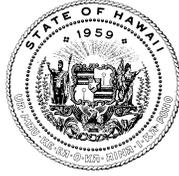


JOSH GREEN, M.D.
GOVERNOR
STATE OF HAWAII
*Ke Kia'āina o ka Moku'āina 'o
Hawaii*

SYLVIA J. LUKE
LT. GOVERNOR
STATE OF HAWAII
*Ka Hope Kia'āina o ka Moku'āina
'o Hawaii*



KALI WATSON
CHAIRPERSON, HHC
Ka Luna Ho'okele

KATIE L. LAMBERT
DEPUTY TO THE CHAIR
Ka Hope Luna Ho'okele

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
Ka 'Oihana 'Āina Ho'opulapula Hawaii

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF KALI WATSON, CHAIR
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON FINANCE
ON FEBRUARY 27, 2026 AT 2:00PM IN CR 308

HB2606, HD2, RELATING TO OFF-SITE CONSTRUCTION

February 27, 2026

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

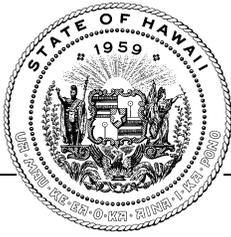
The Department of Hawaiian Home Lands (DHHL) **supports with comments** this bill which 1) implements certain recommendations of the SPEED Task Force, 2) establishes funds for a working group within the State Building Code Council to develop proposals for an off-site construction program and 3) appropriates funds.

DHHL supports this bill because for DHHL to meet the trust requirements to provide housing for its beneficiaries, DHHL has had to overcome significant barriers toward achieving these goals and some of which are addressed in this legislation.

DHHL also offers the following comments. Currently there is a limitation for off-site construction to single-family homes less than one thousand two hundred square feet. Limitations on the type and size of off-site construction should be determined by the working group outlined in this measure. Off-site construction production requires a minimum number of units to justify the investment in establishing a locally based facility but having such a limit would essentially require out-of-state suppliers.

Lastly, while this bill identifies that the county agencies would be responsible for site-specific review, it does not specify the need to modify any of its regulations and procedures to accommodate the efficiency of off-site construction and the importance of needing to occupy these structures once they are completed. The Certificate of Occupancy or its equivalent is just as important as a building permit to expedite housing.

Thank you for your consideration of our testimony.



STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
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Statement of
MARY ALICE EVANS, Director

before the
HOUSE COMMITTEE ON FINANCE
Friday, February 27, 2026
2:00 PM
State Capitol, Conference Room 308

in consideration of
HB 2606, HD 2
RELATING TO OFF-SITE CONSTRUCTION.

Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance.

The Office of Planning and Sustainable Development (OPSD) **supports and offers comments on HB 2606, HD 2**, which implements certain recommendations of the SPEED Task Force by establishing a working group within the State Building Code Council to develop proposals for an off-site construction program.

HB 2606, HD 2, is a direct outcome of the Building Permit (BP) Permitted Interaction Group (PIG), which operated under the State's Simplifying Permitting for Enhanced Economic Development (SPEED) Task Force. We would like to recognize the dedication and hard work of the taskforce members, whose collaborative efforts have successfully identified innovative solutions to streamline development and remove systemic barriers that have long hindered the growth of our housing inventory.

Throughout discussions in the BP PIG, there was overwhelming support among stakeholders to explore the potential of off-site construction as a critical tool to address Hawai'i's ongoing housing crisis. By leveraging modular and prefabricated construction methods, the State can significantly reduce build times and lower costs, providing a necessary pathway to deliver units at the scale and speed required by our residents. The development of a formal off-site construction program is notably aligned with the Governor's current housing initiatives, which prioritize substantial, efficient actions to increase supply and ensure that Hawaiian families have access to affordable housing.

However, **OPSD offers the comment** that in order to effectively establish the working group proposed in HB 2606, HD 2, the State Building Code Council must be fully active and operational. We note that the SBCC has faced significant challenges in recent years, including periods where it has not met regularly or promulgated code updates due to a lack of dedicated

staff and the impact of various emergency proclamations. Official records indicate that the SBCC's regular cycle of meeting and administrative rulemaking was largely suspended or deferred as recently as 2024 and 2025.

To address these operational hurdles, **OPSD would like to highlight** a critical budget request under AGS-892 from the Department of Accounting and General Services (DAGS). This seeks \$326,882 in general funds to support two full-time equivalent (FTE) positions and other current expenses for the State Building Code Council. Restoring the SBCC's functional capacity is a prerequisite for the success of HB 2606, HD 2. Without the staff and resources to facilitate regular rulemaking and oversight, the proposed working group will lack the necessary foundation to be effective.

OPSD believes that a working group is an ideal mechanism for developing the specific proposals and regulatory frameworks needed for a successful off-site construction program. This approach ensures that we move forward in a sensible, well-planned, and deliberate manner, allowing for the thorough vetting of safety standards, labor considerations, and logistical requirements unique to our island geography. **OPSD stands ready to participate in this working group** and looks forward to collaborating with our partners to turn this potential into a reality.

Thank you for the opportunity to testify in support of this measure.

February 27, 2026

TO: Chair Todd and Members of the House Committee on Finance
RE: HB 2606 HD2, Relating to Off-Site Construction

Dear Chair Todd and Committee Members,

Housing Hawai'i's Future is a nonprofit dedicated to creating opportunities for Hawai'i's next generation by ending the workforce housing shortage.

We support House Bill 2606 HD2. This measure proposes the establishment of a working group within the State Building Code Council to develop proposals for an off-site construction program.

By convening a dedicated working group, HB2606 HD2 creates a forum for stakeholders to identify regulatory barriers and recommend standards that facilitate the adoption of off-site construction in Hawai'i. This aligns with our mission to promote policies that expand housing supply and increase affordability for residents.

Amidst our chronic housing shortage, Hawai'i cannot afford to ignore any housing option. Hawai'i presently enjoys the lowest rate of homeownership in the United States among young adults, specifically those under the age of 35. We need to expand homeownership opportunities for our young residents, especially those members of our workforce who want to stay in Hawai'i for decades to come.

We are grateful for your careful consideration of House Bill 2606 HD2.

Thank you,



Lee Wang
Executive Director
Housing Hawai'i's Future
lee@hawaiisfuture.org



Perry Arrasmith
Director of Policy
Housing Hawai'i's Future
perry@hawaiisfuture.org



The Plumbers and Fitters UA Local 675

1109 Bethel Street, Lower Level, Honolulu, Hawai`i 96813

'A'ohe hana nui ke alu 'ia

February 26, 2026

State House of Representatives- Committee on Finance

Representative Chris Todd, Chair Representative Jenna Takenouchi, Vice Chair

Reference: **HB2606, H.D. 2, Relating to Off-Site Construction**

Hearing: Friday, February 27, 2026, Room 308 at 2:00 pm

The Plumbers and Fitters UA Local 675 ("Local 675") are one of three licensed crafts in Hawai'i's construction industry. Its member apprentices and journeymen are guided by and licensed in accordance with the Uniform Plumbing Code ("UPC"), published by the International Association of Plumbing and Mechanical Officials ("IAPMO") who's primary

Local 675 SUPPORTS House Bill 2606, H.D. 2 which implements recommendations from the Simplifying Permitting for Enhanced Economic Development (SPEED) task force established pursuant to Act 133, SLH 2025, to establish and appropriate funds for a working group within the state building code council to develop proposals for an off-site construction program, particularly the amendments that were included in the Committee on Water and Land, and strongly prefers this measure over HB1742, HD2 which undermines the work and recommendations of the SPEED task force.

Local 675 understands the need for housing its local residents and supports efforts to identify and develop programs that provide such housing at affordable levels while preserving and developing local workforce opportunities, promoting local economic sustainability and growth, and protecting the health, safety, and welfare of the public by ensuring that local building codes and standards are properly applied and enforced.

HB2606, H.D. 2 allows for input from a broader spectrum of relevant stakeholders that ensure that while we explore alternative housing solutions, we maintain the health, safety, and welfare of the public. Mahalo for the opportunity to testify on this measure.

HB-2606-HD-2

Submitted on: 2/27/2026 10:42:41 AM

Testimony for FIN on 2/27/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Angela Young	CARES Community Advocacy Research Education Services	Support	Remotely Via Zoom

Comments:

Support.

HB-2606-HD-2

Submitted on: 2/26/2026 11:23:49 AM

Testimony for FIN on 2/27/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Galen Fox	Individual	Support	Written Testimony Only

Comments:

Hawaii must have more low-cost homes built. One of the best ways to get there is through off-site construction of multiple units in a factory-type setting using unionized laborer. The working group hb2606 establishes is needed now. Mahalo for this measure.

HB-2606-HD-2

Submitted on: 2/24/2026 7:56:10 PM

Testimony for FIN on 2/27/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

STRONG SUPPORT!!