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EXECUTIVE DIRECTOR

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Testimony of
Gwen Yamamoto Lau
Executive Director
before the
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Thursday, March 18, 2021
2:00 P.M.

State Capitol, Conference Room No. 329 & Videoconference

In consideration of
SENATE BILL NO. 1101, SD2
RELATING TO HURRICANE PREPAREDNESS

Chair Johanson; Vice Chair Kitagawa; and Members of the Committee on Consumer Protection & Commerce:

Thank you for the opportunity to testify and provide comments on Senate Bill 1101 SD2, 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 SD2.



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 Consumer Protection and Commerce
Thursday, March 18, 2021
2:00 p.m.
Via Videoconference**

**On the following measure:
S.B. 1101, S.D. 2, 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 administration bill and requests an amendment.

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.

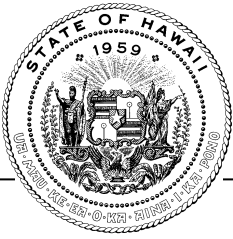
If this bill is passed without an appropriation, the Department will establish the framework for the Safe Home Program, which may take a period of time. While the framework for the Safe Home Program is being established, the Department will also be seeking grant funds for the program and may also return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

Finally, the Department requests amending page 4, lines 17 through 21, to clarify that the administration of the Safe Home Program is not exempt from Hawaii Revised Statutes chapter 103D:

“(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 to applicants under section 431P-E from the safe home program trust fund shall not be subject to chapter 42F, 91, 103D, or 103F.

Administration of the safe home program, other than grant awards, shall be subject to chapter 103D.”

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



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 CONSUMER PROTECTION & COMMERCE

Thursday, March 18, 2021
2:00 PM
State Capitol, Conference Room 329 & Videoconference

In support of
SB 1101, SD2
RELATING TO HURRICANE PREPAREDNESS.

Chair Johanson, Vice Chair Kitagawa, and Members of the Committee, the Hawaii State Energy Office (HSEO) support SB 1101, SD2, which establishes the Safe Home Program to provide matching and nonmatching grants to strengthen homes and roofs against wind damage. This is the companion to House Bill 947, which has crossed over to the Senate.

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

**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

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TESTIMONY
OF
BONNIE KAHAKUI, ACTING ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
CONSUMER PROTECTION & COMMERCE
MARCH 18, 2021, 2:00 p.m.

SENATE BILL 1101 SD2
RELATING TO HURRICANE PREPAREDNESS

Chair Johanson, Vice Chair Kitagawa, and members of the committees, thank you for the opportunity to submit testimony on SB1101 SD2. The State Procurement Office (SPO) recommends the following amendment to the bill, SECTION 2, page 4, 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. Administration of the safe home program, other than grant awards, shall be subject to 103D."

The SPO would like this language added to clarify that the administration of the safe home program, other than grants awarded to eligible owner-occupied residential property owners, is not exempt from Chapter 103D, Hawaii Revised Statutes.

Thank you.

DAVID Y. IGE
GOVERNOR



MAJOR GENERAL KENNETH S. HARA
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STATE OF HAWAII
DEPARTMENT OF DEFENSE
HAWAII EMERGENCY MANAGEMENT AGENCY

**TESTIMONY ON SENATE BILL 1101, SD2,
RELATING TO THE HAWAII EMERGENCY MANAGEMENT AGENCY**

Before the House Committee on
CONSUMER PROTECTION AND COMMERCE

By

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

Aloha Chair Johanson, Vice-Chair Kitagawa, 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** Senate Bill 1101, SD2.

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

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

THURSDAY, MARCH 18, 2021, 2:00 P.M.

STATE OF HAWAII
HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

**TESTIMONY ON SENATE BILL 1101, SD2
RELATING TO HURRICANE PREPAREDNESS**

BY,

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

Dear Chair Ling Johanson, Vice Chair Kitagawa, and Members of the Committees:

The City and County of Honolulu Office of Climate Change, Sustainability and Resiliency (CCSR) **strongly supports** Senate Bill 1101, SD2, 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 Ling Johanson and Vice Chair Kitagawa
SB1101, SD2
March 18, 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, SD2.

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

Thursday, March 18, 2021
2:00 p.m.

SB 1101, SD2

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. SB 1101, SD2 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.

SB-1101-SD-2

Submitted on: 3/17/2021 1:06:15 PM

Testimony for CPC on 3/18/2021 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ted Bohlen	Climate Protectors Hawaii	Support	No

Comments:

The Climate Protectors Hawaii **STRONGLY SUPPORTS SB1101 SD2!**

With climate change comes more intense storms, less reef protection and sea level rise. We need to do everything we can to mitigate the climate crisis and prepare now in order to minimize climate destruction.

The purpose and intent of this measure is to lessen the severity of property loss in the State from strong winds. More specifically, this measure:

- (1) Requires the Insurance Commissioner to establish a safe home program to encourage the installation of wind resistive devices;
- (2) Creates a safe home program trust fund and authorizes the award of grant moneys from the fund to owners of single-family, owner-occupied, residential properties in certain circumstances;
- (3) Creates one temporary position within the Insurance Division of the Department of Commerce and Consumer Affairs to implement and administer the program; and
- (4) Requires an annual report of statistical information on the use of the program.

Please pass this bill! Mahalo!

Climate Protectors Hawaii (by Ted Bohlen)



March 17, 2021

TO: Representative Aaron Johanson, Chair
Representative Lisa Kitagawa, Vice-Chair
Members of the Consumer Protection and Commerce Committee

FR: Blake K. Oshiro, Esq., on behalf of
American International Group (AIG), Inc.

RE: TESTIMONY SUPPORTING INTENT OF SENATE BILL (SB) 1101, SENATE DRAFT (SD) 2

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

American Insurance Group, Inc. (AIG) supports the intent of SB1101, SD2 creating a hurricane grant mitigation program.

It is our understanding that the bill and the proposed program is patterned after South Carolina. The program would provide grant monies or matching grant monies based on financial need, to mitigate homes against hurricane losses. These grants to qualifying property owners would help them make their homes more wind-resistant ultimately helping Hawaii's homes and structures be more resilient in the event of a hurricane. As such, we support the intent of this program to provide a financial incentive for homeowners to better protect their homes.

Thank you for your consideration and the opportunity to provide testimony.

Testimony of Dennis Hwang, private citizen

**Before the
House Committee on Consumer Protection & Commerce
Thursday, March 18, 2021
2:00 p.m.
Via Videoconference**

**On the following measure:
S.B. 1101, S.D. 2, RELATING TO HURRICANE PREPAREDNESS**

WRITTEN TESTIMONY ONLY

Chair Johanson, Vice Chair Kitagawa 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://seagrant.soest.hawaii.edu/homeowners-handbook-to-prepare-for-natural-hazards/>

Today I am testifying as a private citizen. I strongly support Senate Bill 1101, SD2 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, SD2. 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

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HOUSE OF REPRESENTATIVES
COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Thursday, March 18, 2021
2:00 p.m.

Via Videoconference

On the following measure:

S.B. 1101, S.D. 2, 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. 2.

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. 2 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. 2.