost-effective alternatives. The extremely efficient and effective collaborative effort resulted in a design modification to the current safe room design that drastically reduced the added cost of meeting the intent of the code to \$3-4k per home. This is how we need to work together.

HB 1747 is needed now, to set a managed and proactive approach to code adoption that brings building industry stakeholders together with the SBCC early and often to share, discuss, vet and ultimately find balanced solutions to move us forward in a rational and reasonable manner. HB 1747 will provide this mechanism to conduct such analysis prior to the codes being implemented.

For these reasons, D.R. Horton strongly urges the committee to pass HB 1747. Mahalo for your time and consideration, it is much appreciated.

Sincerely,

Tracy Tonaki
City Manager

Plumbers and Pipefitters UA Local 675



HOUSE OF REPRESENTATIVES REGULAR SESSION OF 2022

COMMITTEE ON FINANCE

Representative Sylvia Luke, Chair

Representative Kyle T. Yamashita, Vice Chair

NOTICE OF HEARING

Tuesday, March 1, 2022 at 11:00 am, Conference Room 308
415 South Beretania St., Honolulu, Hawaii 96813

Re: Comments and Proposed Amendments to HB1747 HD1, on behalf of the Plumbers and Pipefitters UA, Local 675.

Mahalo for the opportunity to offer comments on HB1747HD1. Local 675 appreciates the inclusion of language in House Draft 1 of this measure, supporting the underlying intent and purpose of building standards and codes to safeguard life, property, and general welfare, however still believe the additional requirements proposed in this measure may create additional requirements on an already over-burdened State Building Code Council (SBCC) currently administered and maintained by volunteer members and stakeholders.

The primary purpose of building codes and standards is to safeguard life, health, and general welfare. This measure appears very similar to HB1131 introduced in 2021 which intended to address concerns raised by the building industry regarding alleged cost impacts caused by the adoption of codes and standards as they relate to energy efficiency¹² and ongoing utility costs associated with energy consumption³.

¹ See testimony submitted by the Building Industry Association of Hawaii, House Bill 1311, February 10, 2021 to the House Committee on Consumer Protection and Commerce, "The current makeup of the SBCC does not take into consideration the cost implications of adopting new codes. Nationally, many of the new codes have mandates built-in that manufacturers and special interest groups have embedded into new code revisions. **These mandates are not intended to protect the public health or safety**, and ultimately increase the cost of housing.

² See also testimony submitted by the City and County of Honolulu- Department of Planning and Permitting, Dean Uchida, House Bill 1131 House Draft 1, February 24, 2021 to the House Committee on Finance, "the State Building Code Council. . . **does not consider the economic impacts of codes that mandate the use of products that are not required for the protection of public health and safety.**"

³ See also testimony submitted by Blue Planet, House Bill 1131, February 10, 2021 to the House Committee on Consumer Protection and Commerce.

Although well-intended, initiatives that place cost over health and safety may have broad-sweeping and unintended consequences, and undermine other building codes and standards whose primary purpose and function is safeguarding life, property, and general welfare.

One such code, the plumbing code, establishes minimum standards of constructing plumbing systems in the built environment. Plumbing systems in the built environment play an integral role in safeguarding life, property, and general welfare against the spread of water and airborne toxins, pathogens and other micro bacteria. As an example, the spread of China's 2003 outbreak of Severe Acute Respiratory Syndrome (SARS), the predecessor of SARS/COVID 19 was determined to be caused by faulty plumbing systems, and resulted in numerous deaths.⁴

Bill 1747 places additional responsibilities on an already over-burdened State Building Code Council (SBCC). The SBCC's building code and standard adoption process is an open process that provides ample opportunity to interested parties and stakeholders who choose to actively participate on behalf of their issue, interest, or industry. Public hearings are held and investigative committees are established to solicit input from a broad spectrum of public, private and industry partners. There are currently serving on the SBCC, several voting members representing the building industry, that have ample opportunity to weigh in on any matter before the SBCC, including the adoption of building codes and standards. It is equally important to seek input and knowledge from other affected and interested stakeholders including building trades, **to ensure that installers and tradesmen who are charged with the performance of, and compliance with the various codes and standards, are properly and timely trained.**

Should HB1474 HD1 move forward, we respectfully ask that your Committee supports the findings and amendments made by the Committee on Consumer Protection and Commerce, as described in the SCR 241-22. Additionally, Local 675 respectfully requests further consideration for the following additional amendment to page 3, line(s) 14-17 that ensures that all affected and interested industry stakeholders have an equitable opportunity and voice on matters that may have profound impacts. Mahalo for the opportunity to provide input on this important measure.

Proposed Amendments to HB1747 HD1 (2022)

“ **§107-24 Authority and duties of the council.**

(e) The council shall consult with [~~general building contractor associations and building industry trade associations~~] affected and interested industry stakeholders to gather information and recommendations on construction practices and training relevant to building codes and standards.”

⁴ 2003 SARS Epidemic China; <https://www.who.int/news/item/26-09-2003-inadequate-plumbing-systems-likely-contributed-to-sars-transmission>



March 1, 2022

TO: Honorable Sylvia Luke, Chair
House Finance Committee

FROM: Reid Mizue, AIA
Vice President / Legislative Advocacy Group
American Institute of Architects, Hawaii State Council

SUBJECT: **Re: House Bill 1747 HD1**
Relating to the State Building Code Council

The American Institute of Architects

AIA Hawaii State Council
828 Fort Street Mall, Suite 100
Honolulu, HI 96813

T (808) 628-7243
contact@aiahonolulu.org
aiahonolulu.org/AIAHawaiiStateCouncil

Dear Chair Luke and Members of the Committee,

My name is Reid Mizue VP/President-elect AIA Hawaii Council submitting **COMMENTS** on House Bill 1748 HD1 requiring State Building Code Council SBCC to gather cost data on the implementation of the code or standard to calculate the financial impact of the code or standard on the cost of single-family and multi-family homes built in the State, including the impact of the code or standard on amortized utility costs for single-family and multi-family homes.

Section 1 language misrepresents role of building codes in Hawaii’s high construction costs

International Building Code IBC is model code in all 50 states. IRC adopted in 49 states. So the same building code ought to have similar construction cost effect in all states. Below is sampling of Construction Cost Deviation from National Average; including the 3 states geographically closest to Hawaii*:

- Nebraska 0.92 (lowest cost)
- Alabama 0.94
- Oregon* 0.93
- Washington* 0.00 (national average along with Ohio)
- Illinois 1.04
- California* 1.09
- **Hawaii 1.20**
- Alaska 1.23 (highest cost)

Hawaii has far and above a high construction cost compared to national average. Cost deviation from lowest to highest is the result of numerous factors far beyond building code:

- Transportation under Jones Act. Fewer local trucking options.
- Geographical separation into islands with lessened competition among contractors; and potential labor shortages. Reduced productivity related to reduced competition?
- High degree of unionized labor.
- High cost of doing any kind of business; often cited highest in USA.

We are not issuing complaints about the above factors. Our disagreement is that Section 1 language misrepresents the role of building codes in Hawaii's high construction costs. Section 1 language cites median house sales prices, but these prices include the cost of land, appropriate cost for developer "soft costs" / profit and market factors such as supply vs. demand.

Housing is unique when compared to other building types

Current public policies for energy conservation in all buildings have caused ambitious performing energy codes to be adopted by SBCC. State agencies and some private building owners, being long-term operators, have been cautious supporters of improved energy codes. But home building is unique because the completed home is to be sold and operated by home buyers who did not commission the original construction.

Consider the example of automobiles; likely the second most expensive item consumers will buy. Federal EPA mandates auto industry with miles-per-gallon so consumers have some long-term protection related to fuel efficiency. Otherwise the latest technology might not be built into autos by manufacturers intent on short-term cost savings. The same is true of homes; likely the most expensive item consumers will buy. Home building codes must mandate minimum performance so consumers can have protection related to long-term performance. Thus HB 1747 HD1 requires including the impact of the code or standard on amortized utility costs for single-family and multi-family homes.

SBCC is unstaffed and volunteers will be further burdened

AIA is concerned that all-volunteer SBCC, already facing large elapsed time challenges, will be further burdened. HD 1 language provided that this subsection shall not apply to codes and standards that have a primary purpose and function of safeguarding life, property, and general welfare collectively; added by House CPC Committee at request of property insurers is acceptable to AIA. However:

- HB 1747 HD1 requires additional time from all-volunteer board; making it more likely that automatic adoption of unamended model code(s) will occur under subsection (c); without cost factors to inform the adoption.
- Any code provisions not exempted must be cost-calculated by building trade associations without any compensation. Cost data is already prepared on national level for code amendments, but HB 1747 HD1 seems to require entire code(s) be re-costed each time it is being considered for implementation on staggered cycle.
- Amortized utility costs are life-cycle costs not ordinarily within the expertise of construction contracting. Design professional members do not include mechanical or electrical engineers, so their specialty is not directly represented. Perhaps DBEDT can offer assistance? CPC language would seem to focus cost data on energy and water usage.
- Even with above cost / amortization information, it must be formatted into the Report of re-designated subsection (i); a further task for unstaffed SBCC.
- The language of re-designated subsection (i) needs amendment because Section 1 and revised subsection (f) focus on single-family and multi-family homes. Otherwise, proposed language requires “the cost of each code and standard” without regard to building type; a potentially Herculean task. This language seems “re-heated” from old bill that got deferred last session.
- Language added in re-designated subsection (i) does not say what happens if the governor determines the code(s) do not substantially benefit residents of the State AFTER the code(s) have been adopted.

SBCC could lack for volunteers

AIA wants to re-emphasize concern over added time burden to volunteers; especially building trade associations. This bill should be deferred until SBCC is adequately staffed and contracts under re-named subsection (g) can be awarded for unbiased evaluation of certain code provisions. There are other legislative mandates moving forward, SB 2662 and HB 1784, that will add even more burden to unstaffed SBCC. AIA concern is that no one will volunteer to sit on SBCC. AIA concerns would be reduced if SBCC funding bill like SB 3381 were to have its language added to this bill; even with \$0 at this stage.

Thank you for this opportunity to **COMMENT** on House Bill 1747
HD1.

Sincerely,

A handwritten signature in black ink, appearing to read "Reid T. Mizue". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Reid Mizue, AIA
American Institute of Architects, Hawaii State Council

NAIOP

COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION

HAWAII CHAPTER

February 28, 2022

Representative Sylvia Luke, Chair
Representative Kyle T. Yamashita, Vice Chair
House Committee on Finance

RE: **HB1747 – Relating to State Building Code**
Hearing date: March 1, 2022 at 11:00AM

Aloha Chair Luke, Vice Chair Yamashita and Members of the Committee,

Mahalo for the opportunity to submit testimony on behalf of NAIOP Hawaii **in SUPPORT of HB1747**. NAIOP Hawaii is the local chapter of the nation's leading organization for office, industrial, retail, residential and mixed-use real estate. NAIOP Hawaii has over 200 members in the State including local developers, owners, investors, asset managers, lenders and other professionals. NAIOP Hawaii strongly supports the development of housing for Hawaii residents at all levels of income, especially affordable housing projects.

HB 1747 requires the state building code council to consult with building industry trade associations to gather cost data on the implementation of building codes or standards and calculate the financial impact of those codes and standards, including amortized utility costs, on the cost of single—family and multifamily homes built in the State. This measure offers an opportunity to discuss the economic impacts of implementing changes to Uniform Building Code (UBC) prior to its implementation.

The discussion between the state building code council and building industry trade associations provides the forum to address the impacts that adoption of UBC provisions would have on the State's ability to address: 1) the current high cost of housing; and 2) the affordable housing crisis. Industry associations are the best resource to provide cost implication data to the council which will allow for greater cost benefit analysis when contemplating code changes.

Ultimately, HB1747 offers greater information exchange that will lead to regulations which will enable to development of more affordable housing and reduce the current high cost of housing. NAIOP appreciates the Legislature's commitment to assisting in the development of affordable housing and look forward to working together.

Mahalo for your consideration,



Jennifer Camp, President
NAIOP Hawaii



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: February 28, 2022

TO: Representative Sylvia Luke
Chair, Committee on Finance
Submitted Via Capitol Website

FROM: Rick Tsujimura

RE: **H.B. 1747, HD1 Relating to the State Building Code Council**
Hearing Date: Tuesday, March 1, 2022 at 11:00 a.m.
Conference Room: 308

Dear Chair Luke, Vice Chair Yamashita, and Members of the Committee on Finance:

I am Rick Tsujimura, representing State Farm Mutual Automobile Insurance Company (State Farm). State Farm offers the following comments about HB 1747, HD1 Relating to the State Building Code Council.

State Farm strongly supports the development, adoption, and enforcement of strong building codes which promote public safety and help to avoid needless property damage. Consumers, communities, and builders benefit from effective and modern building codes. State Farm applauds the Legislature's continued efforts to look for innovative ways to approach concerns that the costs of compliance may impact the costs of housing construction and impact affordability.

H.B. 1747, HD1 would require the State Building Code Council to consult with the building industry trades to gather cost data associated with the implementation of the proposed code or standard to calculate the financial impact. It would also add a section to the written report relating to the financial impact to "determine whether the codes and standards substantially benefit residents of the state." State Farm is concerned that the proposed amendment to existing law does not set any guardrails around what will be considered as part of the State Building Code Council's cost benefit analysis and/or how this may impact the council's decisions. Moreover, the proposal appears to be redundant. The International Code Council, the promulgator of the model building codes, requires each code change to be accompanied by a cost benefit analysis. Based on the foregoing, State Farm requests the following amendment to H.B. 1747, HD1:

Pg. 4, Lines 19-21/Pg 5 Lines 1-2: "The written report shall include the cost provided by building industry trade associations on each code and standard adopted by the council to determine whether the codes and standards substantially benefit residents of the State."

Thank you for considering these comments and suggestions.

HB-1747-HD-1

Submitted on: 2/28/2022 12:07:08 PM

Testimony for FIN on 3/1/2022 11:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Lyle P Carden	Structural Engineers Association of Hawaii; Martin, Chock & Carden, Inc.	Oppose	No

Comments:

Honorable Members of the Committee,

This testimony does not support the passage of HB1747.

The council always weighs the financial benefits or impacts of code changes with public safety, environmental and other impacts. A majority of local code amendments to the model building codes are to reduce construction cost with minimal impact on public safety, as appropriate for Hawaii specific conditions compared to national conditions. A formal economic impact of all potential State Building Code changes is ideal if financial support were available to support the analysis. The reality is that the State Legislature has never provided the financial support to the State Building Code Council for administrative positions to support the development of State Building Code, as required by the current Statute. Unless this legislature intends to address the lack of financial support to the State Building Code, then adding administrative burden to the voluntary State Building Code Council efforts, will effectively prevent the adoption of State Building Codes and move all the burden of code development to the counties. Hence losing the benefit of having more unified codes throughout the State and potentially losing the economic and other benefits of amendments to the model code currently in place.

Financial support must be in the form of funded positions. One off appropriations are of little benefit as persons cannot be employed to an Executive Director or other administrative positions on an isolated funding basis.

Sincerely,

Lyle Carden, Ph.D., P.E.

Vice President, Martin, Chock & Carden, Inc.

State Building Code Council Member

Member of the Structural Engineer's Association of Hawaii.

