JOSH GREEN LIEUTENANT GOVERNOR



ANNE E. PERREIRA-EUSTAQUIO DIRECTOR

> JOANN A. VIDINHAR DEPUTY DIRECTOR

STATE OF HAWAII DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS 830 PUNCHBOWL STREET, ROOM 321 HONOLULU, HAWAII 96813 <u>www.labor.hawaii.gov</u> Phone: (808) 586-8844 / Fax: (808) 586-9099 Email: dlir.director@hawaii.go

February 24, 2021

The Honorable Sylvia Luke Chair Committee on Finance House of Representatives State Capitol, Room 306 Honolulu, Hawaii 96813

Dear Chair Luke:

Subject: House Bill (HB) 1131, House Draft (HD 1) Relating to the State Building Code Council (SBCC)

I am Manuel P. Neves, Chair of the State Fire Council (SFC). The SFC strongly opposes HB 1131, HD 1, which asks the SBCC to consider the financial impact on the cost, including the impact on amortized utility costs for single- and multi-family homes, when considering the adoption of any code or standard. It would require an annual written report to the Governor, including a financial impact assessment on each code and standard adopted by the SBCC, to determine whether there is a substantial benefit to the residents of the state.

National codes and standards establish minimum provisions that adequately protect public health, safety, and welfare, and these provisions do not necessarily increase construction costs, or restrict the use of new materials, products, or methods of construction. These national codes and standards are developed by technical committees comprised of experts representing government regulators, the building industry, and trades organizations. The SBCC makes amendments to the national codes based on the state's unique conditions, such as topography, climate, and susceptibility to natural disasters, such as hurricanes, earthquakes, and tsunamis.

Since its formation in 2007, the SBCC has never had funding for staff, operating expenses, or training. Its 11 voluntary members do not receive compensation for any work performed on behalf of the state. Since statewide amendments require extensive time and effort from members who have full-time jobs, the SBCC has struggled to timely

The Honorable Sylvia Luke, Chair Page 2 February 24, 2021

review, approve, and adopt approximately seven different codes and standards. Adding additional requirements for cost benefit assessment reports to the Governor does not help the SBCC meet its current mandates. SBCC investigative committees and council meetings are open to the public with many building industry representatives who are already in attendance and given opportunities to comment on any proposed amendments.

The SFC urges your committee's deferral of HB 1131, HD 1.

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

Sincerely,

MANUEL P. NEVES Chair

MPN/LR:cs

DEPARTMENT OF PLANNING AND PERMITTING CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813 PHONE: (808) 768-8000 • FAX: (808) 768-6041 DEPT. WEB SITE: <u>www.honoluludpp.org</u> • CITY WEB SITE: <u>www.honolulu.gov</u>

RICK BLANGIARDI MAYOR



February 25, 2021

DEAN UCHIDA DIRECTOR DESIGNATE

DAWN TAKEUCHI APUNA DEPUTY DIRECTOR

EUGENE H. TAKAHASHI DEPUTY DIRECTOR

The Honorable Sylvia Luke, Chair and Members of the Committee on Finance Hawaii House of Representatives Hawaii State Capitol 415 South Beretania Street Honolulu, Hawaii 96813

Dear Chair Luke and Committee Members:

Subject: House Bill No. 1131, HD 1 Relating to the State Building Code Council

The Department of Planning and Permitting **supports** House Bill No. 1131, HD 1, which would require the State Building Code Council to make determinations on the financial impact, including the impact on amortized utility costs, of the adoption of a code or standard on single-family and multi-family homes. This Bill also would require the determinations in its annual reports to the governor.

The Code adoption process has evolved over time, from focusing on codes that protect public health and safety, to codes that mandate products that increase the construction cost of housing. Also, the present make-up of the State Building Code Council, with a majority of government officials and design professionals, does not consider the economic impacts of codes that mandate the use of products that are not required for protection of public health and safety.

Given Hawaii's high cost of housing, we need to be diligent in considering the economic impact of adopting new codes.

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

Very truly yours,

Dean Uchida Director





Founded 1889

February 23, 2021

Representative Sylvia Luke, Chair Representative Ty Cullen, Vice Chair House Committee on Finance State Capitol, 415 South Beretania Street, Video Conference Honolulu, Hawaii 96813

Re: HB1131 HD1 Relating To The State Building Code Thursday, February 25, 2021 at 1:00 pm

Aloha Chair, Vice-Chair, and Committee Members;

Chartered in 1919, the Plumbers and Fitters UA, Local 675 is one of the oldest organized labor unions in Hawai'i and one of three 'licensed' skilled-construction trades, steeped in a rich history as one of Hawai'i's construction-industry pioneers.

The Plumbers and Fitters UA Local 675, appreciates and supports the intent of HB1131 HD1 which gives consideration to financial impacts related to the adoption of codes and standards, however believe that as most codes and standards are developed for the primary purpose of protecting health and safety, it's important to ensure that the adoption of codes and standards as they pertain to health and safety, are not conditioned upon potential financial impacts.

As such, we respectfully request clarifying language be inserted into Section 1 (preamble), Section 1(1), and Section 2(f) of HB1131 HD1 as follows:

SECTION 1. The legislature finds that in 2020, the median price of a single-family home in Hawaii was \$738,000 and the median price of a condominium in Hawaii was \$522,000. The legislature also finds that the cost of residential construction on Oahu is \$290 per square foot and the cost of residential construction on the neighbor islands is \$200 per square foot.

The legislature further finds that building codes and standards passed by the International Code Council add to the

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Page 2 cont'd, Plumbers and Fitters UA Local 675, HB1131 HD1;

cost of housing construction and reduce affordability. In determining whether to adopt international standards, the state building code council should assess the financial impact of changes to the construction costs that do not pertain to health and safety, and the impact on amortized utility costs, for single-family and multi-family dwellings in the State.

The purpose of this Act is to require the state building code council to:

(1) Consider the impact of building codes and standards <u>that do not pertain to health and</u> <u>safety</u> on the cost of single-family and multi-family homes built in the State, including the code's or standard's impact on amortized utility costs for single-family and multi-family homes; and

SECTION 2. Section 107-24, Hawaii Revised Statutes, is amended to read as follows:

"\$107-24 Authority and duties of the council. (a) Any law to the contrary notwithstanding, the council shall establish the Hawaii state building codes.

(f) When considering the adoption of any code or standard that do not pertain to health and safety, the council shall consider the financial impact of the code or standard on the cost of single-family and multi-family homes built in the State, including the code's or standard's impact on amortized utility costs for single-family and multi-family homes.

Mahalo for the opportunity to testify.



HOUSE COMMITTEE ON FINANCE State Capitol, Via Videoconference 415 South Beretania Street 1:00 PM

February 25, 2021

RE: HB 1131 HD1, RELATING TO THE STATE BUILDING CODE COUNCIL

Chair Luke, Vice Chair Cullen, and members of the committee:

My name is Beau Nobmann, 2021 President of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii. Our members build the communities we all call home.

BIA-Hawaii is in strong support of HB 1131, which would require the State Building Code Council (SBCC) consider the financial impact of building codes on residential properties when considering whether or adopt a new code or standard.

The current makeup of the SBCC does not take into consideration the cost implications of adopting new codes. Nationally, many of the new codes have mandates built-in that manufacturers and special interest groups have embedded into new code revisions. These mandates are not intended to protect the public health or safety, and ultimately increase the cost of housing. Requiring the SBCC to consider cost implications and report to the Governor would provide the public and the building industry with much-needed information.

The state of Hawaii is in a dire housing crisis which has been further exacerbated by the ongoing pandemic situation. The building industry is one of the very few economic drivers in the state throughout the COVID pandemic, and giving them more opportunity to provide our residents with affordable housing would have a positive impact on our community.

We appreciate the opportunity to express our views on HB 1131 HD1.

tel. 808-629-7501 fax. 808-629-7701 94-487 Akoki St. , Ste 213 Waipahu, HI 96797 www.biahawaii.org info@biahawaii.org