



STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
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February 5, 2018

The Honorable Tom Brower, Chair
Committee on Housing
House of Representatives
State Capitol, Room 315
Honolulu, Hawaii 96813

Dear Chair Brower:

Subject: House Bill (HB) 1822 Relating to Condominiums

I am Manuel P. Neves, Chair of the Hawaii State Fire Council (SFC) and Fire Chief of the Honolulu Fire Department (HFD). The SFC and the HFD support HB 1822, which proposes to establish the automatic fire sprinkler system revolving fund to provide low interest loans for the installation of automatic fire suppression systems in condominiums or apartments.

The Marco Polo condominium fire on July 14, 2017, highlights the dangers of fire in unsprinklered buildings. Automatic fire sprinkler systems have been proven to save lives and property and protect the environment. Death rates and property loss are substantially reduced when these systems are installed and properly maintained.

Concerns by condominium associations have brought to light the financial burden to property owners who want or may be required to retrofit automatic fire sprinklers. Since the cost to retrofit high-rise residential buildings could be several million dollars each and will be assessed to the owners, low interest loans could reduce their financial impact. Having multiple methods to reduce the sprinkler costs will help make the installation of fire sprinklers reach an achievable outcome.

Life, safety, and property protection is the top priority for the SFC and the HFD. The SFC sincerely appreciates the effort by the legislature to provide cost savings to our residents who live in unsprinklered high-rise buildings. The life-saving benefits of

The Honorable Tom Brower
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February 5, 2018

residential fire sprinklers will endure for future generations not only in high-rises, but in all sprinklered buildings.

The SFC and the HFD urge your committee's support on the passage of HB 1822.

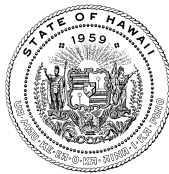
Should you have questions, please contact SFC Administrative Specialist Lloyd Rogers at 723-7176 or lrogers@honolulu.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read 'M. P. Neves', with a stylized flourish at the end.

MANUEL P. NEVES
Chair

MPN/LR:clc



EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

LATE

WRITTEN ONLY

TESTIMONY BY LAUREL A. JOHNSTON
ACTING DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON HOUSING
ON
HOUSE BILL NO. 1822

**February 6, 2018
9:30 a.m.
Room 423**

RELATING TO CONDOMINIUMS

House Bill No. 1822 establishes the Automatic Fire Sprinkler System Revolving Fund and appropriates an undetermined amount of general and revolving funds to provide low-interest loans for installation costs associated with retrofitting high-rise residential buildings with automatic fire sprinkler systems.

The Department of Budget and Finance has strong concerns regarding this measure. First, since the department does not administer any similar loan programs in its current operations, it does not have the staffing or expertise to be able to administer the loan program. Second, it is uncertain what the total financial need would be to provide sufficient low-interest loans to bring all grandfathered residential high-rises up to code. A large financial commitment may adversely impact the Administration and the Legislature's ability to address other statewide priorities.

Thank you for your consideration of our comments.

HB-1822

Submitted on: 2/5/2018 1:36:00 PM

Testimony for HSG on 2/6/2018 9:30:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Debby Gatioan	County Fire Department	Support	No

Comments:

February 5, 2018

The Honorable Tom Brower, Chair

Committee on Housing

The State Senate

Hawai'i State Capitol, Room 315

Honolulu, Hawaii 96813

Dear Chair Brower:

Subject: House Bill (HB) 1822 Relating to Condominiums

I am Robert Westerman, Chair of the Hawaii State Fire Council (SFC) and Fire Chief of

the Kauai Fire Department (KFD). The SFC and the KFD support HB 1822, which proposes to establish the automatic fire sprinkler system revolving fund to provide low-interest loans for the installation of automatic fire suppressions systems in condominiums or apartments.

The Marco Polo condominium fire on July 14, 2017, highlights the dangers of fire in unsprinklered buildings. Automatic fire sprinkler systems have been proven to save lives and property and protect the environment. Death rates and property loss are substantially reduced when these systems are installed and properly maintained.

Concerns by condominium associations have brought to light the financial burden to property owners who want or may be required to retrofit automatic fire sprinklers. Since

the cost to retrofit high-rise residential buildings could be several million dollars each, and will be assessed to the owners, low interest loans could reduce their financial impact. Having multiple methods to reduce the sprinkler costs will help make the installation of sprinklers reach an achievable outcome.

Life, safety, and property protection is the top priority for the SFC and the KFD. The SFC sincerely appreciates the effort by the legislature to provide cost savings to our residents who

The Honorable Brower, Chair

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live in unsprinklered high-rise buildings. The life-saving benefits of residential fire sprinklers will endure for future generations not only in high-rises, but in all sprinklered buildings.

The SFC and the KFD urge your committees' support on the passage of HB 1822.

Should you have questions, please contact SFC Administrative Specialist Lloyd Rogers at 723-7176 or lrogers@honolulu.gov..

Sincerely,



Robert Westerman

Fire Chief, County of Kaua'i

RFW/dag



**Hawaii Council of Associations
of Apartment Owners**
DBA: Hawaii Council of Community Associations
1050 Bishop Street, #366, Honolulu, Hawaii 96813



February 3, 2018

Rep. Tom Brower, Chair
Rep. Nadine Nakamura, Vice-Chair
House Committee on Housing

Re: Testimony to defer action on
HB1822 RELATING TO CONDOMINIUMS
Hearing: Tues., Feb. 6, 2018, 9:30 a.m., Conf. Rm. #423

Chair Brower, Vice-Chair Nakamura and Members of the Committee:

I am Jane Sugimura, President of the Hawaii Council of Associations of Apartment Owners (HCAAO dba HCCA).



I served on the 2005 Honolulu Fire Safety Task Force (i.e., in response to the First Interstate Building fire) and the Residential Fire Safety Advisory Committee ("RFSAC") established by the Honolulu City Council after the Marco Polo fire in July 2017. The purpose of the RFSAC was to recommend changes to the City's fire code to make high-rise residential buildings safer for the residents and for the fire-professionals who have to enter those buildings to fight fires.


One of the main challenges that the Committee considered was how to assist condo associations pay for the installation of fire sprinklers. Based on the status of the pending City legislation, this bill may be premature. The pending City Bill 69 contemplates a 12-year implementation period and includes a provision for mandatory fire sprinklers in the common areas and not in the units. There is substantial opposition from condominium residents to any mandate to install sprinklers and the Councilmembers have indicated their reluctance to impose the mandate in view of the strong opposition from the condominium community. Accordingly, I suggest that this committee defer action on this bill until next session to allow the City Council to complete its deliberation on Bill 69.

Thank you for the opportunity to testify on this matter.

Jane Sugimura
President



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 | 1259 A'ala Street, Suite 300
Honolulu, HI 96817

February 6, 2018

The Honorable Tom Brower, Chair

House Committee on Housing
State Capitol, Room 423
Honolulu, Hawaii 96813

RE: H.B. 1822, Relating to Condominiums

HEARING: Tuesday, February 6, 2018, at 9:30 a.m.

Aloha Chair Brower, Vice Chair Nakamura and Members of the Committees,

I am Ken Hiraki, Director of Government Affairs, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its almost 9,500 members. HAR **supports** House Bill 1822, which establishes the automatic fire sprinkler system revolving fund to provide low interest loans for the installation of automatic fire sprinkler systems in condominiums or apartments; provided that no loans shall be authorized until January 1, 2019.

One of the biggest challenges in installing fire sprinklers, especially in older residential condominiums, is the cost. The costs estimate can range from \$8,000 to almost double that, depending on the condominium. This would be especially difficult for those with fixed incomes or those that cannot afford an additional special assessment for sprinklers.

As such, HAR supports providing low-interest loans to help these older condominiums retrofit automatic fire sprinklers.

Mahalo for the opportunity to testify on this measure.



HB-1822

Submitted on: 2/5/2018 9:21:52 AM

Testimony for HSG on 2/6/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	OCC Legislative Priorities	Support	No

Comments:

HB-1822

Submitted on: 2/5/2018 11:19:06 AM

Testimony for HSG on 2/6/2018 9:30:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Richard Emery	Associa	Comments	Yes

Comments:

We support the position of Hawaii Council of Community Associations to defer this bill until the city council makes a final determination on sprinklers..

HB-1822

Submitted on: 2/3/2018 10:15:26 AM

Testimony for HSG on 2/6/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Philip Nerney	CAI	Support	No

Comments:

I am providing testimony as an individual.