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

SYLVIA LUKE LIEUTENANT GOVERNOR | KA HOPE KIA'ĂINA





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

> P.O. BOX 621 HONOLULU, HAWAII 96809

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 & Videoconference

## In consideration of HOUSE BILL 284 RELATING TO HOUSING

House Bill 284 would amend Chapter 46, Hawaii Revised Statutes (HRS), to require counties to grant building permits within sixty days if the application is stamped and certified by a licensed engineer and architect and other certain conditions are met. The Department of Land and Natural Resources (Department) opposes this measure as currently drafted and provides recommendations.

Chapter 6E, HRS, sets forth the framework for a comprehensive statewide historic preservation program in Hawai'i. A key part of that program is the review of projects, as required by HRS sections 6E-8, 6E-10, 6E-42, and 6E-43 HRS; and, the Department believes these sections of Chapter 6E, HRS, reflect the Legislature's intent to require project proponents to consider the impact of their projects on 'iwi kūpuna, as well as historic and cultural resources. Section 6E-42.2, HRS, excludes activities for privately-owned single-family residential dwellings and townhomes from the historic preservation review requirements of section 6E-42, HRS. However, it does not exclude such projects, that require a permit, from historic preservation review if there is ground disturbance and has the potential to affect archaeological resources or burial sites. The sixty-day review period given to the counties within this bill is the same amount of time given to the Department to conduct historic preservation reviews. Requiring a county to approve a permit if the permit review has taken longer than sixty days, will result in permits being approved before the project proponent has completed historic preservation review requirements and forecloses on the State Historic Preservation Division's (Division) ability to ensure that 'iwi kūpuna are protected. The Department recommends that the bill be amended to take into account the project proponent's responsibilities to assess, avoid, or mitigate the impact their project may have on 'iwi kupuna as well as subsurface historic and cultural resources by including a step whereby the Division has the ability to review the project to determine its potential to affect historic resources before the sixty-day clock starts.

Mahalo for the opportunity to provide testimony on this measure.

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 CASTAL LANDS CONSERVATION AND RESOURCES ENFORCEMENT ENGINEERING FORESTRY AND WILDLIFE HISTORIC PRESERVATION KAHOOLAWE ISLAND RESERVE COMMISSION LAND STATE PARKS



808-737-4977

January 31, 2025

**The Honorable Luke A. Evslin, Chair** House Committee on Housing State Capitol, Conference Room 430 & Videoconference

# RE: House Bill 284, Relating to Housing

# HEARING: Friday, January 31, 2024, at 9:15 a.m.

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

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS<sup>®</sup> ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR provides **comments** on House Bill 284, which requires counties to grant building permits within sixty days if the application is stamped and certified by a licensed engineer and architect and other certain conditions are met.

According to the 2024 UHERO's Hawaii Housing Factbook<sup>1</sup>, Hawaii's permitting process takes nearly three times longer than in other states, despite efforts by counties to improve efficiency. Processing times for single-family home permits on average range from 141 days in Hawaii County to 315 days in Kauai County. For multifamily housing projects, approvals take even longer—318 days in Hawaii County and up to 427 days in Kauai County. In addition, the City & County of Honolulu faces a significant backlog, further delaying both residential and commercial projects.<sup>2</sup>

These delays can significantly increase project costs, create uncertainty, and slow or disincentivizes the construction of much needed housing. As time passes, rising interest rates, increasing material or labor costs, and other market factors can render previously viable projects financially unfeasible. As such, measures that address delays in the permitting process can help with Hawaii's housing challenges.

Mahalo for the opportunity to provide testimony on this measure.

<sup>&</sup>lt;sup>2</sup> Blair, Marcel. (December 12, 2023). "Honolulu's Building Permit Delays: A Nightmare Decades in the Making." Honolulu Civil Beat. <u>https://www.civilbeat.org/2023/12/honolulus-building-permit-delays-a-nightmare-decades-in-the-making/</u>.



<sup>&</sup>lt;sup>1</sup> UHERO. (May 20, 2024). The Hawai'i Housing Factbook.<u>https://uhero.hawaii.edu/wp-content/uploads/2024/05/HawaiiHousingFactbook2024.pdf</u>

# **GRASSROOT** INSTITUTE OF HAWAI

1050 Bishop St. #508 Honolulu, HI 96813 808-864-1776 info@grassrootinstitute.org

**Removing barriers to Hawaii's prosperity** 

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: HB284 — RELATING TO HOUSING

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

The Grassroot Institute **supports** <u>HB284</u>, which would require the counties to grant a building permit within 60 days for a single-family or multifamily housing project that has been certified by a licensed engineer and architect.

The "shot clock" of 60 days for permit approvals that is suggested by this bill would help provide certainty to building permit applicants, who currently often must wait months for permits, even for 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 across the state was 161 days.<sup>1</sup>

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

<sup>&</sup>lt;sup>1</sup> Justin Tyndall, Daniela Bond-Smith and Rachel Inafuku, "<u>The Hawai'i Housing Factbook</u>," Economic Research Organization at the University of Hawai'i, June 28, 2023, p. 19.

<sup>&</sup>lt;sup>2</sup> Christina Jedra, "<u>Some Honolulu Building Permit Applicants Sailed Through Despite Long Waits For Most</u>," Honolulu Civil Beat, Oct. 18, 2023.

Shot clocks such as those envisioned by this bill are already in use in other states.

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 meet the state's demand for housing.<sup>3</sup>

However, in order to be effective, a shot clock must have consequences. Thus, it is important that the bill retain its current language allowing for the automatic approval of complete applications after the 60-day period, so long as the applicant has not been notified that the permit is not in compliance with state and county law.

As we suggest in our report "<u>Seven low cost ways to speed up permitting in Hawaii</u>," lawmakers might want to consider allowing for third-party approval or self-certification of permits to help make the shot clock more feasible for county planning departments.<sup>4</sup>

Regardless, HB284 would forward the goal of increasing Hawaii's housing supply and we urge you to pass this bill.

Thank you for the opportunity to testify.

Ted Kefalas Director of strategic campaigns Grassroot Institute of Hawaii

<sup>&</sup>lt;sup>3</sup> Hayden Dublois, "<u>Fast Track to Success: How Florida Has Streamlined Its Permitting Processes To Cut Red Tape and Expand Housing</u>," Foundation for Government Accountability, June 15, 2022.

<sup>&</sup>lt;sup>4</sup> Jonathan Helton, "Seven low cost ways to speed up permitting in Hawaii," Grassroot Institute of Hawaii, Oct. 2024, p. 14.



• Windows & Doors Fabricator/Purveyor • Screen & Storm/Security Products - Jalousie Windows -Mirror Closet Doors • Components •

99-134 Waiua Way, Aiea, HI 96701 • Ofc 808-487-9041 • Fax 808-488-6481 • Island Toll Free 1-808-644-2882 www.rmasalesco.com

January 28, 2025

Testimony to the Committee on Housing, Friday, January 31, 2025, 9:15am, Conference Room 430, Hawaii State Capitol

IN SUPPORT OF HB 284, that Requires the City to Grant Building Permits within 60 days if application is stamped/certified by a licensed engineer and architect

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

My name is Anthony Borge, with RMA Sales and a former board member/Chair of the State Small Business Regulatory Review Board. We are a locally-owned and managed kama'aina company since 1961. We manufacture, distribute louver jalousie windows, security and storm screens products through a network of dealers, and contractors throughout the state of Hawaii.

We support **HB 284** for the following reasons:

- Places certification of single and multi-family residential projects by **duly licensed** design • professionals i.e. engineers, architects who are stakeholders. These are the professionals that are responsible for designing structures based on current county building codes.
- Allows the counties planning/permitting departments to focus resources on compliance with applicable ordinances regarding land use, set-back, height and site development, field enforcement requirements etc. resulting in efficient use of our limited labor resource and the ability to meet the 60-day approval timeline.
- This proposed bill is a viable alternative to the existing inefficient permitting process that can be implemented quickly, at a minimum cost with the collaboration of the respective planning/permitting departments and the private sector's licensed design professionals that elect to participate.

The immediate, positive economic impact from the increase in commerce activity will benefit business, counties, the State, and our people by this measure with minor amendments.

Thank you,

Respectfully Submitted

Anthony Borge



January 30, 2025

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

## RE: **HB 284 - Relating to Housing** 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 284. 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 284 requires counties to grant building permits within sixty days if the application is stamped and certified by a licensed engineer and architect and other certain conditions are met.

Currently, Hawaii is in a housing crisis which has been exacerbated by extensive regulatory hurdles and delays that have significantly added to the cost and risk of building housing across the state. NAIOP Hawaii supports this measure which will expedite building permit review for single family and multifamily projects and assist with cost for developing housing projects across the state. This measure will significantly assist the development of much needed housing units for Hawaii residents.

We urge the committee to pass HB 284 which will assist in keeping housing costs lower for Hawaii residents. NAIOP appreciates the Legislature's commitment to collaborating on this issue and look forward to working together.

Mahalo for your consideration,

atr

Reyn Tanaka, President NAIOP Hawaii

LATE \*Testimony submitted late may not be considered by the Committee for decision making purposes.



#### HEARING BEFORE THE HOUSE COMMITTEE ON HOUSING HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 430 Friday, January 31, 2025 AT 9:15 A.M.

To The Honorable Representative Luke A. Evslin, Chair The Honorable Representative Tyson K. Miyake, Vice Chair Members of the Committee on Housing

#### SUPPORT HB284 RELATING TO HOUSING

The Maui Chamber of Commerce **SUPPORTS HB284**, which requires counties to grant building permits within sixty days if the application is stamped and certified by a licensed engineer and architect and other certain conditions are met.

Housing is a top priority for the Maui Chamber of Commerce and remains critical as the crisis worsens following the wildfires, directly impacting businesses and our economic revitalization. Prior to the wildfires, the need for over 10,000 housing units by 2025 was already a pressing issue, but that number has increased due to the loss of 3% of our housing stock in Lahaina. This is a key factor driving the ongoing rise in housing prices.

The Chamber notes that delays in the issuance of building permits for both single-family and multifamily housing projects are major obstacles to increasing Hawai'i's housing supply and contribute to the state's high home prices. Hawai'i has one of the longest processing times for residential building permits in the country. A study prepared by the University of Hawai'i Economic Research Office in April 2022 found that, on average, homebuilders in Hawai'i wait three times longer for permits than those in other states, driving up costs significantly and creating uncertainty, which serves as a disincentive to undertake new projects. Furthermore, the study revealed that, compared to the most regulated markets in the country, Hawai'i's permit delays are nearly twice as long, with permit approvals taking between one and one-and-a-half years.

This is an essential tool in addressing our housing challenges, and we believe this bill should be fast-tracked.

For these reasons, we **SUPPORT HB284** and respectfully request its passage.

Sincerely,

Pamela Jumpap

Pamela Tumpap President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

## HB-284 Submitted on: 1/28/2025 8:27:34 PM Testimony for HSG on 1/31/2025 9:15:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Andrew Crossland	Individual	Support	Written Testimony Only

Comments:

**I STRONGLY SUPPORT** this Bill which will makes improvements to the broken permitting systems throughout the State. I urge all members of the Committee to **VOTE YES** on this Bill.

#### HB-284 Submitted on: 1/29/2025 4:28:08 PM Testimony for HSG on 1/31/2025 9:15:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Uilani Kailiwai	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Committee Members,

I am writing in **strong support** of HB 284, which would require counties to grant building permits within 60 days if the application is stamped and certified by a licensed engineer and architect, ensuring that projects are not indefinitely stalled due to bureaucratic delays.

For too long, the permitting backlog has created **severe economic hardships** across Hawaii, impacting homeowners, small businesses, and the construction industry alike. The delays in approving permits have led to:

- Unnecessary financial strain on homeowners Many individuals are caught paying both rent and construction loan payments simultaneously, draining their savings while waiting for approvals that should be procedural. The longer the delays, the higher the risk that families cannot afford to complete their homes or are forced into greater debt just to keep up.
- **Hindrances to workforce stability** Construction companies and tradespeople cannot secure steady employment when jobs are held up for months or years. Skilled workers may be forced to leave the state in search of more reliable work, worsening the labor shortage in an industry that is already struggling to meet demand.
- A worsening housing crisis Hawaii desperately needs more housing, yet delays in permits prevent critically needed homes from being built in a timely manner. Projects that should take months end up stretching into years, increasing costs and reducing availability. The result? Higher housing prices and longer waits for families in need.
- Increased costs due to inflation and interest rates When projects are stalled, the cost of materials, labor, and financing all rise. A homeowner approved for a project at one budget may find that due to delays, their costs have skyrocketed, forcing them to scale back or abandon construction altogether.

The proposed legislation would **streamline** the process while maintaining safety and quality through required engineer and architect certifications. It offers a practical solution to an issue that has weighed heavily on Hawaii's economy, housing market, and workforce.

There is **no valid justification** for keeping homeowners, business owners, and workers in limbo due to an inefficient permitting process. **Hawaii cannot afford to let bureaucracy continue to** 

# **strangle its future.** I urge this committee to pass HB 284 and take a necessary step toward **efficiency, economic relief, and housing accessibility.**

Mahalo for your time and consideration.

Sincerely,

Uilani Kailiwai

## HB-284 Submitted on: 1/30/2025 5:46:38 AM Testimony for HSG on 1/31/2025 9:15:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Alice Abellanida	Individual	Support	Written Testimony Only

Comments:

I support this bill. Issuing building permits within 60 days is fair and reasonable. There is too much red tape and bureaucracy in Hawaii. Let's do better.

Alice Abellanida

Ewa Beach

#### HB-284 Submitted on: 1/30/2025 8:21:29 AM Testimony for HSG on 1/31/2025 9:15:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Shelley Oates-Wilding	Individual	Support	Written Testimony Only

Comments:

Aloha,

I would to SUPPORT bill HB284

As a citizen of Oahu I support this bill due to the importance of accountability. The efficient execution of tasks assigned to all staff paid for by the revenue of the people they serve should be transparent, timely and accurate.

We the people deserve realistic expectations like this one in all areas of public service for the pursuit of happiness.

#### <u>HB-284</u> Submitted on: 1/30/2025 8:51:39 AM Testimony for HSG on 1/31/2025 9:15:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
R. L. Souza	Individual	Support	Written Testimony Only

Comments:

The "shot clock" is a long-overdue requirement to speed up a permit approval process that has languished inexplicably for far too long; exhausting contractors, limiting supply, and driving up cost.

The price of land will always be high in places like Hawai'i where space is limited. For that reason, all other efforts to mitigate home prices must be implemented.

LATE \*Testimony submitted late may not be considered by the Committee for decision making purposes.

# <u>HB-284</u>

Submitted on: 1/30/2025 12:46:14 PM Testimony for HSG on 1/31/2025 9:15:00 AM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Judi Chang	Individual	Support	Written Testimony Only

Comments:

I fully support this bill.