

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



DEAN MINAKAMI
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
FAX: (808) 587-0600

Statement of
DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING

January 31, 2025 at 9:15 a.m.
State Capitol, Room 430

In consideration of
H.B. 761

RELATING TO COUNTY PERMITTING AND INSPECTION.

Chair Evslin, Vice Chair Miyake, and members of the Committee.

HHFDC **supports** HB 761, which exempts state projects from county building permit, inspection, and certificate of occupancy requirements under certain conditions; requires counties to accept the dedication of state projects exempt from the county permitting process; prohibits state agencies responsible for state projects exempt from county building permit, inspection, and certificate of occupancy requirements from applying for county building permits; and defines building permit, state agency, state lands, and state project.

HHFDC supports efforts to streamline approvals to expedite the development of critically needed affordable housing.

Thank you for the opportunity to testify on this bill.

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

CIARA W.K. KAHAHANE
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 House Committee on
HOUSING

Friday, January 31, 2025
9:15 AM
State Capitol, Conference Room 430

In consideration of
HOUSE BILL 761
RELATING TO COUNTY PERMITTING AND INSPECTION

House Bill (HB) 761 proposes to exempt state projects from county building permits, inspections, and certificate of occupancy requirements under certain conditions. Further, HB 761 prohibits state agencies responsible for state projects exempt from county building permit, inspection, and certificate of occupancy requirements from applying for county building permits. **The Department of Land and Natural Resources (Department) acknowledges the intent of this measure and offers the following comments and suggested amendments.**

The Department expresses concern with the proposed measure to add a new section to Hawaii Revised Statutes (HRS) Chapter 46 requiring state projects be exempt from county building permits, inspections, and certificate of occupancy requirements.

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, all proposed development and subdivisions encroaching within Special Flood Hazard Areas (SFHA) 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 or county law that is not consistent with the NFIP may jeopardize continued eligibility and participation in the program. *See* 44 CFR § 59.24. The unintended consequences of program suspension, include the following:

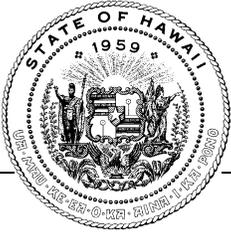
- No federal flood insurance can be sold or renewed in non-participating communities. The Federal government requires flood insurance for all buildings located in a SFHA secured with a federally backed loan.
- Certain forms of federal disaster assistance, including mitigation grants, will not be available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

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

The Department recommends subsection (a) be *amended* to read as follows:

“§46- County building permit, inspection, and certificate of occupancy requirements; exemption; prohibition; state projects. (a) Notwithstanding any other law to the contrary, state projects shall be exempt from county building permit, inspection, and certificate of occupancy requirements when compliant with applicable building codes or county, national, or international prescriptive construction standards, including construction, electrical, energy conservation, plumbing, and sidewalk standards, as applicable, provided that the state project is not within a Special Flood Hazard Area as identified on the current Federal Emergency Management Agency's Flood Insurance Rate Maps.”

Mahalo for the opportunity to provide testimony on this measure.



**STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT**

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
DIRECTOR

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WRITTEN ONLY

Statement of
MARY ALICE EVANS, Director

before the
HOUSE COMMITTEE ON HOUSING
Friday, January 31, 2025
9:15 AM
State Capitol, Conference Room 430

in consideration of
HB 761
RELATING TO COUNTY PERMITTING AND INSPECTION.

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

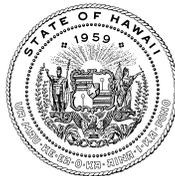
The Office of Planning and Sustainable Development (OPSD) offers **comments** on HB 761, which exempts State projects from County building permit, inspection, and certificate of occupancy when compliant with applicable codes and standards. The bill also requires the Counties to accept dedication of State projects.

OPSD recognizes the importance of expediting housing production, particularly in areas planned for residential development. We also acknowledge the Counties' role in ensuring that development projects align with established codes and standards designed to protect public health, safety, and welfare, as well as natural and cultural resources.

Rather than full exemptions from County permitting processes, OPSD supports continued collaboration between the State and Counties to explore opportunities for streamlining and improving development and permitting procedures. A balanced approach can help facilitate project implementation while maintaining important safeguards for our communities and environment.

Thank you for the opportunity to provide comments on this measure.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



KEITH A. REGAN
COMPTROLLER
KA LUNA HO'OMALU HANA LAULĀ

MEOH-LENG SILLIMAN
DEPUTY COMPTROLLER
KA HOPE LUNA HO'OMALU HANA LAULĀ

STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWE LAULĀ
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
KEITH A. REGAN, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
COMMITTEE ON HOUSING

JANUARY 31, 2025, 9:15 A.M.
CONFERENCE ROOM 430 AND VIA VIDEOCONFERENCE, STATE CAPITOL

H.B. 761

RELATING TO COUNTY PERMITTING AND INSPECTION

Chair Evslin, Vice Chair Miyake, and Members of the Committee, thank you for the opportunity to submit testimony on H.B. 761.

The Department of Accounting and General Services (DAGS) provides **comments** on this bill and offers the following for consideration by the committees:

- The language on page 1, lines 4-12 shifts the burden of ensuring the designs of State projects are compliant with all applicable codes and standards from the counties to the state, which will require that the state duplicate the code review expertise now held by the counties. We would request that the measure include the provision for funding to support the additional staffing state agencies will require to perform the services currently performed by the counties.

- The language on page 1, lines 13-16 prohibits the state from applying for county building permits. That prohibition conflicts with the language on page 2, lines 5-12, as the county building permit processes currently in place are used to ensure compliance with the non-exempted criteria (e.g., compliance with master plans or zoning laws or regulations) set forth in that language. In effect, the subject language would require state agencies to develop and employ expertise in the diverse related requirements of each of the counties. This measure does not provide funding to support the additional staffing state agencies will require to perform the services currently performed by the counties.

Thank you for the opportunity to provide testimony on this measure.

DEPARTMENT OF PLANNING AND PERMITTING
KA 'OIHANA HO'OLĀLĀ A ME NĀ PALAPALA 'AE
CITY AND COUNTY OF HONOLULU

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RICK BLANGIARDI
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DEPUTY DIRECTOR
HOPE PO'O

REGINA MALEPEAI
2ND DEPUTY DIRECTOR
HOPE PO'O KUALUA

January 31, 2025

The Honorable Luke A. Evslin, Chair
and Members of the Committee on Housing
Hawai'i House of Representatives
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

**Subject: House Bill No. 761
Relating to County Permitting and Inspection**

Dear Chair Evslin and Committee Members:

The Department of Planning and Permitting (DPP) **opposes** House Bill No. 761, which exempts State projects from county building permit, inspection, and certificate of occupancy requirements under certain conditions. The Bill would require counties to accept the dedication of State projects exempt from the county permitting process. This Bill also prohibits State agencies responsible for State projects exempt from county building permit, inspection, and certificate of occupancy requirements from applying for county building permits.

The DPP takes no position on the State exempting its projects from the county permitting process. If anything, allowing the State to issue its own building permits would reduce the burden on the DPP as we've processed more than 1,800 State permits from 2019-2024. However, we cannot support the provision that requires the counties to accept dedication of these State projects that we have had no opportunity to review or inspect. This is an unfunded mandate that could possibly place hundreds of State projects under the jurisdiction of the counties.

The dedication of State projects to the counties is a collaborative effort. Once a project is completed, State and City inspectors and staff determine if the project meets City standards, such as whether the project meets all codes or if streets were adequately constructed. If the City determines that the project is substandard, we

The Honorable Luke A. Evslin, Chair
and Members of the Committee on Housing
Hawai'i House of Representatives
House Bill No. 761
January 31, 2025
Page 2

would not accept it, but we would continue to work with the State until our concerns are satisfied.

Another concern is this Bill states that a project would be exempt from county permit process "when compliant with applicable building codes." The Bill does not state who will be certifying compliance. Building codes exist for a reason, and that is to ensure the health and safety of a building's occupants and the general public. A permit application is just the beginning of a detailed and involved process to ensure this. We only issue permits after we've determined that the project meets all codes, and we would not issue a certificate of occupancy until we've determined that the construction was done according to the approved plans.

In summary, we do not oppose the State issuing its own building permits and certificates of occupancy. But we do oppose the requirement that the City accept dedication of these projects.

For the reasons stated above, we ask that this Bill be held in committee.

Thank you for the opportunity to testify.

Very truly yours,



Dawn Takeuchi Apuna
Director Designate

Jan. 31, 2025, 9:15 a.m.
Hawaii State Capitol
Conference Room 430 and Videoconference

To: House Committee on Housing
Rep. Luke Evslin, Chair
Rep. Tyson Miyake, Vice-Chair

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

RE: HB761 — RELATING TO COUNTY PERMITTING AND INSPECTION

Aloha Chair Evslin, Vice-Chair Miyake and other members of the Committee,

The Grassroot Institute of Hawaii **supports** [HB761](#), which would exempt state projects from county building permits, inspections and certificate-of-occupancy requirements, and prohibit state agencies from applying for such permits.

By exempting state projects from these requirements, county building reviewers would have more time to focus on private construction, including much-needed housing, which would improve the building permit process for everyone.

For an idea of the impact this bill could have, consider that Hawai'i County issued 163 non-residential alteration permits in 2024. Of these, at least 29 were for work on state facilities, mostly those owned by the University of Hawai'i and the state Department of Education. That's about 18% of such permits.¹

Time saved by moving those projects out of the permitting queue could help businesses and entrepreneurs upgrade their buildings, generating tax revenue for the county and job opportunities for residents.

¹ [County of Hawaii Electronic Processing and Information Center](#), accessed Jan. 28, 2025. To access the data, see "Permit Type: Non-Residential Alteration, Status: Issued, Issued data 1/1/2024 to 12/31/2024." Then download the results.

The bill might also speed up the delivery of state projects, which could make capital improvement budgets go further. According to the Hawaii Department of Budget and Finance’s Variance Report, the School Facilities Authority aimed to complete 23 projects in fiscal year 2024 but completed only 11.²

Cutting down permitting timelines for such projects would help not only the state, but all permitting applicants.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

² [“Variance Report: Formal Education, Fiscal Year 2024 and 2025,”](#) Hawaii Department of Budget and Finance, Dec. 3, 2024, Program title: School Facilities Authority, p. 494.



January 30, 2025

Representative Luke Evslin Chair
Representative Tyson Miyake Vice Chair
Committee on Housing

RE: **HB 761 - Relating to COUNTY PERMITTING AND INSPECTION**
Hearing date: January 31, 2025 at 9:15 AM

Aloha Chair Evslin, Vice Chair Miyake and members of the committee,

Mahalo for the opportunity to submit testimony on behalf of NAIOP Hawaii in **SUPPORT** on HB 761. 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.

HB 761 exempts state projects from county building permit, inspection, and certificate of occupancy requirements under certain conditions. Additionally, the measure: 1) requires counties to accept the dedication of state projects exempt from the county permitting process; and 2) prohibits state agencies responsible for state projects exempt from county building permit, inspection, and certificate of occupancy requirements from applying for county building permits.

NAIOP Hawaii supports this measure which will help bypass some of the ambiguities relative to State projects, and clarifies the applicable laws, rules and regulations are applicable to state projects. For example, De-registration requires proof of title insurance to proceed which makes sense for private landowners but is confusing in the context of the State de-registering land it already owns.

We urge the committee to pass HB 761 which clarify applicable rules for state projects. NAIOP appreciates the Legislature's commitment to collaborating on this issue and look forward to working together.

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read "Reyn Tanaka". The signature is fluid and cursive, written in a dark ink.

Reyn Tanaka, President
NAIOP Hawaii

HB-761

Submitted on: 1/28/2025 9:12:09 PM

Testimony for HSG on 1/31/2025 9:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Seth Kamemoto	Individual	Comments	Written Testimony Only

Comments:

How would we be assured that these state projects would still be compliant with all county ordinances and rules without the building permit process? It sounds like this bill is exempting the process that would determine such compliance.

Is there some undertone here that counties are somehow so inefficient, and/or charge such exorbitant permit fees, AND that state projects somehow have some crystal ball or secret-sauce super-efficient process that can ensure county compliance without even consulting with the county??

If state projects do know of a better way, I'd rather we support sharing that process with the counties to make all permitting more efficient. Or maybe create an "expedited review" process where the state project submits all supporting documentation to the county for faster approvals.