

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
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BOATING AND OCEAN RECREATION
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ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Testimony of
DAWN N.S. CHANG
Chairperson

Before the Senate Committees on
ENERGY AND INTERGOVERNMENTAL AFFAIRS
and
GOVERNMENT OPERATIONS

Thursday, January 30, 2025
3:00 PM
State Capitol, Conference Room 225

In consideration of
SENATE BILL 161
RELATING TO COUNTY PERMITTING AND INSPECTION

Senate Bill (SB) 161 proposes to exempt state projects from county building permits, inspections, and certificate of occupancy requirements under certain conditions. Further, SB161 prohibits state agencies responsible for state projects exempt from county building permit, inspection, and certificate of occupancy requirements from applying for county building permits. **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 measure to add a new section to Hawaii Revised Statutes (HRS) Chapter 46 requiring state projects be exempt from county building permits, inspections, and certificate of occupancy requirements.

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.

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:

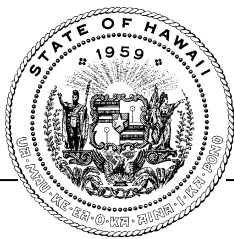
- No federal flood insurance can be sold or renewed in non-participating communities. The Federal government requires flood insurance for all buildings located in a SFHA secured with a federally backed loan.
- Certain forms of federal disaster assistance, including mitigation grants, will not be available 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 subsection (a) be *amended* to read as follows:

"§46- County building permit, inspection, and certificate of occupancy requirements; exemption; prohibition; state projects. (a)
Notwithstanding any other law to the contrary, state projects shall be exempt from county building permit, inspection, and certificate of occupancy requirements when compliant with applicable building codes or county, national, or international prescriptive construction standards, including construction, electrical, energy conservation, plumbing, and sidewalk standards, as applicable, provided that the state project is not within a Special Flood Hazard Area as identified on the current Federal Emergency Management Agency's Flood Insurance Rate Maps."

Mahalo for the opportunity to provide testimony on this measure.



**STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT**

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
DIRECTOR

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Statement of
MARY ALICE EVANS, Director

before the
**SENATE COMMITTEES ON
ENERGY AND INTERGOVERNMENTAL AFFAIRS
AND
GOVERNMENT OPERATIONS**

Thursday, January 30, 2025
3:00 PM
State Capitol, Conference Room 225

in consideration of
SB 161
RELATING TO COUNTY PERMITTING AND INSPECTION.

Chairs Wakai and McKelvey, Vice Chairs Chang and Gabbard, and Members of the Committees:

The Office of Planning and Sustainable Development (OPSD) offers **comments** on HB 161, which exempts State projects from County building permit, inspection, and certificate of occupancy when compliant with applicable codes and standards. The bill also requires the Counties to accept dedication of State projects.

OPSD believes the State needs to expedite housing production in areas suited and planned for housing. However, we are concerned with proposals to preempt all County development and permitting requirements and processes for housing projects, whether public or private. The Counties' permitting and inspection processes play an important role in ensuring that development projects are compliant with applicable codes and development requirements adopted to protect public health, safety, and welfare and to mitigate impacts to natural and cultural resources and sensitive environmental areas.

Rather than exempting projects from the Counties' permitting processes, OPSD believes that the State, in partnership with the Counties, should strengthen efforts to identify where development and permitting processes can be consolidated or streamlined and project implementation facilitated without compromising public and community health and the unique environment of the islands that is our home.

Thank you for the opportunity to testify on this measure.

LATE

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

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RICK BLANGIARDI
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DAWN TAKEUCHI APUNA
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PO'O

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DEPUTY DIRECTOR
HOPE PO'O

REGINA MALEPEAI
2ND DEPUTY DIRECTOR
HOPE PO'O KUALUA

January 30, 2025

The Honorable Glenn Wakai, Chair
and Members of the Committee on Energy
and Intergovernmental Affairs
The Honorable Angus L.K. McKelvey, Chair
and Members of the Committee on Government Operations
Hawaii'i State Senate
Hawaii'i State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Subject: Senate Bill No. 161
Relating to County Permitting and Inspection

Dear Chairs Wakai, McKelvey and Committee Members:

The Department of Planning and Permitting (DPP) **opposes** Senate Bill No.161, which exempts State projects from county building permit, inspection, and certificate of occupancy requirements under certain conditions. The Bill would require counties to accept the dedication of State projects exempt from the county permitting process. This Bill also prohibits State agencies responsible for State projects exempt from county building permit, inspection, and certificate of occupancy requirements from applying for county building permits.

The DPP takes no position on the State exempting its projects from the county permitting process. If anything, allowing the State to issue its own building permits would reduce the burden on the DPP as we've processed more than 1,800 State permits from 2019-2024. However, we cannot support the provision that requires the counties to accept dedication of these State projects that we have had no opportunity to review or inspect. This is an unfunded mandate that could possibly place hundreds of State projects under the jurisdiction of the counties.

The dedication of State projects to the counties is a collaborative effort. Once a project is completed, State and City inspectors and staff determine if the project meets

The Honorable Glenn Wakai, Chair
and Members of the Committee on Energy
and Intergovernmental Affairs
The Honorable Angus L.K. McKelvey, Chair
and Members of the Committee on Government Operations
Hawai'i State Senate
Senate Bill No. 161
January 30, 2025
Page 2

City standards, such as whether the project meets all codes or if streets were adequately constructed. If the City determines that the project is substandard, we would not accept it, but we would continue to work with the State until our concerns are satisfied.

Another concern is this Bill states that a project would be exempt from county permit process "when compliant with applicable building codes." The Bill does not state who will be certifying compliance. Building codes exist for a reason, and that is to ensure the health and safety of a building's occupants and the general public. A permit application is just the beginning of a detailed and involved process to ensure this. We only issue permits after we've determined that the project meets all codes, and we would not issue a certificate of occupancy until we've determined that the construction was done according to the approved plans.

In summary, we do not oppose the State issuing its own building permits and certificates of occupancy. But we do oppose the requirement that the City accept dedication of these projects.

For the reasons stated above, we ask that this Bill be held in committee.

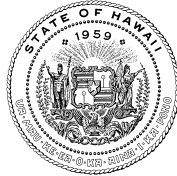
Thank you for the opportunity to testify.

Very truly yours,



Dawn Takeuchi Apuna
Director Designate

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



KEITH A. REGAN
COMPTROLLER
KA LUNA HO'OMALU HANA LAULĀ

MEOH-LENG SILLIMAN
DEPUTY COMPTROLLER
KA HOPE LUNA HO'OMALU HANA LAULĀ

STATE OF HAWAII | KA MOKU'ĀINA O HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES | KA 'OIHANA LOIHELU A LAWELAWÉ LAULĀ
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
KEITH A. REGAN, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE COMMITTEES ON

LATE

ENERGY AND INTERGOVERNMENTAL AFFAIRS
GOVERNMENT OPERATIONS

JANUARY 30, 2025, 3:00 P.M.
CONFERENCE ROOM 225 AND VIA VIDEOCONFERENCE, STATE CAPITOL

S.B. 161

RELATING TO COUNTY PERMITTING AND INSPECTION

Chairs Wakai and McKelvey, Vice Chairs Chang and Gabbard, and Members of the Committees, thank you for the opportunity to submit testimony on S.B. 161.

The Department of Accounting and General Services (DAGS) provides **comments** on this bill and offers the following for consideration by the committees:

- The language on page 1, lines 4-12 shifts the burden of ensuring the designs of State projects are compliant with all applicable codes and standards from the counties to the state, which will require that the state duplicate the code review expertise now held by the counties. We would request that the measure include the provision for funding to support the additional staffing state agencies will require to perform the services currently performed by the

counties.

- The language on page 1, lines 13-16 prohibits the state from applying for county building permits. That prohibition conflicts with the language on page 2, lines 5-12, as the county building permit processes currently in place are used to ensure compliance with the non-exempted criteria (e.g., compliance with master plans or zoning laws or regulations) set forth in that language. In effect, the subject language would require state agencies to develop and employ expertise in the diverse related requirements of each of the counties. This measure does not provide funding to support the additional staffing state agencies will require to perform the services currently performed by the counties.

Thank you for the opportunity to provide testimony on this measure.

Jan. 30, 2025, 3 p.m.
Hawaii State Capitol
Conference Room 415 and Videoconference

To: Senate Committee on Energy and Intergovernmental Affairs

Sen. Glenn Wakai, Chair
Sen. Stanley Chang, Vice Chair

Senate Committee on Government Operations

Sen. Angus McKelvey, Chair
Sen. Mike Gabbard, Vice Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

RE: SB161 — RELATING TO COUNTY PERMITTING AND INSPECTION

Aloha Chairs, Vice-Chairs and other members of the committees,

The Grassroot Institute of Hawaii **supports** [SB161](#), which would exempt state projects from county building permits, inspections and certificate-of-occupancy requirements, and prohibit state agencies from applying for such permits.

By exempting state projects from these requirements, county building reviewers would have more time to focus on private construction, including much-needed housing, which would improve the building permit process for everyone.

For an idea of the impact this bill would have, consider that Hawai'i County issued 163 non-residential alteration permits in 2024. Of these, at least 29 were for work on state facilities, mostly those owned by the University of Hawai'i and the state Department of Education. That's about 18% of such permits.¹

¹ [County of Hawaii Electronic Processing and Information Center](#), accessed Jan. 28, 2025. To access the data, see Permit Type: Non-Residential Alteration, Status: Issued, Issued data 1/1/2024 to 12/31/2024. Then download the results.

Time saved by moving those projects out of the permitting queue could help businesses and entrepreneurs upgrade their buildings, generating tax revenue for the county and job opportunities for residents.

The bill might also speed up the delivery of state projects, which could make capital improvement budgets go further. According to the Hawaii Department of Budget and Finance's Variance Report, the School Facilities Authority aimed to complete 23 projects in fiscal year 2024 but completed only 11.²

Cutting down permitting timelines for such projects would help not only the state, but all permitting applicants.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

² "[Variance Report: Formal Education, Fiscal Year 2024 and 2025](#)," Hawaii Department of Budget and Finance, Dec. 3, 2024, Program title: School Facilities Authority, p. 494.



**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

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JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

STERLING HIGA
CHAIRPERSON

CRAIG K. NAKAMOTO
EXECUTIVE DIRECTOR

Statement of
CRAIG K. NAKAMOTO
Executive Director
Hawai'i Community Development Authority
before the
SENATE COMMITTEE ON ENERGY AND INTERGOVERNMENTAL AFFAIRS
And the
SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Thursday, January 30, 2025
3:00 PM
State Capitol, Conference Room 225 & Videoconference

In consideration of
SB 161
RELATING TO COUNTY PERMITTING AND INSPECTION.

Chairs Wakai and McKelvey, Vice Chairs Chang and Gabbard, and members of the Committees.

The Hawai'i Community Development Authority (HCDA) respectfully offers general comments on SB 161 for the committee's consideration.

Summary of the Bill's Major Provisions

HCDA's understanding is that SB 161 proposes to:

- (i) Exempt state projects from county building permits [Page 1, Lines 4 to 12];
- (ii) Prohibit state agencies from applying for county building permits [Page 1, Lines 13 to 16];
- (iii) Require counties to accept the dedication of state projects, which do not get county building permits [Page 2, Lines 1 to 4]; and
- (iv) Require state agencies to nevertheless comply with state and county laws and building codes [Page 2, Lines 5 to 12];

General Comments

HCDA is providing some general comments for the committee's consideration.

The building permit process essentially reviews building plans for health and safety requirements. The usefulness of bypassing county building permit processes would likely depend on the complexity and circumstances of the specific project. Very simple repair work or other improvement projects may indeed be greatly expedited without county permit reviews.

Other larger or more complex projects, however, would still require close coordination with county infrastructure services and affiliated utilities, such as drainage systems, sewer, water, roadway (traffic signals), and emergency services. The established county permit processes do provide an orderly way to achieve these reviews.

It may be desirable to preserve the option for HCDA and other state agencies to continue to utilize county building permit processes. As currently drafted, one unintended consequence of this bill is that it may require HCDA and other state agencies to develop in-house permit review capabilities that may not be commensurate with the number of projects being undertaken. HCDA, for example, does not currently have the in-house staff expertise to conduct building code reviews, site inspections, or provide certificate of occupancy requirements. In order to conduct those reviews, HCDA would need to hire engineers, architects, and other professionals to review building plans.

Requiring state projects to bypass county building code reviews could potentially also expose the state to additional liability.

There may be other areas that could improve project delivery timelines, such as historic preservation reviews or requirements for county acceptance of state-developed infrastructure.

Thank you for the opportunity to provide comments.

SB-161

Submitted on: 1/27/2025 2:23:27 PM

Testimony for EIG on 1/30/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Seth Kamemoto	Individual	Comments	Written Testimony Only

Comments:

How would we be assured that these state projects would still be compliant with all county ordinances and rules without the building permit process? It sounds like this bill is exempting the process that would determine such compliance.

Is there some undertone here that counties are somehow so inefficient, and/or charge such exorbitant permit fees, AND that state projects somehow have some crystal ball or secret-sauce super-efficient process that can ensure county compliance without even consulting with the county??

If state projects do know of a better way, I'd rather we support sharing that process with the counties to make all permitting more efficient. Or maybe create an "expedited review" process where the state project submits all supporting documentation to the county for faster approvals.



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LATE

30 January 2025

TO: Honorable Glenn Wakai, Chair / Honorable Stanley Chang, Vice Chair
Senate Committee on Energy and Intergovernmental Affairs

Honorable Angus McKelvey, Chair / Honorable Mike Gabbard, Vice Chair
Senate Committee on Government Operations

FROM: Reid Mizue, AIA
OMIZU Architecture Inc.

SUBJECT: **Senate Bill 161**
Relating to County Permitting and Inspection

Dear Chairs Wakai and McKelvey; and Vice Chairs Chang and Gabbard,
and Members of the Committee,

As a practicing Licensed Architect in the the State of Hawaii and for over two decades in my professional life, I have worked on hundreds of State repair and maintenance projects, as well as having the privilege to work on a few major Capitol Improvement projects. With that said, I would like to provide our professional testimony in **SUPPORT** of SB 161 based on the overall intent of the bill.

MOST STATE AGENCIES ALREADY HAVE AGREED EXEMPTIONS FROM MULTIPLE COUNTIES

Although as a design professional we greatly appreciate County constructive review comments to ensure life safety and proper coordination with County infrastructure, State departments that we conduct design deliverables for have long understood that once the design, bidding and Contractor award is complete, technically construction can start immediately without waiting period of County building permitting reviews. We do however support the consideration for State Departments / agencies to obtain a building permit as an optional due diligence measure for major projects OR projects that require heavy interface with County Wastewater, Water, and Traffic.

Thank you for the opportunity to provide **SUPPORT** to Senate Bill 161.

Best Regards,
Omizu Architecture, Inc.

A handwritten signature in black ink, appearing to read "Reid T. Mizue", followed by a horizontal line.

Reid T. Mizue, AIA
President