



DAVID Y. IGE
GOVERNOR

JOSH GREEN
LT. GOVERNOR

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

335 MERCHANT STREET, ROOM 310
P.O. BOX 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
cca.hawaii.gov

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 Committee on Consumer Protection and Commerce
Thursday, February 17, 2022
2:00 p.m.
Via Videoconference**

**On the following measure:
H.B. 1976, H.D. 1, RELATING TO HURRICANE PREPAREDNESS**

Chair Johanson 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 bill and comments as follows.

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 properties in certain circumstances; create a permanent position within the insurance division of the department of commerce and consumer affairs to implement and administer the Safe Home Program; and to appropriate funds.

If passed, this bill will fund grants under the Safe Home Program through a general fund appropriation and fund the new position from the Compliance Resolution Fund.

Hawaii residents are highly susceptible to property loss due to hurricanes, tropical storms, and strong winds. With climate change affecting average temperatures

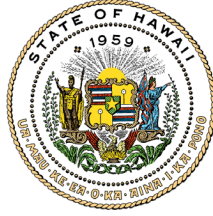
and extreme temperatures, the likelihood of weather-related natural disasters, such as Hurricane Douglas in 2020, will only continue to increase.

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.

H.D. 1 amends this bill by adding authority for the Commissioner to adopt interim rules and a defective date.

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



STATE OF HAWAII
DEPARTMENT OF DEFENSE
HAWAII EMERGENCY MANAGEMENT AGENCY

TESTIMONY ON HOUSE BILL 1976, HD1
RELATING TO HURRICANE PREPAREDNESS

BEFORE THE HOUSE COMMITTEE ON
CONSUMER PROTECTION & COMMERCE
BY

Luke P. Meyers
Administrator, Hawaii'i Emergency Management Agency (HI-EMA)

FEBRUARY 17, 2022

Aloha Chair Johanson, Vice-Chair Kitagawa, and Members of the
Committee:

Thank you for the opportunity to submit testimony in **SUPPORT** of HB1976,
HD1.

House Bill 1976, HD1 establishes the safe home program to provide matching and nonmatching grants for installation of wind resistive devices to single-family, owner-occupied, residential properties in certain circumstances; creates a permanent position within the insurance division of the department of commerce and consumer affairs to implement and administer the safe home program; appropriates funds.

Recent incidents have shown that Hawaii'i is vulnerable to property loss due to hurricanes, tropical storms, and strong winds. One of the best mitigation strategies for reducing potential damage is the broad statewide use of wind resistive devices on personal residences.

Though installing such devices does consume needed resources from homeowners' budgets, it also increases their hurricane-resistance by strengthening their homes against potential property damage and loss, and allows them to take advantage of hurricane insurance premium credits.

House Bill 1976, HD1 would provide a vehicle for certain homeowners to leverage matching and/or nonmatching grants for wind-resistive device installation, thus increasing the overall resilience and hurricane-readiness of the state.

The HI-EMA has been working closely with DCCA on additional potential funding support for this program through the Resilience Branch leveraging Federal Hazard Mitigation Funds.

The HI-EMA supports this bill provided that the appropriation does not conflict with the Governor's budget priorities.

Thank you for the opportunity to provide testimony on House Bill 1976, HD1.

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

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
ON
HOUSE BILL NO. 1976, H.D. 1

February 17, 2022
2:00 p.m.
Room 329 and Videoconference

RELATING TO HURRICANE PREPAREDNESS

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 1976, H.D. 1, amends Chapter 431P, HRS, to: 1) require the Insurance Commissioner (INS Commissioner) to develop and implement the Safe Home Program (SHP) to award matching or nonmatching grants to eligible applicants for the installation of wind resistive devices (WRD); 2) establish the SHP Trust Fund (SHPTF) to fund these grants; 3) establish eligibility requirements for matching and nonmatching grants; 4) establish the types of WRDs eligible under the SHP; 5) allow the INS Commissioner to adopt interim rules and then promulgate official rules for the enforcement of this Act; 6) require the INS Commissioner to prepare an annual report on the SHP to the Legislature; 7) appropriate an unspecified amount of general funds to be deposited into the SHPTF for FY 23, provided that any unexpended funds shall lapse to the general fund in FY 24; and 8) appropriate an unspecified amount of special funds from the Compliance Resolution Fund for FY 23 to fund 1.00 exempt permanent position for the Insurance Division to administer the SHP.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.

TESTIMONY OF ALISON UEOKA

COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Representative Aaron Ling Johanson, Chair
Representative Lisa Kitagawa, Vice Chair

Thursday, February 17, 2022
2:00 p.m.

HB 1976, HD1

Chair Johanson, Vice Chair Kitagawa, and members of the Committee on Consumer Protection & Commerce, 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 1976, 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. 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 for HB 1976

I am Dr. Kioni Dudley. In December, I organized a major meeting on “our great unpreparedness for hurricanes” for our Makakilo-Kapolei-Honokai Hale Neighborhood Board. We brought in experts to talk. Many of the facts I will discuss below are from them.

Ninety-nine percent of our people have no idea about the new hurricane threat to Hawai'i. What threat? Climate change has caused more spawning of hurricanes in the Central Pacific, rather than over below Baja California. And with warmer seas farther north, their paths have come north. Twice as many are now aimed at us as in previous years. Climate change has also made hurricanes much broader, much stronger, and faster to develop. And there's another great problem: As hurricanes move north, there have always been tradewinds which would tear them apart. But we have lost two trade wind days a year for fifty years; we now have tradewinds on a hundred less days than we did fifty years ago; on more than half of the days of the year, we now have no trade winds. Should a hurricane move toward us during the days when there are no tradewinds, there now will be nothing to stop it. Hurricane Lane, a Category 5, passed south of the Big Island and headed directly toward O'ahu before turning away 2017. It's just a matter of time.

Are you aware that, when a major hurricane does hit, local emergency management agencies tell us that as many as 300,000 of our people will seek shelters, but we have only 38 shelters altogether on O'ahu. And we have no shelters whatsoever on O'ahu for a Category 3 or above. There is simply no safe place to go in a Category 3, 4, or 5.

So people will stay in their homes. But 184,000 homes are extremely unsafe. That's what this bill is all about. If we get a Category 5 hurricane, hundreds of thousands may die in their homes. If they don't die, HI-EMA tells us that 300,000 to 700,000 may become homeless. To avoid this, we need massive programs of retrofitting homes and building safe rooms. And we need to strengthen those homes NOW. . . before a hurricane kills so many of our people. This bill addresses that retrofitting. And I beg you to pass it.

But we also need so much more. While this bill addresses retro-fitting old houses, we are building thousands of new houses each year and are insanely building them to withstand only a Category 3 hurricane. How nuts! Last year, the legislature had a bill, HB425, which amended building codes to require that *all new buildings* would be able to withstand category four hurricanes. We need to upgrade that to “able to withstand category 5 hurricanes.”

HB425 also required that all new **public buildings** be designed to withstand category five hurricanes. With only 38 shelters in the state, and those only able to withstand a Category 3, we are desperate for new public buildings that can withstand a category 5. This fantastic bill, HB425 made it all the way through both houses, but died in conference. We need an amendment to this bill HB1976 that requires all new houses and public buildings to be capable

of withstanding a Category 5 hurricane. Remember, Hurricane Lane was a Category 5, headed directly for O'ahu, in 2017.

There's another important issue. We only have one week's supply of food on the island. All that food will be bought up before the hurricane strikes. With damage to ports and airports, we anticipate having no food come in for weeks. Once food comes in, we may have no way to get it to people. All of our distributors are down in the Sand Island Rd. – Nimitz Blvd. area, at roughly only 12 feet above sea level. Storm surge will most likely wiped them all out. But did you hear that a week or so ago, one of those distributors, Chad Buck, the owner of Hawaii Food Service Alliance, knowing there will be no food after a major hurricane, himself, with his own money, purchased 135,000 meals that will last up to 25 years, filled a shipping container with them, and created a pre-coverty pod to save the people of Wai'anāe from starving after a major hurricane. Now that's 135,000 ready-to-eat meals. But we need 15 million Meals Ready to Eat (MRE) in pods at various parts of the island so that we can have food during the weeks when our ports and airports are closed after a major hurricane. Can funding of these meals be added to this bill?

We need so much. We need billions rather than millions, in order to be ready. This is a good bill. A good start. But we need so much more. Can you at least expand it to fund a few million ready-to-eat meals? Can you require new houses and new buildings to be built to withstand a Cat 5?

Testimony Presented Before the
House Committee on Consumer Protection & Commerce
February 17, 2022 - 2:00 PM
By
Dennis Hwang

HB1976 – RELATING TO HURRICANE PREPAREDNESS

Chair Rep. Aaron Ling Johanson, Vice Chair Rep. Lisa Kitagawa and committee members:

I am Dennis Hwang, Faculty at the University of Hawaii Sea Grant College Program. Since 2007, I have helped the University of Hawaii Sea Grant with hazard education and outreach related to the Homeowners Handbook to Prepare for Natural Hazards. In 2020, we sent to the Legislature the report “Communication Plan and Outreach Strategy to Prepare the Community for Natural Hazards” pursuant to House Bill 571-2017. This House Bill was signed into Law by the Governor on June 23, 2017. Both the Handbook and Communication Plan can be found in the links below. Today I am speaking as a private citizen.

I am in support of HB1976 as there is more hazard risk than the general public realizes. Given the recent threats of hurricanes such as: (i) the record 2015 hurricane season with 15 tropical cyclones; (ii) the threats of Lester and Madeleine in 2016; (iii) the almost catastrophic Hurricane Lane in 2018; (iv) Hurricane Douglas in 2020, and (iv) the NWS prediction of increasing risk due to climate change and the shifting of hurricane tracks to the north into the path of Hawaii, much more needs to be done to prepare the public.

To make our community more resilient, it will take a concentrated effort with increased education and outreach efforts and providing incentives for citizens to act in order to prepare their families and homes for hurricanes. HB1976 creates that incentive by creating a grant program for wind retrofits. This was one of the key recommendations in the Communication Plan and Outreach Strategy Report written for the Legislature.

Wind retrofits, in particular roof to wall ties, are a simple retrofit and have a very high benefit to cost ratio. We estimate over 6,500 homes have been retrofitted with hurricane ties, based primarily on education and outreach. This number can be significantly increased with a grant retrofit program that provides financial incentive for homeowners to strengthen their house. We believe almost every house in the state that does not have proper roof connections can and should be fortified given the current level of risk, and likely changes with climate change.

We also find that for many houses that retrofit, the homeowner is likely to shelter additional people such as relatives. Thus there is a multiplier effect on the reduction of hurricane shelter space demand.

For the reasons above, I support HB1976

Thank you for the opportunity to testify on this measure.

Dennis Hwang - 808-544-8608

Homeowners Handbook to Prepare for Natural Hazards – 4th Edition

<http://seagrant.soest.hawaii.edu/homeowners-handbook-to-prepare-for-natural-hazards/>

Communication Plan and Outreach Strategy Submitted to the 2020 Legislature

<https://seagrant.soest.hawaii.edu/wp-content/uploads/2020/09/Communication-Strategy-Outreach-Plan-V.1.pdf>

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

HOUSE OF REPRESENTATIVES
COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

Thursday, February 17, 2022
2:00 Pm

Via Videoconference
Conference Room 329
State Capitol
415 South Beretania Street

HB 1976, HD1: RELATING TO HURRICANE PREPAREDNESS
WRITTEN TESTIMONY ONLY

Chair Aaron Ling Johanson and Vice Chair Lisa Kitagawa 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. I am providing testimony as a private citizen in support of HB 1976, HD1. The views I express are not to be assumed to be the views of the University of Hawai'i.

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.

Hawai'i Sea Grant is well positioned to continue and increase its education and outreach of hurricane risk and preparation around the State. The Homeowner's Handbook to Prepare for Natural Hazards – 4th Edition (link below) provides useful tips regarding readiness for natural hazards such as tsunami, earthquakes, floods and hurricanes. The handbook lists local civil defense and emergency management agency information, provides guidance on emergency supplies, evacuation planning, and explains various measures to reduce property damage through home retrofit. This publication has gone through ten print runs with over 100,000 copies and has been modified for thirteen U.S. states and other countries based off the Hawaii book. The 4th Edition, released in late 2019, was a major update with more options on home retrofit, as well as evacuation planning guidance and sections on volcanoes and climate change.

In the last three years, Sea Grant has participated in over 100 outreach events, and given almost 30,000 Homeowner's Handbooks. We have provided free books to individual homeowners as well as large organizations such as: (Catholic Charities – 280), (AARP – 63), (Be Ready Manoa - 80), (Zephyr Insurance – 200), (Kahala Emergency Fair – 80), (Cross Island Resilience Network consisting of 21 Communities on Oahu – 2,800), Hawaii Public Library System – 480 with another 600 requested for all 51 public libraries around the State). All Emergency Management and Civil Defense Agencies have receive an initial allotment of 1,000 books. Maui Emergency Management Agency has requested another 500. It is estimated about 7,000 homes have been retrofitted since 2007, through the education and outreach of many organizations, including Hawai'i Sea Grant. Many homeowner's who retrofit plan on using their locations to shelter their families and/or friends, so there is a multiplier in the relief on hurricane shelter demand.

Hawai'i Sea Grant is committed to continued partnership with all emergency management and civil defense agencies at the State and county level in order to make our communities more resilient and foster a greater culture of preparedness in Hawai'i.

Thank you for the opportunity to testify in support of this bill and respectfully ask this committee to pass HB 1976, HD1.