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

Wednesday, February 12, 2025 9:00 AM State Capitol, Conference Room 430

In consideration of HOUSE BILL 367 RELATING TO BUILDING PERMITS

House Bill (HB) 367 proposes to allow building permit exemptions for certain kinds of activities listed in a newly created section within Hawaii Revised Statutes (HRS) Chapter 46. **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 provision to exempt from building permit requirements, "Interior remodeling that does not affect building square footage or the number of rooms or bathrooms and does not modify the location of rooms, walls, or windows".

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.

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 Specifically, 44 CFR §60.3(c) mandates all "Substantial Improvements¹" comply with the permitting requirements which includes the community's assessment of whether proposed improvements² are subject to the substantial improvement provisions of county floodplain management regulations.

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 Page 2 Lines 3 - 18 be <u>amended</u> to read as follows:

<u>\$46- Maintenance and repairs; group U structures; remodeling;</u> exemptions from building permit requirements.

(b) Notwithstanding subsection (a) (1) <u>or</u> (a) (2) <u>or (a) (3)</u>, an owner or occupier that intends to:

(1) Perform exempt repairs and maintenance on any dwelling larger than 3,000 square feet or structure larger than

¹ "Substantial Improvement" is defined as: "any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before the "start of construction" of the improvement. This term includes structures which have incurred "substantial damage", regardless of the actual repair work performed. The term does not, however, include either: (1) Any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions or (2) Any alteration of a "historic structure", provided that the alteration will not preclude the structure's continued designation as a "historic structure"." (ref: 44 C.F.R § 59.1)

² Chapter 4 of FEMA Publication P-758 "Substantial Improvement (SI)/Substantial Damage (SD) Desk Reference" details the improvement costs that must be included in the community's SI/SD evaluation conducted during the building permit process. These costs include, but not limited to: material and labor, site preparation, demolition, construction debris removal, structural elements, exterior finishes, interior finishes, and utility/service equipment (ref: <u>P-758 subchapter 4.4.1</u>).

5,000 square feet that has group A, B, E, F, H, I or M occupancy under the International Building Code; $\frac{OT}{OT}$

- (2) Install a structure larger than 1,000 square feet with group U occupancy τ ; or
- (3) Perform any interior remodeling work on an existing structure,

shall provide written notice to the appropriate county agency about the type of proposed work.

(c) No work shall commence until the appropriate county agency has determined <u>and provided written notification</u> that a building permit for the proposed work is not required to <u>comply with county, state, or federal floodplain management</u> <u>development standards, ordinances, codes, statutes, rules, or</u> <u>regulations pursuant to National Flood Insurance Program</u> requirements."

Mahalo for the opportunity to provide testimony on this measure.



P.O. Box 253, Kunia, Hawai'i 96759 Phone: (808) 848-2074; Fax: (808) 848-1921 e-mail info@hfbf.org; www.hfbf.org

February 12, 2025

HEARING BEFORE THE HOUSE COMMITTEE ON HOUSING

TESTIMONY ON HB 367 RELATING TO BUILDING PERMITS

Conference Room 430 & Videoconference 9:00 AM

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

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate, and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai 'i Farm Bureau supports HB 367, which seeks to improve and clarify building permit exemptions for agricultural structures and maintenance activities. While HRS 46-88 already provides a building permit exemption for certain nonresidential agricultural and aquacultural structures, inconsistencies in implementation across counties and limitations in the scope of exemptions continue to pose challenges for farmers and ranchers.

Farmers and ranchers require functional infrastructure such as greenhouses, storage sheds, livestock shelters, irrigation systems, and fencing to maintain and expand their operations. However, despite the existing exemption, many agricultural producers still face delays, additional county requirements, and inconsistent interpretations of the law when seeking to construct or repair essential structures. Some maintenance and repair activities also remain subject to permitting requirements, adding administrative and financial burdens that divert time and resources away from food production.

HB 367 presents an opportunity to strengthen and clarify the application of existing exemptions, ensuring that all counties implement them consistently. If this measure expands the scope of exemptions to include additional types of structures or streamlines the approval process for maintenance activities, it would further support Hawai'i's agricultural industry by reducing unnecessary regulatory barriers.

Many states provide broad agricultural building permit exemptions, recognizing that these structures pose minimal risk to public safety and serve a critical role in supporting food production. Hawai'i's farmers already face significant challenges, including high land and water costs, transportation, energy, expensive inputs, labor shortages, and competition from imported food. Streamlining building requirements for necessary agricultural

infrastructure will allow local farmers to invest in their operations, increase productivity, and contribute to the state's food security goals.

We urge the committee to pass HB 367 to ensure that agricultural building permit exemptions are applied fairly, consistently, and effectively across all counties, providing farmers and ranchers with the flexibility they need to maintain and expand their operations.

Thank you for the opportunity to testify on this measure.

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

GRASSROOT

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

Removing barriers to Hawaii's prosperity

Feb. 12, 2025, 9 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: HB367 — RELATING TO BUILDING PERMITS

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

The Grassroot Institute of Hawaii **supports** <u>HB367</u>, which would exempt certain work from requiring a county building permit.

Specifically, the bill would exempt from needing a permit the replacement of like-for-like work not affecting mechanical, electrical or plumbing installations; interior maintenance; and Group U occupancies — such as barns, sheds and greenhouses — that do not exceed 1,000 square feet.

Some wishing to install a Group U structure larger than 1,000 square feet or perform repairs and maintenance on dwellings larger than 3,000 square feet or other structures larger than 5,000 square feet would need to provide written notice to the appropriate county department.

HB367 also contains a provision specifying that this legislation does not affect county building permit exemptions that are or would be more expansive than the exemptions proposed by the bill.

This bill mirrors the state's existing permit exemption for certain agricultural structures.¹ Established by Act 114 (2012), this exemption allows farmers and ranchers to build barns, greenhouses, water tanks and similar

¹ "<u>46-88 Agricultural buildings and structures; exemptions from building permit and building code requirements.</u>," Hawaii Revised Statutes, accessed Feb. 7, 2025.

structures without going through the process of applying for a county building permit, subject to certain conditions.

Each county already has a list of work exempt from requiring a building permit,² but this legislation would set a statewide carve out for simple work, with the goal of allowing more people to do basic maintenance without waiting three months for a permit.

An added bonus of HB367 is that it would free county staff to focus on more complicated projects.

The bill would also address certain limitations of the current agricultural exemption. For example, the agricultural exemption applies only to parcels 2 acres or larger. For some smaller agricultural lots, using this avenue to quickly install a barn or greenhouse is a no-go.

One Hana resident found this out the hard way when the county told him he couldn't use the agricultural exemption to install four storage buildings on his 1-acre lot.³

Passing HB367 would be a step toward much-needed reform to the state and county permitting process.

Thank you for the opportunity to testify.

Ted Kefalas Director of Strategic Campaigns Grassroot Institute of Hawaii

² Jonathan Helton, "<u>Seven low cost ways to speed up permitting in Hawaii</u>," Grassroot Institute of Hawaii, Oct. 2024, pp 6-7. ³ <u>Maui's Automated Planning and Permitting System</u>, accessed Feb. 7, 2025. Search for 429 Keanae Rd.