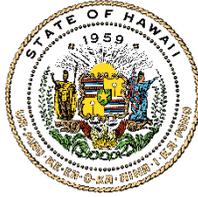


JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
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
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FIRST DEPUTY
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DEPUTY DIRECTOR - WATER
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BOATING AND OCEAN RECREATION
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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 Committees on
WATER AND LAND

Thursday, March 20, 2025
9:30 AM

House Conference Room 411 & Videoconference

In consideration of
SENATE BILL 66, SENATE DRAFT 2, HOUSE DRAFT 1
RELATING TO HOUSING

Senate Bill 66, Senate Draft 2, House Draft 1 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, such as an assessment of impacts to iwi kūpuna, as well as historic and cultural resources. **The Department of Land and Natural Resources (Department) acknowledges the intent of this measure and offers comments.**

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. The City and County of Honolulu, Hawaii County, the County of Kauai, and the County of Maui have established their own historic preservation programs, pursuant to 6E-14, HRS, and have been recognized as Certified Local Governments through the National Park Service. This bill identifies that counties shall not consider an application for a building permit associated with an affordable housing project complete until they have made a reasonable and good faith effort to determine that the project does not have the potential to affect historic properties, archaeological resources, or burial sites; or, unless the project has been submitted to the state historic preservation division and the 6E, HRS process has been completed. Including this language within the bill is important in order to take into account the necessary time it takes to identify and assess the likelihood or presence of iwi kūpuna and/or historic and cultural resources within a project area as well as the effects a project may have on iwi kūpuna and/or historic and cultural resources. It's important to note, however, that not

all counties have qualified professionals working within their permitting agencies to make these assessments.

Mahalo for the opportunity to provide testimony on this measure.



OFFICE OF HAWAIIAN AFFAIRS
COMMENTS ON SENATE BILL 66 SD2, HD1
RELATING TO HOUSING

House Committee on Water & Land
Hawai'i State Capitol

March 20, 2025

9:30 AM

Conference Room 411

Dear Chair Hashem, Vice Chair Lamosao and members of the House Committee on Water & Land:

The Office of Hawaiian Affairs (OHA) submits **COMMENTS on SB66 SD2, HD1**, which would require that Counties grant any permit for single-family and multi-family projects within sixty days under certain conditions. Under the provisions proposed in SB66, a submitted and complete building permit will be automatically approved if the County does not make a determination within sixty days. We are concerned that automatic approvals may circumvent requirements pertaining to burials under Hawai'i Revised Statutes (HRS) Chapter 6E.

OHA is the constitutionally established body responsible for protecting and promoting the rights of Native Hawaiians.¹ As part of our constitutional and statutory mandate, OHA has been intimately involved with historic preservation related advocacy for decades and is granted specific kuleana under the Hawai'i Historic Preservation law, HRS Chapter 6E and implementing regulations.² Under the statute and implementing rules, the State Historic Preservation Division (SHPD) is directed to notify OHA when Native Hawaiian burials are disturbed during construction, and consult with OHA about protections for historic properties that are important to Native Hawaiians.

¹ Haw. Const. Art. XII Sec.5

² See HRS 6E-3, 43, -43.5, 43.6; and, HAR 13-284-6(c) and HAR 13-275-6(c).

First, OHA acknowledges that SB66 SD2, HD1, has been strengthened by the incorporation of amendments proposed by the Department of Land and Natural Resources (DLNR) when heard before the Housing Committee. OHA agrees with DLNR that the Counties must have qualified historic preservation staff to determine whether a proposed project is likely to affect historic properties or burial sites, which would then trigger further review by SHPD. Additionally, as highlighted by DLNR, when project proponents submit incomplete documents, it significantly slows the HRS 6E review process. Thus, OHA appreciates the amendments specifying that (1) applications must be complete upon submittal and (2) completed by a qualified professional if an effects determination is made by the County under proposed subpart (b)(1)(A).

However, the bill could be strengthened by requiring that the Counties consult with OHA as part of any good-faith effects determination for project areas that include any Native Hawaiian sites as implementing rules for HRS 6E requires that SHPD consult with OHA concerning sites that are important to Native Hawaiians.³

To effectuate these changes, and ensure that the new sub-part delegating authority to the Counties is consistent with existing law and regulations, OHA recommends the following amendments to the language of proposed subsection (b)(1)(A) (new language proposed by OHA underlined):

(A) Qualified county professionals who meet state historic preservation division rules governing professional qualifications for architecture, archaeology, architectural history, or physical anthropology, have made a reasonable and good-faith determination that the project does not have the potential to affect historic properties, archaeological resources, or burial sites, and has consulted with OHA if a Native Hawaiian historic site is located on the subject property, prior to making the determination[.]

³ See Criteria E, HAR 13-275-6(c) and 13-284-6(c) – a historic property that has “an important value to native Hawaiian people... due to associations with cultural practices once carried out, or still carried out, at the property or due to associations with traditional beliefs, events, or oral accounts...”

Second, the language of the proposed new subsection is unclear on what happens if the qualified County professional determines there *is* an adverse effect to historic properties. OHA recommends adding language that explicitly states that should a qualified County professional determine a project would have an adverse effect on burials or historic properties, the project should then be routed to SHPD for further review under HRS Chapter 6E. This could be accomplished by amending subsection (b)(1)(B) as follows:

(B) The project has been submitted to the state historic preservation division of the department of land and natural resources and the chapter 6E process has been completed, including for those situations in which the county professional described in subpart (A) determines that the project may have the potential to affect historic properties, archaeological resources, or burials sites[.]

Finally, we propose adding a third requirement in subsection (b) of the proposed new section to further define a completed permit application, adding completion of the environmental review process for projects that trigger HRS Chapter 343. Specific to our concern is the potential for multi-family projects proposed in a coastal area that requires a Special Management Area (SMA) major permit. These types of projects require environmental review under HRS Chapter 343, which would exceed the 60-day time limit for permit approval.

Mahalo for the opportunity to comment. We request that you consider our proposed amendments prior to voting on this measure.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEE ON WATER & LAND
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 411
Thursday, March 20, 2025 AT 9:30 A.M.

To The Honorable Mark J. Hashem, Chair
The Honorable Rachele F. Lamosao, Vice Chair
Members of the Committee on Water & Land

SUPPORT SB66 SD2 HD1 RELATING TO HOUSING

The Maui Chamber of Commerce **SUPPORTS SB66 SD2 HD1**, which requires permits to be issued by applicable permitting agencies within sixty days of a complete application being filed for certain single-family and multi-family projects if certain conditions are satisfied; and automatically deems approved a permit that is not otherwise approved by the applicable permitting agency within sixty days.

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 multi-family 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 SB66 SD2 HD1** and respectfully request its passage.

Sincerely,

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.

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

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

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
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RICK BLANGIARDI
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MEIA



DAWN TAKEUCHI APUNA
DIRECTOR
PO'O

BRYAN GALLAGHER, P.E.
DEPUTY DIRECTOR
HOPE PO'O

REGINA MALEPEAI
2ND DEPUTY DIRECTOR
HOPE PO'O KUALUA

March 20, 2025

The Honorable Mark J. Hashem, Chair
and Members of the Committee on Water & Land
Hawai'i House of Representatives
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

Subject: Senate Bill No. 66, HD 1
Relating to Housing

Dear Chair Hashem and Committee Members:

The Department of Planning and Permitting (DPP) **opposes** Senate Bill No. 66, HD 1, which requires permits to be issued by applicable permitting agencies within 60 days of a complete application being filed for certain single-family and multi-family projects if certain conditions are satisfied. This Bill also automatically deems approved a permit that is not otherwise approved by the applicable permitting agency within 60 days.

This Bill is fundamentally misguided and dangerous to the public. Everyone, including DPP, wants building permits issued quickly, but it should not be at the cost of life and safety. A building permit is not simply a piece of paper. It certifies that the plans submitted conform to building, electrical, mechanical, zoning, fire and codes that ensure life, health and safety. The review that determines compliance with codes is essential to the approval of the building permit. By simply allowing the "approval" of a building permit without the proper review for compliance with the codes defeats the purpose of the building permit review and places the public at great risk.

The persistent narrative that the county permitting agencies are solely to blame for the delay in the issuance of building permits is fallacious and detracts the focus from the actual causes of the delay and how the permitting process can truly be improved.

Over the past two and half years, DPP has identified and addressed inefficient processes, outdated technology, and insufficient staffing that have created delays in the permitting process on DPP's end. As a result, we have significantly reduced the code review by DPP from over six months for residential projects to less than two weeks, and from over 18 months for commercial projects to 60 days. We will continue to reduce these

The Honorable Mark J. Hashem, Chair
and Members of the Committee on Water & Land
Hawai'i House of Representatives
March 20, 2025
Senate Bill No. 66, HD 1
Page 2

code review times even further as our permitting software and artificial intelligence are fully implemented by this Fall, and as we add more needed staff for plan review.

Does this mean that permit times take two weeks for residential and two months for commercial? No, because it's not solely DPP or the county permitting agency that plays a role in the permitting process. Legislators must understand that there are other agency reviews required for the building permit, such as Board of Water Supply, Fire Department, Wastewater, etc. And most importantly, the permit spends a substantial time with the applicant or their design professional to address comments from DPP and other reviewing agencies to ensure that their plans meet pertinent codes. Time with the applicant or their design professional and multiple review cycles of a permit add significantly to the overall review time. Often, more than 50% of an overall permitting review time is with the applicant, which is outside of the time spent with the permitting agency.

For example, if a project is received by DPP and meets all pertinent codes, it can be approved swiftly within 60 days in one review cycle. But if the plans are submitted with many code errors, and therefore must go back to the applicant to address or fix the design to meet the code, which requires an additional review cycle, the permitting review time is greatly extended. If the applicant is unable to address the comment or the comment requires a change in the overall design, subsequent review cycles are needed, all of which will multiply the overall permitting time.

Rather than mandating that permits be approved by a certain deadline and handing out "approved" building permits that do not protect the health, life and safety of the public, the Legislature should focus on how the quality of plans by applicants can be elevated to prevent multiple review cycles, and also add staffing capacity to county permitting agencies.

For these reasons, we do not see the need to mandate that permits be approved, or disapproved, by a specific deadline. We ask that this Bill be held in committee.

Thank you for the opportunity to testify.

Very truly yours,



Dawn Takeuchi Apuna
Director

C. Kimo Alameda, Ph.D.
Mayor



Hugh Y. Ono, P.E.
Director

William V. Brillhante, Jr.
Managing Director

Neil A. Azevedo
Deputy Director

County of Hawai‘i
DEPARTMENT OF PUBLIC WORKS
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101 Pauahi Street, Suite 7 · Hilo, Hawai‘i 96720-4224
(808) 961-8321 · Fax (808) 961-8630
public_works@hawaiicounty.gov

March 19, 2025

Chair Mark J. Hashem
Vice Chair Rachele F. Lamosao
House Committee on Water and Land
Hawaii State Legislature
State Capitol

Subject: Testimony of the County of Hawai‘i Department of Public Works
Before the House Committee on Housing (HOU)
SB66 SD2 HD1 – Affordable Housing

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

The County of Hawai‘i Department of Public Works – Building Division seeks to clarify its testimony submitted on March 12, 2025, to address any potential misclassification.

While the Building Division recognizes the intent to streamline the building permit process, it opposes Senate Bill 66 for the following reasons:

- **Life Safety and Code Compliance:** A thorough and responsible plan review process is essential to maintaining life safety standards in building construction. County oversight ensures that critical safety requirements—such as structural integrity, fire protection, and emergency egress—are met before permits are issued, protecting both residents and the broader community.
- **Financing and Insurance Implications:** Financial institutions and bonding companies rely on county reviews to ensure compliance with building codes and infrastructure standards. A reduction in county oversight could create uncertainties in lending, bonding, and insurance, potentially affecting project feasibility and costs.

- **Liability and Accountability:** Eliminating County oversight increases the risk of errors and non-compliance with building codes, potentially leading to safety hazards and structural deficiencies. To mitigate these risks, it is recommended that self-certifying architects be required to carry professional liability insurance and sign a legally binding affidavit accepting full responsibility for ensuring compliance with all regulations.
- **Workforce Considerations:** Shifting to self-certification could impact the roles of county plans examiners and place additional demands on building inspectors. A balanced approach is needed to maintain efficiency without overburdening existing personnel.
- **Quality of Designs:** According to County of Hawai'i statistics, only 59% of new residential permit plans are initially correct, meaning that 41% require corrections. If permits are issued without thorough review, homeowners could face significant additional costs to correct deficiencies during construction—costs that could have been avoided through the standard plan review process.
- **Permit Processing Time:** For new residential permits with complete and accurate applications requiring no plan revisions, the Building Division's three-month average for permit issuance is 51 days. Mandating permit issuance within 60 days would provide little benefit to homeowners, as rushed approvals may lead to costly rework during construction when code compliance issues are identified during inspections.

The Department of Public Works remains committed to supporting solutions that facilitate development while upholding safety, compliance, and efficiency. We welcome further discussion on how to enhance the building permit process in a way that aligns with these priorities.

Thank you for your time and consideration.

Sincerely,

William Valua Davis
Business Manager

for

Hugh Y. Ono, P.E.
Director of Public Works

March 20, 2025

The Honorable Mark J. Hashem, Chair

House Committee on Water & Land
State Capitol, Conference Room 411 & Videoconference

RE: Senate Bill 66, SD2, HD1, Relating to Housing

HEARING: Thursday, March 20, 2025, at 9:30 a.m.

Aloha Chair Hashem, Vice Chair Lamosao, 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** Senate Bill 66, SD2, HD1, which requires permits to be issued by applicable permitting agencies within sixty days of a complete application being filed for certain single-family and multi-family projects if certain conditions are satisfied. Automatically deems approved a permit that is not otherwise approved by the applicable permitting agency within sixty days. Effective 4/23/2057.

According to the 2024 UHERO's Hawaii Housing Factbook¹, 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.²

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.

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

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



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Eddie Asato, Pint Size Hawaii, *Advisor*
Gary Okimoto, Safeway, *Immediate Past Chair*

TO: Committee on Water and Land
FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: March 20, 2025
TIME: 9:30am

RE: SB66 SD2 HD1 Relating to Housing
Position: Support with Requested Amendments

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

One of the best ways to improve the likelihood of business and residents staying in the state is to reduce taxes and remove undue regulatory burdens. The worst regulatory burdens are permitting delays. The good news is the state can eliminate permitting delays relatively easily using language similar to SB 66 but apply these reforms to all categories of permits. This bill requires counties to grant building permits within 60 days if the application is stamped and certified by a licensed engineer and architect and certain other conditions are met. This will dramatically reduce homeowner and business costs, increase housing supply and generate billions in tax income to fund removing taxes on groceries. State Income generated from passing this bill can be used to pay for removing taxes on groceries, a very regressive tax that contributes to Hawaii's rampant food insecurity crisis impacting 1 in 3 residents in the state and 40% of residents of Hawaii Island.

HOW TO PAY FOR REMOVING GET ON GROCERIES AND LOWERING TAXES:

Fiscal Impact of Eliminating the Grocery GET

Updated Calculation Using USDA Thrifty Food Plan Data

1. **TFP Data for a Household of Four:**

- a. **Monthly Spending:** \$1,432
- b. Yearly Spending: $\$1,432 * 12 = 17,284$
- c. Yearly Spending Per Person: $\$17,284/4 = \$4,296$

2. **Statewide Total Annual Grocery Spending:**

- a. With a population of approximately 1,400,000: $\$4,296 * 1,400,000 = 6.014$ billion

3. **Adjusting for EBT Exemptions:**

- a. Not all grocery spending is tax exempt. Only purchases made with EBT (SNAP) benefits are exempt. While 11% of Hawai'i's residents participate in SNAP, these households typically use EBT for only a portion of their grocery spending. For this analysis, we assume that, on average, EBT payments account for about 50% of grocery spending among SNAP households.
- b. This implies that roughly $11\% * 50\% = 5.5\%$ of total grocery spending is exempt.
- c. Therefore, approximately **94.5%** of grocery spending is subject to the GET.

4. **Taxable Spending:**

- a. **$0.945 * \$6.014 \text{ billion} \approx \5.684 billion**
 - i. This tracks with the U.S. Department of Agriculture, Economic Research Service *Sales of food for all purchasers with taxes and tips, by state* dataset (<https://www.ers.usda.gov/data-products/food-expenditure-series>) which shows Hawaii's nominal food-at-home expenditure for 2023 to be \$5.51 billion.

5. **Annual GET Revenue Calculation:**

- a. With a 4.5% GET rate: $0.045 * \$5.684 \text{ billion} \approx \255.8 million

Conclusion on Fiscal Impact:

Exempting SNAP eligible grocery purchases from the GET would result in an estimated annual revenue loss of roughly **\$256 million**.

The Compelling Case for Removing Grocery Taxes

One in three Hawaii residents struggles with food insecurity. On Hawaii Island the number increases to 40%. Study after study shows that grocery taxes are linked to food insecurity. Eliminating the grocery GET would relieve households of a significant financial burden, particularly those most affected by food insecurity. Increased disposable income would allow families to afford more nutritious food and invest in other essential needs. This policy change aligns with national best practices. For example, the Georgia study provides a powerful precedent:

The Georgia Study on Removing Food Taxes

- **Policy Change:**

In the 1990s, Georgia phased out its grocery tax.

- **Economic Impact:**

- **Household Savings:** Approximately \$691.4 million in cumulative savings for households.
- **Job Creation:** Around 18,577 new jobs were generated.
- **Economic Output:** The state experienced an economic output boost of \$1.45 billion by 2021.

These findings illustrate that removing grocery taxes can stimulate consumer spending, create jobs, and foster broader economic growth—benefits that Hawai‘i stands to gain.

Proposed Permitting Reforms as a Cost Offset and Housing Supply Catalyst

To offset the estimated \$256 million annual revenue loss from eliminating the grocery tax, a series of transformative permitting reforms is proposed. These reforms not only offer a robust fiscal offset but also stimulate economic activity and help address Hawai‘i’s affordable housing crisis by increasing the supply of housing.

Key Permitting Reforms:

1. **Self-Certification by Licensed Professionals:**

- a. **What:** Allow certified architects and engineers to approve standard designs.

b. **Benefit:** Expedites the permit issuance process and reduces delays.

2. **Statutory Timelines and Automatic Approvals:**

a. **What:** Implement clear deadlines—30 days for residential projects and 60 days for commercial projects—with automatic approvals if deadlines are missed (subject to compliance audits).

b. **Benefit:** Ensures timely progression of projects and minimizes bureaucratic hold-ups.

Economic and Housing Benefits:

- **Boost in Economic Activity:**

The reforms are projected to generate **\$19.65 billion** in annual construction-related economic activity.

- **Interest Savings:**

Homeowners and businesses could save approximately **\$7.88 billion** annually in interest payments—savings driven by faster occupancy and reduced permit delays (Honolulu County alone).

- **Enhanced Property Tax Revenue:**

Accelerated construction would boost Honolulu County's property tax revenue by about **\$1 billion** annually.

- **Additional State Tax Revenue:**

Overall, these permitting reforms could generate an estimated **\$2.14 billion** in extra state tax revenue per year.

- **Addressing the Affordable Housing Crisis:**

By streamlining construction processes and reducing delays, these reforms would increase the supply of housing. If Honolulu County approved permits in this fashion under the current number of permits they received a year they would process more than 5,000 more permits a year. This increased supply would drive down the cost of housing and allow the county to meet its projected growth needs in under 3 years. Maui County Fire Survivors have been waiting years for permits to rebuild, the state has instead spent millions of dollars on temporary structures. Allowing automatic approvals to rebuild within code, certified by a licensed contractor, would provide much-needed permanent homes to many

displaced residents. An increased housing supply helps moderate prices and improves affordability for residents, thereby directly addressing Hawai‘i’s affordable housing crisis.

Hawai‘i’s reliance on imported goods, high cost of living, and persistent food insecurity make grocery taxation a regressive and unsustainable policy. Studies by Zheng et al. (2021), the World Food Policy Center (2021), and the Health Economics Review confirm that grocery taxes worsen food insecurity, disproportionately burden lower-income families, and lead to negative health and economic outcomes. Eliminating the 4.5% GET on groceries (noting that only EBT purchases are exempt and additional spending by SNAP households is taxed) would offer immediate relief to households—but would also cost the state roughly **\$256 million** annually in tax revenue.

However, by adopting comprehensive permitting reforms—such as self-certification by licensed professionals, statutory timelines with automatic approvals, and enhanced staffing with digital upgrades—Hawai‘i can not only offset this revenue loss (by generating approximately **\$2.14 billion** in additional annual state tax revenue) but also stimulate **\$19.65 billion** in construction-driven economic activity. These reforms would result in significant interest savings (about \$7.88 billion annually), boost property tax revenue by roughly \$1 billion in Honolulu County, and crucially, increase the supply of affordable housing.

Legislators should prioritize economic equity by eliminating the regressive grocery tax and implementing these permitting reforms. This integrated strategy ensures that no resident must choose between paying taxes and affording basic necessities while paving the way for a more vibrant, affordable, and prosperous Hawai‘i.

Analysis of County and State Tax Revenue, Homeowner and Business Cost Savings and Economic Benefits from Streamlined Permitting

A. Number of Private Sector Permits by Occupancy Group, 2022-2023

Occupancy group	Year 2022			Year 2023		
	Number of permits issued	Total value of permits issued	Avg # of days to Issue	Number of permits issued	Total value of permits issued	Avg # of days to Issue
01 - Single Family	11,592	\$530,990,256	62	12,414	\$550,986,015	66
02 - Two Family	258	\$45,590,202	266	313	\$38,684,241	266
03 - Apartment	595	\$883,123,922	242	401	\$602,919,002	371
04 - Hotel	37	\$45,969,360	342	43	\$45,981,026	359

05 - Amusement, recreation	23	\$10,259,546	301	30	\$24,077,950	425
06 - Church	23	\$15,595,411	475	12	\$4,386,000	510
07 - Industrial	35	\$13,247,563	276	73	\$138,309,190	407
08 - Garage (public)	3	\$18,198,230	635	2	\$250,000	662
09 - Garage (private)	7	\$2,247,795	280	7	\$69,660,000	124
10 - Service Station	10	\$943,292	395	8	\$3,405,000	266
11 - Institution	26	\$21,281,399	477	24	\$16,559,132	308
12 - Office Building	214	\$179,305,392	278	239	\$73,207,845	286
13 - Public Building	6	\$629,005	352			
14 - Public Utility Building	1	\$590,000	1,071			
15 - School	27	\$6,319,416	350	61	\$33,191,089	381
16 - Shed	3	\$214,000	514	8	\$2,081,117	416
17 - Stable, barn	0	0	0	3	\$1,542,999	370
18 - Store	266	\$78,213,366	269	317	\$118,120,925	236
19 - Other non-residential	169	\$90,009,889	337	224	\$389,418,940	377
20 - Structure other than building & unclassified	523	\$146,209,412	284	418	\$599,775,294	353
21 - Other: Reroofing only	4	\$2,719,048	21	60	\$5,651,702	9

Source: Department of Planning and Permitting (DPP), City and County of Honolulu. READ estimates.

Property taxes:

<https://www.hawaiiirealestatesearch.com/property-taxes>

Economic Impact of Permitting Delays in Honolulu County

Introduction

Permitting delays in Honolulu County imposes substantial financial costs on developers, homeowners, and local governments. This report quantifies the financial impact of these delays, including lost interest costs for builders, lost construction fees, and lost property tax revenue. Using data from the Department of Planning and Permitting (DPP) and real estate sources, this analysis provides an updated assessment incorporating realistic land and construction costs. We did not have data from other counties, so this estimate is for Honolulu only.

Methodology

Step 1: Estimating Total Property Cost

Total property cost is calculated using the following formula:

$$\text{Total Property Cost} = \text{Average Square Footage per Project} \times (\text{Construction Cost per Sq. Ft.} + \text{Land Value per Sq. Ft.}) \times \text{Permits Issued}$$

Step 2: Estimating Lost Interest to Builders

Lost interest is calculated using the following formula:

$$\text{Lost Interest} = \text{Total Property Cost} \times 8\% \times (\text{Avg Days to Issue} / 365)$$

Step 3: Estimating Lost Construction Fees

Lost construction fees are calculated as:

$$\text{Lost Construction Fees} = \text{Total Property Cost} \times 0.5\%$$

Step 4: Estimating Lost Property Tax Revenue

Lost property tax revenue is calculated as:

$$\text{Lost Property Tax Revenue} = \text{Total Property Cost} \times \text{Property Tax Rate per } \$1,000 \text{ Assessed Value}$$

These calculations incorporate an average land value of \$718 per square foot for Honolulu, sourced from Redfin and Realtor.com. Property tax rates are applied based on category-specific rates from Hawaii Real Estate Search.

Financial Impact by Occupancy Group (Honolulu)

Occupancy Group	Permits Issued	Total Property Cost (\$)	Lost Interest (\$)	Lost Construction Fees (\$)	Lost Property Tax Revenue (\$)
Single Family	12414	\$30,240,504,000.00	\$437,451,674.30	\$62,070,000.00	\$136,082,268.00
Two Family	313	\$1,096,752,000.00	\$63,942,144.00	\$2,112,750.00	\$4,935,384.00
Apartment	401	\$44,831,800,000.00	\$3,645,500,887.67	\$80,200,000.00	\$524,532,060.00
Hotel	43	\$2,833,700,000.00	\$222,969,490.41	\$6,450,000.00	\$32,729,235.00
Amusement, recreation	30	\$913,500,000.00	\$85,093,150.68	\$1,875,000.00	\$8,997,975.00
Church	12	\$201,240,000.00	\$22,494,772.60	\$360,000.00	\$613,782.00
Industrial	73	\$3,410,560,000.00	\$304,240,640.00	\$6,570,000.00	\$36,492,992.00
Garage (public)	2	\$11,180,000.00	\$1,622,172.05	\$20,000.00	\$90,558.00
Garage (private)	7	\$9,391,200.00	\$255,234.81	\$16,800.00	\$76,068.72

Service Station	8	\$18,688,000.00	\$1,089,536.00	\$36,000.00	\$199,961.60
Institution	24	\$560,640,000.00	\$37,847,040.00	\$1,080,000.00	\$1,709,952.00
Office Building	239	\$8,733,060,000.00	\$547,431,267.95	\$17,925,000.00	\$93,443,742.00
School	61	\$3,562,400,000.00	\$297,484,800.00	\$6,862,500.00	\$10,865,320.00
Store	317	\$7,405,120,000.00	\$383,037,440.00	\$14,265,000.00	\$79,234,784.00
Other non-residential	224	\$22,142,400,000.00	\$1,829,629,545.21	\$50,400,000.00	\$236,923,680.00

Key Financial Totals

Total Property Cost (Land + Construction): \$125,970,935,200.00

Lost Interest to Builders (homeowners and businesses): \$7,880,089,795.68

Lost Construction Fees: \$250,243,050.00

Lost Property Tax Revenue for Honolulu: \$1,166,927,762.32

Commentary and Economic Insights

1. Single-Family Homes & Apartments Dominate Financial Losses

- Single-family homes have the highest permit volume and contribute the largest share of lost interest and construction fees. Homeowners lost a total of \$437,451,674.30 due to permitting delay on interest alone.

- Apartment projects experience the highest lost interest due to extended approval delays and high total costs.

2. Commercial and Institutional Projects Also Face Major Losses

- Office Building delays alone cost developers over \$547,431,267.95 million in lost interest in Honolulu County.

- Industrial, school, and other delays further reduce economic activity.

3. Impact on Local Government Revenue

- Approximately \$1 billion in lost property tax revenue for Honolulu.

- \$400 million in lost construction fees that could fund public services and infrastructure.

Sources

1. Department of Planning and Permitting, City and County of Honolulu (2023): Permitting data, project values, and delay durations.

2. Real Estate Market Data (Redfin & Realtor.com): Land value estimates for Honolulu.
3. Hawaii Real Estate Search: Property tax rate data for Honolulu.
4. Economic Modeling Assumptions: Financing interest rate (8%), property tax rates per category, permit fee rate (0.5%).

Increased Housing Supply

Current and Projected Permit Approvals

According to Civil Beat, **Honolulu currently approves approximately 15,000 building permits annually** with approximately 20,000 permits being submitted, resulting in 5,000 unapproved permits per year. With permitting reforms, this figure could increase to **20,000 permits per year**, resulting in a **net increase of 10,000 permits annually**.

- **Honolulu Current Annual Permits:** 15,000
- **Honolulu Post-Reform Projected Permits (the number currently submitted per year):** 20,000
- **Honolulu Projected Increased Permit Approvals Annually:** 5,000
- **State Estimated Increased Permit Approvals Annually:** 10,000
- **Total Additional Units Over 5 Years:** ~50,000

Housing Demand Based on DBEDT Report

The **Hawaii Housing Demand Report (DBEDT, 2019)** projects **Honolulu County will need between 10,402 and 21,392 new housing units over 10 years**, depending on population growth trends. For the **State of Hawaii** the Report states, “based on the projected population, the housing units needed are 25,737 units for the Low Scenario and 46,573 units for the High Scenario. The average of the two scenarios is a total of **36,155 units** demanded for 2020-2030.”

- **Low Scenario Honolulu (0.25% population growth): 10,402 units needed (2020–2030)**
- **High Scenario Honolulu (Pre-2016 Growth Trend): 21,392 units needed (2020–2030)**
- **Average Demand Scenario Honolulu: 15,897 units over 10 years (1,590 units per year)**

Under permitting reforms used successfully in other states and place a maximum wait time of 30 – 60 days for permit approval and allow for self-certification by licensed professionals in 24-48 hours, using a conservative estimate based on actual unapproved contracts, **the State’s projected new supply would increase by 10,000 units per year. This would exceed demand projections—helping alleviate the housing shortage and reducing upward pressure on home prices.**

Housing Price Reductions

Economic modeling suggests that increasing housing supply by **10,000 additional units annually** could slow **price escalations by 5–10% over five years**. While housing affordability is impacted by multiple factors, greater supply helps stabilize rising prices.

- **Estimated Housing Price Reduction Over 5 Years: 5–10%**

Analysis of Construction Projects and State Tax Revenue (10,000 New Projects per Year)

Based on the allocation of 10,000 new projects per year across residential and commercial categories, here are the updated construction values and tax impacts:

1. Project Allocation and Construction Value Breakdown

Occupancy Group	Allocated Projects	Estimated Construction Value (\$)
Single Family	8,976	13.46 billion
Two Family	226	271.58 million
Apartment	290	139.18 million
Office Building	173	1.30 billion
Industrial	53	1.19 billion
Amusement, recreation	22	244.03 million
Store	229	2.58 billion
Hotel	31	466.38 million

Summary

- **General Excise Tax (GET):** \$884.15 million
- **Corporate Income Tax:** \$1.26 billion
- **Total State Tax Revenue:** \$2.14 billion annually

These results indicate that with streamlined permitting leading to 10,000 new projects annually, the state can expect significant construction-driven tax revenues.

To estimate the **construction value** for each occupancy group, we used the following formula:

Estimated Construction Value=Allocated Projects×Average Size per Project (sq. ft.)×Construction Cost per sq. ft.

Step-by-Step Breakdown

1. Project Allocation:

- a. We allocated the 10,000 new projects per year across different categories (Single Family, Two Family, Apartment, etc.) based on their percentage share from the original DPP permit data.

For example:

Single Family allocation:

Percentage share= $12,414 / (12,414 + 313 + 401 + 239 + 73 + 30 + 317 + 43) \approx 89.76\%$

- Allocated projects: $10,000 \times 0.8976 = 8,976$ projects

Average Project Size (sq. ft.):

We used typical size estimates for each project type based on construction standards:

- b. Single Family: 2,500 sq. ft.
- c. Two Family: 2,000 sq. ft.
- d. Apartment: 800 sq. ft.
- e. Office Building: 10,000 sq. ft.
- f. Industrial: 30,000 sq. ft.

- g. Amusement/Recreation: 15,000 sq. ft.
 - h. Store: 15,000 sq. ft.
 - i. Hotel: 20,000 sq. ft.
2. **Construction Cost per sq. ft.:**
- j. **Residential construction (Single Family, Two Family, Apartment):** \$600 per sq. ft.
 - k. **Commercial construction (Office Building, Industrial, etc.):** \$750 per sq. ft.

Example Calculation for Single Family Homes

- **Allocated Projects:** 8,976
- **Average Size per Project:** 2,500 sq. ft.
- **Construction Cost per sq. ft.:** \$600

Construction Value (Single Family) = $8,976 \times 2,500 \times 600 = 13.46$ billion

Proposed Reforms

1. **Self-Certification by Licensed Professionals:**
 - a. Allow certified architects and engineers to approve standard designs, expediting permit issuance.

2. **Statutory Timelines and Automatic Approvals:**
 - a. Impose clear deadlines (e.g., 30 days for residential and 60 days for commercial projects).
 - b. Automatically approve permits after deadlines lapse, subject to compliance audits.

By adopting these reforms, **the State of Hawaii would generate 19.65 billion in annual construction driven economic activity. We would save homeowners and businesses \$7.88 billion in annual interest payments paid while properties are not usable due to delays in Honolulu County alone. Honolulu county would increase Property Tax**

Revenue by approximately \$1 billion annually. Total State Tax Revenue generated by permitting reforms above would be approximately \$2.14 billion annually. These changes would significantly enhance **housing affordability, government revenue, and economic growth.**

This integrated strategy—eliminating the grocery GET while implementing transformative permitting reforms—provides a compelling pathway to reduce food insecurity, promote affordable housing, and enhance Hawai'i's overall economic resilience.

Mahalo for the opportunity to testify.

Additional Sources:

<https://business.cornell.edu/hub/2021/05/18/researchers-find-grocery-taxes-harm-low-income-households/>

<https://www.audits.ga.gov/ReportSearch/download/28852>

<https://wfpc.sanford.duke.edu/research/grocery-food-taxes-and-evidence-for-food-security-policy-makers/>

<https://news.cornell.edu/stories/2021/05/study-grocery-taxes-increase-likelihood-food-insecurity>

<https://www.fns.usda.gov/snap/thriftyfoodplan>



Hawai'i YIMBY
Honolulu, HI 96814
hawaiiyimby.org
info@hawaiiyimby.org

March 20, 2025

House Committee on Water and Land
Hawai'i State Capitol
Honolulu, HI 96813

RE: SUPPORT for SB 66 SD2 HD1 - RELATING TO HOUSING

Aloha Chair Hashem, Vice Chair Lamosao, and Members of the Committee,

On behalf of Hawai'i YIMBY, we are writing in **support of SB 66 SD2 HD1** which would require counties to review building permit applications within sixty days if the completed application. This bill better aligns the priorities of our counties with the dire need for more housing. By requiring a sixty day deadline, this both gives the county adequate time to review applications for compliance, while ensuring that a project is not delayed for an indeterminate period of time. This bill explicitly outlines protections for historic properties, exclusions for land identified as high risk for flooding and requires verification of sufficient infrastructure.

We believe in streamlining permitting for housing. Backlogs in permitting departments make new housing projects face long delays in obtaining building permits. Delaying new homes increases the cost of construction and can result in projects with less units overall. As Hawai'i faces a severe housing shortage, new homes are urgently needed to reduce the pressure forcing people to move out of the state. Increasing the housing stock will provide more accessible and affordable options for residents to be able to continue living in Hawai'i.

Hawai'i YIMBY (*Yes In My Backyard*) is a volunteer-led grassroots advocacy organization dedicated to supporting bold and effective solutions for Hawai'i's devastating housing



Hawai'i YIMBY
Honolulu, HI 96814
hawaiiyimby.org
info@hawaiiyimby.org

crisis. Our members are deeply concerned about Hawai'i's chronic and worsening housing shortage, which has caused home prices to rise much faster than incomes and pushes thousands of kama'āina out to the mainland or into homelessness every single year.

We ask your support for this bill. Thank you for the opportunity to testify.

Sincerely,

Damien Waikoloa

Chapter Lead, Hawai'i YIMBY

Edgardo Díaz Vega

Chapter Lead, Hawai'i YIMBY



March 20, 2025, 9:30 a.m.
Hawaii State Capitol
Conference Room 411 and Videoconference

To: House Committee on Water and Land
Rep. Mark Hashem, Chair
Rep. Rachele Lamosao, Vice Chair

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

RE: SB66 SD2 HD1 — RELATING TO HOUSING

Aloha Chair Hashem, Vice-Chair Lamosao and other members of the Committee,

The Grassroot Institute **supports** [SB66 SD2 HD1](#), which would require county permitting agencies to grant a permit within 60 days to a single-family or multifamily housing project. If the agency failed to approve the permit in 60 days, the permit would be automatically approved.

This 60-day “shot clock” would be triggered only after the application has been deemed complete by the permitting agency. This would include certification that the project has access to adequate infrastructure and meets historic preservation rules.

Further, the automatic approval could be delayed if the permit did not comply with applicable federal, state or county regulations.

The “shot clock” 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.¹

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

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.³

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 approval has not been delayed due to noncompliance with state and county law.

As we suggested in our report “[Seven low cost ways to speed up permitting in Hawaii](#),” 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.⁴

Regardless, SB66 SD2 HD1 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

¹ Justin Tyndall, Daniela Bond-Smith and Rachel Inafuku, “[The Hawai’i Housing Factbook](#),” The Economic Research Organization at the University of Hawai’i, June 28, 2023, p. 19.

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.

⁴ Jonathan Helton, “[Seven low cost ways to speed up permitting in Hawaii](#),” Grassroot Institute of Hawaii, October 2024, p. 14.



Testimony of **Lahaina Strong**
Before the House Committee on
Water and Land

In Consideration of Senate Bill No. 66 SD2 HD1
RELATING TO HOUSING

To Chair Hashem, Vice Chair Lamosao, and the honorable members of the committee,

We are writing on behalf of Lāhainā Strong, an organization deeply rooted in our community's resilience and advocacy. Originally formed in 2018 following the Hurricane Lane fire in Lahaina and revitalized after the devastating fires of August 8, 2023, Lahaina Strong has become the largest grassroots, Lahaina-based community organization, with over 35,000 supporters. Our mission is to amplify local voices and champion community-driven solutions, which are more critical than ever as we continue rebuilding and recovering.

Lāhainā Strong **stands in opposition of Senate Bill 66 SD2 HD1**, which requires counties to grant building permits within 60 days if the application is stamped and certified by a licensed engineer and architect and other certain conditions are met. We recognize the urgent need for affordable housing and appreciate the legislature's intended efforts to streamline the permitting process for projects.

However, we are concerned about the expedited timeline for obtaining these permits. Multiple departments need to comment on permits. In addition to regular work loads, employees need a reasonable amount of time to fit in a thorough review. Relying on design professionals who work for the project proponent will encourage benefits for the developers to be prioritized.

Most importantly, we must ensure that development does not further strain West Maui's already fragile infrastructure or allow for unchecked speculative projects that ultimately do not serve local families. West Maui, in particular, has faced decades of water shortages and inadequate infrastructure investment, and we have seen time and again

that once developers secure building permits, they push boundaries to maximize profit, often at the community's expense.

Developers have often been granted permits for projects despite uncertainty about long-term water availability, especially in areas with competing demands between residents, agriculture, and environmental protections. In some cases, projects move forward with "will-serve" letters from private water companies or assumptions that water infrastructure will be completed later. However, this has led to conflicts, particularly in West Maui, where our water rights are heavily contested.

Without strong, enforceable conditions, this bill could unintentionally accelerate the very issues that have made housing unaffordable and unsustainable.

Streamlining permits should not come at the cost of responsible planning. West Maui's recovery depends on housing for residents, not unchecked development. Lāhainā Strong appreciates the intent of this bill but stands **in opposition to SB 66 SD2 HD1**, as we believe that progress must never come at the expense of our community's well-being or long-term sustainability.

Mahalo for your attention to this matter and your dedication to safeguarding our community.

Lāhainā Strong



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March 20, 2025

Testimony to the House
Committee on Water &
Land, Thursday, March
20, 2025, 930am,
Conference Room 411,
Hawaii State Capitol

IN SUPPORT OF SB 66 S.D.2 H.D.1 that which establishes a permit process that shifts responsibility for code compliance from the counties to design professionals for all single-family/multi-family residential projects.

Chair Hashem, Vice Chair Lamosao 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 SB 66 S.D.2 H.D.1** 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 from the passage of this bill.

Thank you,

Respectfully Submitted


Anthony Borge



Iron Workers Stabilization Fund

T. George Paris
Managing Director

March 20, 2025
9:30 am

House Committee on Water and Land

CR 411 & Videoconference

Comments on SB66 SD2 HD1-Related To Housing

To the Honorable Chair Hashem, Vice-Chair Lamosao and members of the House Committee on Water and Land

The Hawaii Ironworkers Stabilization Fund offer our support for the intent of this bill to expedite the permitting process for single-family and multi-family housing projects. The severe lack of affordable housing in Hawaii has forced many local families to relocate, impacting our communities and workforce.

We believe that streamlining the permitting process is a crucial step in addressing this crisis. The proposed requirement for permitting agencies to issue permits within sixty days of a complete application, under specific conditions, is a positive move.

However, to ensure the feasibility and effectiveness of this approach, we recommend implementing it as a pilot program. To assess the impact and evaluate the effectiveness of the 60-day timeframe and identify any potential challenges and ensure accountability. By running this initiative as a pilot program, we can gather valuable data and insights to refine the process and ensure its success before statewide implementation. We believe that this approach will help to address the urgent need for affordable housing while ensuring that the permitting process remains efficient and effective.

We urge the committee to support this bill with the recommended amendment for a pilot program. Thank you

T. George Paris
Managing Director



Testimony of
Pacific Resource Partnership

Hawai'i State Legislature, House Committee on Water & Land (WAL)
The Honorable Chair Mark Hashem and the Honorable Vice Chair Rachele Lamosao
Thursday, March 20, 2025

Subject: Strong Support for SB66, SD2, HD1 – Relating to Housing

Aloha Chair Hashem, Vice Chair Lamosao, and Members of the Committee:

On behalf of Pacific Resource Partnership (PRP), which represents thousands of unionized carpenters and more than 250 contractors across Hawai'i, we strongly support SB66, SD2, HD1. This bill takes a critical step toward addressing our state's housing crisis by streamlining the permitting process for single-family and multi-family projects, a move that will lower costs for homebuyers and create more opportunities for our skilled workforce.

Hawai'i faces a dire housing shortage, with a projected need for 46,573 new homes by 2030. Yet, as the 2022 University of Hawai'i Economic Research Organization (UHERO) study highlights, our permitting delays – three times longer than the national average – drive up construction costs and deter new projects. These delays, often stretching from one to one and a half years, make housing less affordable for working families and strain the construction industry's ability to meet demand.

SB66's requirement to issue permits within 60 days of a complete application directly tackles this issue, ensuring faster project timelines while maintaining necessary compliance with codes and infrastructure standards.

This bill aligns with PRP's mission to build a stronger, more affordable future for Hawai'i. By reducing permitting delays, SB66 will lower the cost of housing – costs that are often passed on to homebuyers – making homeownership more attainable for the middle class. It also supports our workforce, as faster



(Continued From Page 2)

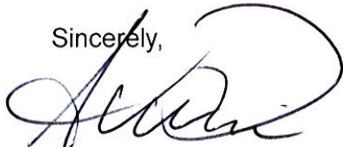
permitting means more projects, creating jobs for our carpenters and contractors. Our recent report, *New Foundations: Laying the Groundwork for Hawai'i's Middle-class Renewal and Revival of the Trades*, underscores the need for such reforms, noting that the construction industry workforce must grow by 10% annually to keep pace with demand.

We commend the bill's balanced approach, ensuring compliance with historic preservation and floodplain regulations while holding designers and contractors accountable for code adherence. This shift mirrors practices in other U.S. municipalities, where inspections during construction, rather than exhaustive upfront reviews, keep projects moving without compromising safety.

For these reasons, we respectfully urge the Committee to pass SB66, SD2, HD1.

Mahalo for the opportunity to provide testimony.

Sincerely,



Andrew Pereira
Director of Public Affairs
Pacific Resource Partnership



SB-66-HD-1

Submitted on: 3/17/2025 6:21:59 PM

Testimony for WAL on 3/20/2025 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jacob Wiencek	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Members,

Our slow and backlogged permitting processes are worsening the affordability crisis in Hawaii. In particular, housing and other mixed use development projects that would ease sky high prices and build more sustainable communities are drowning in red tape. I believe this sensible bill will help alleviate that Byzantine process and help provide greater socioeconomic opportunities for working- and middle-class families.

I strongly urge this Committee to SUPPORT this bill!

My name is Dwayne Bautista, and I stand in support of SB66 SD2, Thank you for the opportunity to provide a testimony today. I am here to express my full support for SB66 SD2, which aims to expedite the permitting process for residential projects in Hawaii.

I believe this bill, which states that applicable permitting agencies issue permits within sixty days of a complete application for qualifying single-family and multi-family projects, with an automatic approval provision for permits not acted upon, is a crucial step toward addressing our state's pressing housing crisis.

Reasons for Support:

- **Addressing the Housing Shortage:** SB66 SD2 directly tackles the lengthy permitting delays that contribute significantly to the shortage of affordable and market-rate housing.
- **Promoting Predictability and Efficiency:** The sixty-day timeframe creates a predictable and efficient permitting process, benefiting both developers and the community.
- **Enhancing Agency Accountability:** The automatic approval provision incentivizes permitting agencies to prioritize timely reviews and improve their performance.

Recommendation for a Pilot Program:

While I strongly support the intent of SB66 SD2, I believe a pilot program would be beneficial to ensure its successful implementation and to gather valuable data for potential statewide rollout. Therefore, I respectfully recommend the following:

- **Targeted Implementation:** Initiate the implementation of SB66 SD2 as a pilot program in a specific county or region of Hawaii.
- **Defined Project Types:** Focus the pilot program on specific project types, such as Accessory Dwelling Units (ADUs), small-scale multi-family projects, or affordable housing projects, to gather targeted data.
- **Data Collection and Analysis:** Implement a robust data collection and analysis system to track permit processing times, identify potential bottlenecks, and measure the effectiveness of the automatic approval provision.
- **Regular Evaluation and Reporting:** Conduct regular evaluations of the pilot program and provide reports to the legislature on its findings and recommendations.

- **Stakeholder Engagement:** Actively engage with stakeholders, including developers, community members, and permitting agencies, throughout the pilot program.

Benefits of a Pilot Program:

- **Identifying and Addressing Potential Challenges:** A pilot program will allow us to identify and address any potential challenges or unintended consequences before statewide implementation.
- **Refining Best Practices:** It will provide an opportunity to refine the best practices for implementing the sixty-day permit review and automatic approval provisions.
- **Gathering Data for Informed Decision-Making:** The data collected during the pilot program will inform future policy decisions and ensure the effective implementation of SB66 SD2.

Conclusion:

I urge the committee to support SB66 SD2 and to incorporate a pilot program to ensure its successful implementation. By working together, we can streamline the permitting process and create more housing opportunities for the people of Hawaii.

Thank you for your time and consideration.

A handwritten signature in black ink, appearing to read "Dwayne Bautista", with a horizontal line drawn over the top of the signature.

Dwayne Bautista