

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

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
KA 'OIHANA PILI KĀLEPA
335 MERCHANT STREET, ROOM 310
P.O. BOX 541
HONOLULU, HAWAII 96809
Phone Number: (808) 586-2850
Fax Number: (808) 586-2856
cca.hawaii.gov

NADINE Y. ANDO
DIRECTOR | KA LUNA HO'OKELE

DEAN I HAZAMA
DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

Testimony of the Department of Commerce and Consumer Affairs

Before the
House Committee on Housing
Wednesday, February 5, 2025
9:00 a.m.

State Capitol, Conference Room 430 and via Videoconference

On the following measure:
H.B. 1056, RELATING TO THE STRENGTHEN HAWAII HOMES PROGRAM

Chair Evslin and Members of the Committee:

My name is Jerry Bump, and I am the Acting Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department supports this bill.

The purpose of this bill is to establish the Strengthen Hawai'i Homes Program to encourage single-family homeowners to retrofit their homes to resist damage by providing for grants to help offset the cost of retrofits and appropriate funds.

The Department supports the initiative to establish a program that offers grants to offset retrofit costs so individual homeowners can take proactive steps in safeguarding their homes against wind damage. Early investment can catalyze positive outcomes for homeowners by potentially lowering their repair costs, if any, and minimizing the disruption they may face after a windstorm. Consequently, this may also facilitate long-term financial savings because homes that are fortified against wind damage can qualify for reduced insurance premiums.

When taken together, each fortified home contributes to the well-being of this community as part and parcel of Hawaii's infrastructure. Neighborhoods will be better protected against widespread damage which can help recovery efforts progress efficiently and resourcefully. More housing will be available in the aftermath, property values will be retained, and, as a byproduct, the demand for emergency services and first responders will be mitigated. This can help strengthen the ties within the community.

From an insurance standpoint, the resiliency efforts engendered through this program can contribute to the stabilization of the insurance market and a future financial investment. Retrofits help mitigate risk exposure by reducing the frequency and severity of claims related to wind damage. As a result, this fosters stability and sustainability because it helps curb the volatility of premiums and maintain coverage that is affordable for all policyholders.

Furthermore, investing in resiliency efforts now is a prudent fiscal investment that can lead to long-term savings in both the state and private sector. As stated *infra*, each homeowner exists within the larger community, so their efforts will be compounded together, ultimately increasing the potential to save on future disaster recovery costs.

Thank you for the opportunity to testify.



Testimony of
Gwen Yamamoto Lau
Executive Director
Hawaii Green Infrastructure Authority
before the
House Committee on Housing
Wednesday, February 5, 2025, 9:00 AM
State Capitol, Conference Room 430
in consideration of
House Bill No. 1056
RELATING TO THE STRENGTHEN HAWAII HOMES PROGRAM

Chair Evslin, Vice Chair Miyake and Members of the Committee:

Thank you for the opportunity to testify and provide comments on House Bill 1056 relating to the Strengthen Hawaii Homes Program. The Hawaii Green Infrastructure Authority (HGIA) supports this bill which establishes the Strengthen Hawaii Homes Program.

Serving as a member of the Climate Advisory Team over the past six months has heightened my awareness of the devastating impacts of disasters and underscored the importance of investing in pre-disaster preparedness to mitigate future losses and long-term recovery.

While only a Category-1 storm, Hurricane Iwa was one of Hawaii's most damaging hurricanes when it hit Kauai in November 1982, with approximately \$250.0 million in property damages, which was a record at that time. Ten years later, in September 1992, Category-4 hurricane Iniki wreaked havoc on Kauai with approximately \$3.1 billion in damage. 41% of Kauai's 15,200 homes were damaged or destroyed, seven people were killed and 100 were injured as Iniki brought winds of 130-160 miles per hour.

Hurricane clips and straps were not mandated for new construction in Hawaii until 1994. As such, approximately 64% or 125,000 single-family homes on Oahu have no hurricane protections. Maui and Hawaii County are likely in a similar situation.

Due to the destruction caused by Hurricane Ivan in 2004, followed by Hurricane Katrina a year later, in 2011, the Alabama State Legislature established the Strengthen Alabama Homes Program to assist AL homeowners in retrofitting and upgrading their homes to minimize hurricane or high wind related property loss by adopting the FORTIFIED™ program as its retrofitting standard. In 2020, some 17,000 Alabama homes were FORTIFIED, and 95% of these homes saw little or no damage from Hurricane Sally.

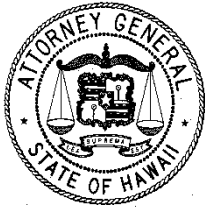
Thirteen years after the Strengthen Alabama Homes Program ("SAHP") launched, some 50,000 homes in the state of Alabama have received FORTIFIED certification. According to Alabama Insurance Commissioner Mark Fowler, *"The FORTIFIED program has meant fewer blue tarps on homes after storms. It has meant communities can go back living quicker instead of spending time rebuilding their neighborhoods and businesses."*

SAHP provides grants up to \$10,000 for residential wind mitigation on existing, owner-occupied, single-family homes. In addition to a more resilient home, homes with a FORTIFIED designation in Alabama receive discounts on the wind portion of their homeowner's insurance premium.

While climate change has not increased the number of hurricanes on an annual basis, it is resulting in more intense storms with higher wind speeds, heavier rainfall and more severe storm surges. While Hawaii (Oahu in particular) was extremely lucky in 2018 when Hurricane Lane swerved off its path towards the island, it is no secret that the significant number of homes without hurricane protection will equate to thousands of families being displaced in the wake of a hurricane. Like Alabama, Hawaii must make a significant investment to fortify homes to mitigate property losses, save lives and minimize disruption in our communities.

Additionally, the roofs of many of these older homes are not able to bear solar. Fortifying these homes will also make them "solar-ready" enabling HGIA to provide inclusive financing to eligible ratepayers to install solar+storage systems to lower their energy burden and further increase their resiliency, in alignment with the Governor's Executive Order 25-01 and the state's clean energy goals.

We support the measure so long as it does not adversely impact priorities identified in Executive Budget Request for FY2026. Thank you for this opportunity to testify in support of HB 1056.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2025**

ON THE FOLLOWING MEASURE:

H.B. NO. 1056, RELATING TO THE STRENGTHEN HAWAII HOMES PROGRAM.

BEFORE THE:

HOUSE COMMITTEE ON HOUSING

DATE: Wednesday, February 5, 2025 **TIME:** 9:00 a.m.

LOCATION: State Capitol, Room 430

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Andrew I. Kim or Christopher J.I. Leong, Deputy Attorneys General

Chair Evslin and Members of the Committee:

The Department of the Attorney General provides the following comments.

This bill establishes the Strengthen Hawaii Homes Program to encourage single-family homeowners to retrofit their homes to resist damage by providing for grants to help offset the cost of retrofits.

The Department believes that the wording in proposed section 431: -D(d), on page 4, line 19, to page 5, line 6 requires clarification. It provides: "Any amount to be deposited into the program special fund from the appropriations and grant money collected under this chapter that causes the program special fund to exceed \$ shall be deposited into the general fund. No further deposits from the appropriations and grant money collected under this chapter shall be made into the program special fund until the balance of the program special fund drops below \$, in which event the two and one-half percent of the appropriations and grant money collected under this chapter shall be deposited into the special program fund until the balance equals \$." The bill does not identify what is "the two and one-half percent of the appropriations and grant money" in the bill, and it is unclear where the remaining ninety-seven and one-half percent of the appropriations and grant money is going. Additionally, the subsection's reference to "appropriations and grant money" does not match the moneys that may be deposited into the fund listed on page 4, lines 1-3.

Accordingly, we recommend amending page 4, line 19, to page 5, line 6, as follows: "Any amount to be deposited into the program special fund from the ~~[appropriations and grant]~~ money collected under this chapter that causes the program special fund to exceed \$ shall be deposited into the general fund. No further deposits from the ~~[appropriations and grant]~~ money collected under this chapter shall be made into the program special fund until the balance of the program special fund drops below \$ ~~[, in which event the two and one-half percent of the appropriations and grant money collected under this chapter shall be deposited into the special program fund until the balance equals \$———]."~~

Additionally, the Legislature may want to clarify whether interest earned or accrued from the Strengthen Hawaii Homes Special Fund becomes a part of the special fund. If interest should remain in the fund, we recommend the following amendments to page 4, lines 1-6:

- "(1) All federal grants or funds received on behalf of the program;
- (2) Appropriations made by the legislature to the program special fund; ~~[and]~~
- (3) All grants or funds that may be received from other sources~~[-];~~ and
- (4) Any interest earned on the balance of the program special fund."

Thank you for the opportunity to provide comments.



Hawai'i Climate Advisory Team

To: Representative Luke Evslin, Chair
Representative Tyson Miyake, Vice Chair
House Committee on Housing

From: The Climate Advisory Team

RE: **HB1056 - Relating to the Strengthen Hawai'i Homes Program - In Support**
Wednesday, February 5, 2025; 9:00 a.m.; Conference Room 430 & Videoconference

Aloha Chair Evslin, Vice Chair Miyake, and Members of the Committee on Housing,

Mahalo for the opportunity to testify **in strong support** of HB1056 relating to the Strengthen Hawai'i Homes program. This program would significantly increase Hawai'i's residential resilience against extreme weather events like hurricanes and windstorms by helping residents fortify their homes through retrofitting, providing critical protections that allow residents to safely shelter in their homes during disasters.

The CAT is a volunteer group, convened by Governor Green to develop community-informed policy recommendations to help make Hawai'i more resilient to natural disasters. The CAT published its findings and recommendations in a policy paper in January 2025, which provides detailed context for the measures we are supporting this legislative session.

Establishing the Strengthen Hawai'i Homes program is one of the highest priority recommendations of the Governor's Climate Advisory Team, which we represent. This proposed program is modeled on the highly successful Strengthen Alabama Homes program, which has directly helped over 8,000 homeowners increase their property's hurricane and wind damage resilience through retrofit grants. Moreover, the Alabama program has had a multiplier effect that can be attributed to increased awareness by all homeowners from the grant program, resulting in an additional 57,000 Alabama homes being upgraded by their owners without grant funding, or about seven times the number funded by the state.

Most homes in Hawai'i were built before hurricane protections were required and are highly vulnerable to wind and water damage. 64 percent of O'ahu's single-family homes—around 125,000 houses—lack any kind of hurricane protection. Home retrofits for greater wind resilience and rising flood waters can materially increase the safety of the residents and reduce expected losses in the event of a hurricane. The lack of wind-resistant homes is one of Hawai'i's greatest vulnerabilities when it comes to hurricanes, which are expected to become more frequent and severe due to climate change.



Hawai'i Climate Advisory Team

The investment needed to make a substantial dent in the number of vulnerable homes is significant; the CAT estimates addressing all wind-vulnerable homes in Hawai'i could cost nearly \$5 billion. This bill would build a critical foundation by establishing Hawai'i's home retrofit pilot program and would enable the state to identify best practices and scale the program efficiently over time.

The safer we can make people in their own homes and communities, the fewer lives will be lost and the fewer public resources will be needed to care for those displaced by disasters.

Thank you for the opportunity to testify before your committee in support of HB1056.

With aloha,

The Climate Advisory Team



February 5, 2025

The Honorable Luke A. Evslin, Chair

House Committee on Housing

State Capitol, Conference Room 430 & Videoconference

RE: House Bill 1056, Relating to Housing Resiliency

HEARING: Wednesday, February 5, 2025, at 9:00 a.m.

Aloha Chair Evslin, Vice Chair Miyake, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR **supports** House Bill 1056, which establishes the Strengthen Hawaii Homes Program to encourage single-family homeowners to retrofit their homes to resist damage by providing for grants to help offset the cost of retrofits. Appropriates funds.

As an island state, Hawaii is uniquely vulnerable to extreme weather events, such as hurricanes or strong windstorms, which can cause devastating damage to residential properties. As such, we support initiatives that encourage homeowners to make structural improvements that can significantly mitigate the risk of property loss, reduce costly repairs, and enhance the overall safety of our communities in the event of a hurricane.

Additionally, our state grapples with a significant challenge concerning insurance accessibility and rising costs. The market for reinsurance is global; therefore, storms, wildfires, and other natural disasters that strike anywhere in the world impact what homeowners must pay for coverage in Hawaii as well. By aligning this program with the Insurance Institute for Business and Home Safety Fortified Homes Program, homeowners who undertake these critical retrofits may also benefit from lower insurance premiums.

Mahalo for the opportunity to provide testimony on this measure.