HOUSE CONCURRENT RESOLUTION

REQUESTING THE OFFICE OF PLANNING AND SUSTAINABLE DEVELOPMENT, IN COORDINATION WITH APPROPRIATE STATE AND COUNTY DEPARTMENTS OR AGENCIES, TO DEVELOP METHODS TO ESTIMATE COSTS ASSOCIATED WITH DELAYS IN CERTAIN PUBLIC AND PRIVATE DEVELOPMENT PROJECTS.

WHEREAS, approvals made by decision-making authorities for public capital improvement projects use cost-benefit analyses to evaluate the public's benefit against the total cost to complete a certain project; and

WHEREAS, approvals of required discretionary permits for private projects are partially contingent on the cost-benefit analysis of public benefits and the costs associated with project completion; and

WHEREAS, project delays raise the estimated costs of the project, including costs related to labor, materials, land, capital, and inflation; and

WHEREAS, value engineering is a systematic process to identify and eliminate unwanted costs, under which the scope of a project can be narrowed down because of project delays and potentially reducing the estimated benefits to the public; and

WHEREAS, additional funding may be approved by the decision-making authority to complete the delayed project, which comes at a greater cost for taxpayers; and

WHEREAS, higher rent or buying prices may be proposed to permitting agencies to offset the increased costs of project completion caused by delays; and

 WHEREAS, when project costs rise because of delays, the decision-making authority's initial cost-benefit analysis may become invalid; and

WHEREAS, decision-making authorities should be presented with estimated costs that could incur from project delays beyond its initial plan, to make better informed decisions; now, therefore,

BE IT RESOLVED by the House of Representatives of the Thirty-third Legislature of the State of Hawaii, Regular Session of 2025, the Senate concurring, that the Office of Planning and Sustainable Development, in coordination with the Department of Accounting and General Services, Department of Budget and Finance, Department of Transportation, Land Use Commission, and the planning and public works departments of the respective counties, are requested to:

(1) Identify strategies to secure information regarding the costs incurred due to a delay in the performance of any project, whether public or private, that used public funds or public permits prior to the initial commencement of the project; and

(2) Propose amendments to existing budget request forms or permit applications to facilitate sharing of the estimated costs associated with project delays with decision-making authorities; and

BE IT FURTHER RESOLVED that the Office of Planning and Sustainable Development is requested to submit to the Legislature a report of its findings and recommendations, including any proposed legislation, no later than twenty days prior to the Regular Session of 2026; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to Director of the Office of Planning and Sustainable Development, Comptroller, Director of Budget and Finance, Director of Transportation, Chair of the Land Use Commission, and the respective Mayor of each county.

H.C.R. NO. 60

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