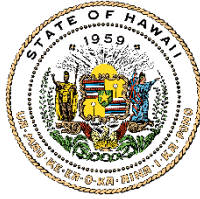


JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621
HONOLULU, HAWAII 96809

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

RYAN K.P. KANAKA'OLE
FIRST DEPUTY

DEAN D. UYENO
ACTING DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES
ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Testimony of
DAWN N. S. CHANG
Chairperson

Before the Senate Committee on
HOUSING
Tuesday, January 30, 2024
1:00PM
State Capitol Room 225 & Via Videoconference

In consideration of
SENATE BILL 2042
RELATING TO HOUSING

Senate Bill 2042 would amend section 46, Hawaii Revised Statutes (HRS) to require the counties to approve building permits for single and multi-family housing projects within sixty-days of an application being filed that is stamped by a duly licensed structural, civil, electrical, or mechanical engineer and architect certifying that all plans and specifications are in compliance with the applicable building codes for the respective county. **The Department of Land and Natural Resources (Department) appreciates the intent of this measure and offers comments.**

This measure requires a county to approve a permit for the construction of either single or multi-family housing if the plans are certified by licensed architects or engineers. This bill does not, however, specify standards for when a permit application is determined complete.

Counties often do not consider whether a project should be submitted to the Department's State Historic Preservation Division (SHPD) for review under section 6E-42, HRS, until an application is received. This bill would impose considerable pressure on a county to approve an application subject to its provisions resulting in a significant potential that a project will result in inadvertent damage or destruction of significant historic properties, archaeological resources, or burial sites. To avoid such outcomes, the Department recommends this bill clarify that either (1) a county cannot consider an application complete until it has made a reasonable and good faith determination that the project does not have the potential to affect historic properties, archaeological resources, or burial sites, or (2) the

project has been submitted to SHPD and the HRS chapter 6E process has been completed. Alternatively, the Department recommends this bill require that developers, as part of its application, submit documentation showing that the developer worked with SHPD and completed any work necessary to satisfy HRS chapter 6E.

Additionally, we caution that any automatic approval of a building permit and/or compliance because of a county's failure to meet the sixty-day requirement could be inconsistent with National Flood Insurance Program (NFIP) and result in unintended consequences to State and county eligibility and participation.

The State and counties are participating communities in the National Flood Insurance Program (NFIP) and are subject to compliance with federal regulations set forth with the National Flood Insurance Act of 1968 (42 U.S.C. §§4001). Pursuant to 44 CFR § 60.3(a), all proposed development and subdivisions encroaching within Special Flood Hazard Areas identified as "A" or "V" type flood zones on the Federal Emergency Management Agency's Flood Insurance Rate Maps must be reviewed for floodplain management compliance and issued a building and/or development permit prior to construction by the applicable community official.

Any State law or county law that is not consistent with the NFIP may jeopardize continued eligibility and participation in the program. *See* 44 CFR § 60.24. The unintended consequences of program suspension, include the following:

- No federal flood insurance can be sold or renewed in non-participating communities. The Federal government requires flood insurance for all building located in a SFHA secured with a federally backed loan, including Home Equity Loans.
- Certain forms of federal disaster assistance, including mitigation grants, will not be available in the event of a Presidential Disaster Declaration.

Furthermore, unregulated and/or noncompliant development within floodplains increases the risk to life and property from flooding.

Mahalo for the opportunity to comment on this measure.



STANFORD CARR DEVELOPMENT, LLC

▪ January 29, 2024

The Honorable Stanley Chang, Chair
The Honorable Troy N. Hashimoto, Vice Chair
and Members of the Senate Committee on Housing

Re: Testimony - SB 2042, Relating to Housing
Hearing: January 30, 2024 at 1:00 PM
Senate Conference Room 229 & Videoconference

Dear Chair Chang, Vice Chair Hashimoto, and Committee Members:

Stanford Carr Development submits testimony in **support** of Senate Bill 2042. The measure proposes to alleviate the backlog of building permit applications by requiring counties to grant building permits within sixty days if the application is stamped and certified by a licensed engineer and architect.

Chicago, New York City, North Las Vegas, Phoenix, and Tulsa have successfully implemented similar self-certification programs. Further, the University of Hawaii Economic Research Organization (UHERO) reported in April 2022 that, "One of the factors that may explain Hawaii's high home prices are government regulations that limit the ability of the housing market to create the units necessary to meet demand."

Given that professional self-certification is a proven program in other major cities, we support the effort to reduce government regulations that the private sector can manage without compromising the safety and quality of construction in Honolulu.

Thank you for the opportunity to support a long needed improvement to the processing of building permit applications.

Respectfully,

A handwritten signature in black ink, appearing to read 'Stanford S. Carr', written in a cursive style.

Stanford S. Carr

Jan. 30, 2024, 1 p.m.
Hawaii State Capitol
Conference Room 225 and Videoconference

To: Senate Committee on Housing
Sen. Stanley Chang, Chair
Sen. Troy Hashimoto, Vice-Chair

From: Grassroot Institute of Hawaii
Ted Kefalas, Director of Strategic Campaigns

RE: SB2042 — RELATING TO HOUSING

Comments only

Aloha Chair Chang, Vice-Chair Hashimoto and members of the Committee,

Thank you for considering [SB2042](#), which would impose a “shot clock” that requires the counties to approve within 60 days a building permit for a single-family or multifamily housing project that has been certified by a licensed architect or engineer.

The Grassroot Institute of Hawaii supports this idea, because a “shot clock” as suggested by this bill would help provide certainty to building permit applicants, who currently often must wait months for permits for even just simple home-repair projects.

According to “The Hawai’i Housing Factbook,” produced by the Economic Research Organization at the University of Hawai’i, the median permit processing time between mid-2018 and mid-2023 was 161 days across the state.¹

¹ Justin Tyndall, Daniela Bond-Smith and Rachel Inafuku, “[The Hawai’i Housing Factbook](#),” Economic Research Organization at the University of Hawai’i, June 28, 2023.

Reducing delays for permit approval could also reduce the possibility of corruption. The long wait to obtain a permit creates a situation in which applicants are tempted to offer bribes to get priority processing.²

Other states already use such “shot clocks.”

For example, Florida mandated in 2021 that counties either issue single-family home permits within 30 days or incrementally refund the permit fees to the applicants. According to various Florida permitting departments, this law has helped speed up permit approvals and helped meet the state’s demand for housing.³

So adopting SB2042 would be a good way to serve the cause of increasing Hawaii’s housing supply — though Grassroot would like to suggest one amendment that would improve it.

That is, basically, that if a county does not approve a building permit within the 60-day window, that permit will be automatically approved. This language could be added to the end of Section 2 of the bill. For example:

If a permit submitted under this section is not approved by the county within sixty days of a complete application being filed, it shall be deemed approved; provided that county approval has not been delayed due to non-compliance of the permit with applicable state or county ordinances. Nothing in this section should be construed to allow any violation of federal, state or county laws or rules.

Such a clause would ensure that county permitting agencies have a clear incentive to review permits before the 60-day period closes.

Thank you for the opportunity to testify.

Ted Kefalas
Director of strategic campaigns
Grassroot Institute of Hawaii

² Christina Jedra, “[Some Honolulu Building Permit Applicants Sailed Through Despite Long Waits For Most](#),” Honolulu Civil Beat, Oct. 18, 2023.

³ Hayden Dublois, “[Fast Track to Success: How Florida Has Streamlined Its Permitting Processes To Cut Red Tape and Expand Housing](#),” Foundation for Government Accountability, June 15, 2022.



January 29, 2024
Senate Committee on Housing
Committee Meeting 1:00 p.m. - Tuesday January 30, 2024

SB 2042 –SUPPORT

Aloha Committee Chair Chang, Vice-Chair Hashimoto and Members;

I am submitting testimony in my capacity as Executive Director of Hawaii Habitat for Humanity Association (HHFHA). We are a nonprofit Community Development Financial Institution (CDFI) and Affiliate Support Organization for five direct service Habitat for Humanity Affiliates throughout the state, serving all four counties. Our organization **SUPPORTS SB 2042** which requires counties to grant building permits within sixty days if the application is stamped and certified by a licensed engineer and architect.

Habitat for Humanity provides homeownership opportunities in partnership with very low to low-income families earning less than 80% of the Area Median Income (AMI). Over the past five years, Habitat for Humanity has built more than 100 new affordable single family residential homes throughout the state.

Affiliates across the state report wait times for permit approvals of 12-18 months, with the last permit for new construction obtained reported to take 24 months to approve. This extended wait time for permits makes it difficult to plan, causes disruptions in construction schedules that are costly to affiliates and becomes aggravating for our partner families that qualify for our program but must wait up to two years to begin construction on their home. During times of volatile interest rate environments and/or material cost fluctuations, this wait can have severe impacts on affordability. As one example, the USDA RD Direct 502 loan program (one of the most affordable single family loan programs) saw a 2.125% rate increase over the two-year period this permit took to approve effectively causing a loss of buying power of more than 20%.

Hawaii Habitat for Humanity Association and all of the Habitat Affiliates in Hawaii, know that affordable homeownership is important for our residents. People who own their homes find it creates housing stability and builds generational wealth. It allows our residents to not just survive, but thrive. Data highlights that homeownership contributes to better health outcomes, safety and long-term family stability. Homeownership also provides opportunities to build equity, leverage educational investments, and encourages community and civic participation.

Our organization supports the need for a continuum of housing across all income levels with opportunities for all families to thrive. When we create affordable homeownership opportunities for our local people, they move ahead and free up existing rental inventory for other individuals and families experiencing or at-risk of homelessness.





Please help us do our part to provide affordable housing in partnership with Hawaii's people. We urge you to **PASS SB 2042**, so that we may expedite our work across Hawaii and give our hard-working, partner families a chance at the benefits of homeownership in a more timely manner.

Mahalo for your time, leadership and consideration. Please contact me at 808.847.7676 or emann@hawaiihabitat.org should you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read "Erik Mann".

Erik Mann
Executive Director





HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-Second Legislature, State of Hawaii
The Senate
Committee on Housing

Testimony by
Hawaii Government Employees Association

January 30, 2024

S.B. 2042 — RELATING TO HOUSING

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO opposes the purpose and intent of S.B. 2042, which requires counties to grant building permits within sixty days if the application is stamped and certified by a licensed engineer and architect.

We represent most employees within the respective counties permitting departments, including Building Plans Examiners and Building Plans Engineers, among others. These employees meet the existing qualifications and standards established by the department and can make independent determinations in reviewing plans in a timely manner. Allowing third-party reviewers to review permit applications contradicts what has customarily and historically been performed by civil service employees. Civil service duties and responsibilities should be exclusively reserved for civil service employees.

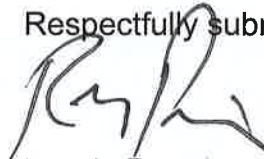
We acknowledge that the Department of Planning and Permitting (Honolulu) is facing a seemingly insurmountable permit backlog and fully recognize that it has created a negative ripple effect on the people of Oahu, including small businesses, working families, and our local economy. However, doubling down on third-party reviewers to review permit applications is not the way to fix this problem. A little over a year ago, then-DPP Director Dean Uchida stated via the Hawaii Public Radio “We began to do audits on the third parties, which had never been audited before. And we found, I guess concerning to us and should be to the community, **that like 100% of all the electrical plans were failing to meet code**”. It is the counties responsibility to make sure that building plans meet code for the public’s safety and welfare. Provide the core service that our taxpayers deserve.

It is time for a new approach: the counties needs to invest in their current and future workforce. They continue to face vacancy rates due to their inability to successfully recruit and retain qualified employees. The counties must look into raising the pay for public employees who are involved in the permitting process. This can be done through efforts that include shortage differentials, reclassification, and repricing. In October 2022, the Civil Beat reported on the current salary range for building plans examiners, noting that

the salaries of the vast majority of plans examiners in the department met the federal government's definition of "low income" for individuals in Honolulu. By offering a competitive salary, the counties should be able to fill long-standing vacancies, which in turn, will reduce the permit backlog. The answer to the challenges faced by the counties is not the idea of partially privatizing an essential City function but doubling down on its current and future workforce to combat this daunting task at hand.

Thank you for the opportunity to provide testimony in opposition of S.B. 2042.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Randy Perreira". The signature is stylized and cursive.

Randy Perreira
Executive Director

LATE



**HAWAII STATE SENATE
COMMITTEE ON HOUSING
Conference Room 225 & Videoconference
State Capitol
1:00 PM**

January 30, 2024

Re: SB 2042, Relating to Housing.

Chair Chang, Vice-Chair Hashimoto, and members of the Committee:

My name is Max Lindsey, Government Relations Committee Chair 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.

SB 2042 would require counties to grant building permits within sixty days if the application is stamped and certified by a licensed engineer and architect.

BIA-Hawaii is in **strong support** of SB 2042, as it correctly shifts the responsibility for code compliance from the County's building permit application process to the design professional and contractor. It seems that all of the Counties lack the staff and resources to process building permits in a timely manner. Government compensation for the skill sets required to review plans for compliance with the various mechanical, electrical, structural and building codes also presents barriers to hiring qualified staff.

Other municipalities across the country experience the same challenges of hiring qualified staff. One way they have dealt with the staffing shortage is to shift the burden of ensuring code compliance onto the design professional and contractor. Building permits are issued in a more timely manner and inspections during construction are conducted to ensure that the construction is being done in accordance with the applicable codes. The inspectors have the ability to stop construction if corrective action is not taken to build according to the code.

The existing building permit application process in Hawaii is broken. This would be a different approach that would still ensure public safety, while allowing for more construction to get started more quickly.

We are in **strong support** of SB 2042 and appreciate the opportunity to provide our comments on this matter.



Chamber of Commerce HAWAII

The Voice of Business

Testimony to the Senate Committee on Housing

Tuesday, January 30, 2024, at 1PM

Conference Room 225

RE: SB 2042 Relating to Housing

LATE

Chair Chang, Vice Chair Hashimoto and Members of the Committee,

The Chamber of Commerce Hawaii Supports (“The Chamber”) **supports SB 2042**, which requires counties to grant building permits within sixty days if the application is stamped and certified by a licensed engineer and architect.

The Chamber supports this bill because it seeks to expedite the building permit process. Delays for issuing permits for the construction of residential dwellings are a significant hurdle to supply enough housing for our workforce. The lack of housing inventory also makes it difficult to keep housing affordable. The current housing crisis in Hawaii strains an already short supply of workers for our local business community. This bill would ensure that proposed plans are approved by licensed professionals while advancing the permit approval process to add more affordable units to the market.

The Chamber is Hawaii’s leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the “Voice of Business” in Hawaii, the organization works on behalf of members and the entire business community to improve the state’s economic climate and to foster positive action on issues of common concern.

On behalf of The Chamber, thank you for this opportunity to testify.

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Tom Cook
Gabe Johnson
Tamara Paltin
Keani N.W. Rawlins-Fernandez
Shane M. Sinenci
Nohelani U'u-Hodgins



Director of Council Services
David M. Raatz, Jr., Esq.

Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

January 29, 2024

TO: The Honorable Stanley Chang, Chair
Senate Committee on Housing

FROM: Alice L. Lee
Council Chair 

SUBJECT: **HEARING OF JANUARY 30, 2024; TESTIMONY IN SUPPORT OF SB2042, RELATING TO HOUSING**

Thank you for the opportunity to testify in **support** of this important measure. The purpose of this measure is to require the counties to grant building permits within 60 days of an application being filed if the application is stamped and certified by a duly licensed structural, civil, electrical, or mechanical engineer and architect.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

1. The time it takes developers to obtain the necessary permits to build single-family and multi-family housing projects is a significant roadblock to increasing our housing capacity. The average time it takes to obtain a building permit in Maui County is 300 days. This measure would reduce that time to 60 days if certification requirements are met.
2. Other municipalities around the country place the responsibility of code compliance on project design professionals and contractors. Receiving the appropriate certifications before permit applications are submitted is a first step to shifting that responsibility here in Hawai'i.

For the foregoing reasons, I **support** this measure.