



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

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Statement of
MARY ALICE EVANS, Director

before the
SENATE COMMITTEE ON WAYS AND MEANS

Thursday, March 5, 2026, 10:15 AM
State Capitol, Conference Room 211

in consideration of
SB 2671, SD 1
RELATING TO ESSENTIAL PERMITTING POSITIONS.

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Senate Committee on Ways and Means.

The Office of Planning and Sustainable Development (OPSD) **offers comments on SB 2671, SD 1**, which authorizes a mayor to establish a pilot program to improve the speed, accountability, and quality of permit processing through targeted staffing, performance incentives, and interdepartmental competition within participating counties; authorizes a mayor to designate any number of positions as essential permitting positions across departments involved in permit review, permit processing, or both; authorizes the payment of a minimum differential payment to assist in employee recruitment and retention; authorizes the hiring of essential permitting positions at salaries above the minimum salary within the approved salary range; requires personnel departments to prioritize the hiring of individuals into essential permitting positions over other positions, authorizes counties to use revenues from the county surcharge on state tax pursuant to pay for pilot program expenses; and requires annual reports to the Legislature.

OPSD **supports the intent** on SB 2671, SD 1, which seeks to improve the speed and quality of permit processing through a pilot program for essential permitting positions. OPSD recognizes that a major barrier to housing development in Hawai'i is the extensive time required to navigate through the permitting process. We further acknowledge that staffing shortages and a lack of experienced personnel within permitting agencies significantly slow these critical reviews, creating a bottleneck that delays the delivery of new housing units.

While OPSD supports the goal of enhancing recruitment and retention for permitting staff, we prefer a more stable and permanent increase in compensation over the temporary incentive structures proposed in this measure. To effectively address the staffing crisis, the State must provide financial certainty for both existing personnel and the next generation of professionals we hope to attract to the permitting field. Short-term incentives, while well-

intentioned, often lack the long-term reliability to influence a professional's career decisions or to compete with the stability offered by the private sector.

Establishing a permanent, competitive salary floor and range for permitting personnel would signal a long-term investment in the State's infrastructure and housing capacity. This approach not only rewards the expertise of our current staff who have carried the burden of high vacancies but also creates a predictable and attractive career ladder for new recruits. By improving fundamental pay and ensuring its permanence, we can build a resilient, professional workforce capable of sustaining the accelerated permitting timelines necessary to solve our housing crisis.

Thank you for the opportunity to offer comments on this measure.

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

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TESTIMONY OF THE DEPARTMENT OF PLANNING AND PERMITTING

BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

March 5, 2026
Conference Room 211

TO: The Honorable Donovan M. Dela Cruz, Chair, The Honorable Sharon Y. Moriwaki, Vice Chair, and Members of the Senate Committee on Ways and Means

RE: SUPPORT THE INTENT OF SENATE BILL NO. 2671, SD 1, RELATING TO ESSENTIAL PERMITTING POSITIONS

The Department of Planning and Permitting (DPP) **supports the intent** of Senate Bill No. 2671, SD 1, which establishes a pilot program to improve the speed, accountability, and quality of permit processing through targeted staffing, performance incentives, and interdepartmental competition within participating counties. The Bill also authorizes the payment of a minimum differential payment to assist in employee recruitment and retention, and authorizes the hiring of essential permitting positions at salaries above the minimum salary within the approved salary range.

DPP appreciates the intent, which is to allow the counties to pay designated plan reviewers a higher salary in order to recruit, hire and retain these critical employees. We have long argued that we cannot compete with the federal government or private sector when it comes to salaries. DPP consistently loses employees because they receive excellent training within the City and then move out of municipal government for higher-paying jobs in the private sector.

DPP has vacancies that we have been unable to fill due to salary limitations. This Bill would afford the counties an option to offer a pay differential as a means to recruit, hire and retain plans examiners, and others, which will result in speedier plans reviews and building permit approvals.

Given the preceding, DPP must defer to the Departments of Budget and Fiscal Services and Human Resources as to the appropriate funding mechanism for such a

The Honorable Donovan M. Dela Cruz, Chair
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pilot program and compatibility with principles of collective bargaining and the civil service merit system.

We thank you for the opportunity to testify and we are prepared to meet and work with the Legislature on changes that will benefit the State, Counties, our employees and the community.

Very truly yours



Dawn Takeuchi Apuna
Director

**DEPARTMENT OF HUMAN RESOURCES
KA 'OIHANA HO'OMOHALA LIMAHANA
CITY AND COUNTY OF HONOLULU**

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March 4, 2026

The Honorable Donovan M. Dela Cruz, Chair
The Honorable Sharon Y. Moriwaki, Vice Chair
and Members of the Senate Committee on Ways and Means
The Senate
State Capitol
415 South Beretania Street, Room 211
Honolulu, Hawai'i 96813

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

SUBJECT: Senate Bill No. 2671, SD1
Relating to Essential Permitting Positions

The City and County of Honolulu, Department of Human Resources (DHR) respectfully offers the following **comments and concerns** on SB 2671, SD1 which proposes the establishment of a pilot program to encourage a county's permitting department to "streamline permitting operations through targeted staffing, performance incentives, and interdepartmental coordination."

DHR supports the intent to streamline the hiring of positions in the Department of Planning and Permitting (DPP), however we have serious concerns about the broader, unintended impact of this bill on other positions in the City. In addition, there are several options currently available to DPP that are consistent with the ideas proposed by SB 2671, SD1, and which are designed to achieve the same results while maintaining civil service merit principles encapsulated within HRS §76-1 and DHR's Civil Service Rules.

Should this measure pass, this law could be interpreted and potentially applied in a manner that suspends current Civil Service Rules--- such as those governing impartial selection, merit principles, and equal pay for equal work, with respect to positions designated by the pilot program. In its ongoing efforts to maintain equal pay across the City and support retention of existing employees, DHR intends to undertake a pay equity study in the next fiscal year to ensure that employees performing the same or similar work are compensated equally relative to experience and other established criteria; allowing a single department to hire new employees at any pay rate regardless of requisite experience and qualifications could work in opposition to this effort to achieve pay equity across the City.

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and Members of the Senate Committee on Ways and Means
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Furthermore, DHR notes the following areas within the proposal would need to be clarified prior to actual implementation of any pilot program at the City and County of Honolulu:

- Eligibility requirements to participate in the program, including part-time, protected leave status (such as military or FMLA) impacts on calculations for milestones payout;
- Cost concerns related to the incentive payments; and
- Issues related to pay inversion, hiring priority and pay equity.

Should this bill move forward, we respectfully request the following amendments:

- Section b(3) include language to clarify that the candidates hired must meet the minimum qualification requirements for the position; and
- References in Section b(4) should be amended from “personnel department” to the “hiring department”. The hiring department is responsible for extending the conditional job offers to candidates via their personnel office or designated hiring manager.

Finally, as currently drafted, the majority of the positions that may be affected by this bill in the City and County of Honolulu are likely included in bargaining units, and nothing in this bill excludes them from collective bargaining or HRS Chapter 89. Therefore, some of the proposed provisions would be subject to negotiation and/or consultation with the unions before they could be implemented. Provisions that would be subject to negotiation include, for example, performance incentives and the proposed minimum differential payment of 15% of a position’s salary. While the bill states that the program may or may not apply to existing, filled positions, there could be collective bargaining issues with applying the program only to vacant positions and not to currently filled positions. Therefore, we respectfully suggest that the Legislature consider the impact of the proposed language on collective bargaining before advancing this bill.

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

Sincerely,



Nola N. Miyasaki
Director



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-Third Legislature, State of Hawaii
The Senate
Committee on Ways and Means

Testimony by
Hawaii Government Employees Association

March 5, 2026

S.B. 2671 S.D.1 – RELATING TO ESSENTIAL
PERMITTING POSITIONS

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the intent of S.B. 2671 S.D.1, which establishes a pilot program to improve the speed, accountability, and quality of the permit processing through targeted staffing, and performance incentives.

Our organization represents hundreds of employees, across all counties, that are involved in the permitting process. For years we have been advocating that the counties put more focus and investment on the recruitment and retention of employees involved in the permitting process – such as increasing the pay, reducing hiring times, and providing financial awards for meeting milestones that encourage career growth and promote employment longevity. We would like to note that the counties already possess the authority as proposed in section 2, subsection (b)(2), that allows for differentials for recruitment and retention. However, we appreciate the intent of this measure as it continues the conversation about ways our counties can look to develop modern and attractive benefits of this century, to recruit and retain a qualified permitting workforce.

Thank you for the opportunity to testify in support of H.B. 2671 S.D.1.

Respectfully submitted,

Randy Perreira
Executive Director

March 5, 2026

TO: Chair Dela Cruz and Members of the Senate Committee on Ways and Means
RE: SB 2671 SD1, Relating to Essential Permitting Positions

Dear Chair Dela Cruz and Committee Members,

We strongly support Senate Bill 2671 SD1.

Permitting delays hinder the timely development of affordable and workforce housing. This measure proposes a pilot program designed to improve the efficiency and effectiveness of permit processing in participating counties.

The current permitting process is widely recognized as a significant barrier to housing development in Hawai'i, often resulting in costly delays and uncertainty for both non-profit and private-sector developers. The Wharton Residential Land Use Regulatory Index (WRLURI) determines that Hawai'i enjoys the most adverse restrictions and regulations relating to land use in the entire United States.¹

The State of Hawai'i is presently working to address the root causes of our high regulatory barriers, as most notably demonstrated by the Simplifying Permitting for Enhanced Economic Development (SPEED) Task Force.² By authorizing targeted staffing, performance incentives, and interdepartmental competition, this measure takes a pragmatic approach to addressing longstanding permitting bottlenecks.

Let's advance SB2671 SD1.

Thank you,



Lee Wang
Executive Director
Housing Hawai'i's Future
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Perry Arrasmith
Director of Policy
Housing Hawai'i's Future
perry@hawaiifuture.org

¹ Inafuku, K., J. Tyndall, and C. Bonham. *Measuring the Burden of Housing Regulation in Hawai'i*. Honolulu: University of Hawai'i Economic Research Organization, April 2022. uhero.hawaii.edu/wp-content/uploads/2022/04/MeasuringTheBurdenOfHousingRegulationInHawaii.pdf

² The SPEED Task Force is authorized by Act 133, SLH 2025.

**Testimony to the Senate Committee on Ways and Means
Senator Donovan M. Dela Cruz, Chair
Senator Sharon Y. Moriwaki, Vice Chair**

**Thursday, March 5, 2026, at 10:15AM
Conference Room 211 & Videoconference**

RE: SB2671 SD1 Relating to Essential Permitting Positions

Aloha e Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports Senate Bill 2671 Senate Draft 1 (SB2671 SD1), which establishes a pilot program to improve the speed, accountability, and quality of permit processing through targeted staffing, performance incentives, and interdepartmental competition within participating counties.

SB2671 SD1 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Economic Action. The incentives provided by this bill invigorate a permitting process that has been marked by understaffing and strain. Creating financial incentives for those engaged in permitting work will help to fill job vacancies, improve retention, and boost productivity. The private sector suffered \$124.6M in permitting delay costs in 2024 alone. Creating a pilot program to test these performance incentives is a hopeful indicator to the business community signaling that permitting innovation is in development and that permitting delay cost burdens might be improved soon.

Aside from the costs associated with permitting delays, inefficiency within the permitting system stifles business' infrastructure development and limits their ability to scale production. Further, permitting delays slows the infusion of key affordable and workforce housing supply into the market. Both effects exert economic pressure that raises the cost of living for the state's labor pool and raises the cost of doing business. The Chamber values the intent of this bill and the economic potential of a pilot program that can sensibly incentivize permitting performance against designated milestones and performance metrics.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

We respectfully ask to pass Senate Bill 2671 Senate Draft 1. Thank you for the opportunity to testify.

DEPARTMENT OF BUDGET AND FISCAL SERVICES
KA 'OIHANA MĀLAMA MO'OHĒLU A KĀLĀ
CITY AND COUNTY OF HONOLULU

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March 4, 2026

The Honorable Donovan M. Dela Cruz, Chair
The Honorable Sharon Y. Moriwaki, Vice-Chair
and Members of the Senate Committee on Ways and Means
415 South Beretania Street
Honolulu, Hawai'i 96813

Dear Chair Dela Cruz, Vice-Chair Moriwaki, and Committee Members:

SUBJECT: Testimony on Senate Bill 2671, SD1
Relating to Essential Permitting Positions
Hearing: March 5, 2026 at 10:15 a.m., Conference Room 211 and
via Videoconference

The Department of Budget and Fiscal Services, City and County of Honolulu ("City"), expresses **serious concerns** with Senate Bill ("SB") 2671, SD1 Relating to Essential Permitting Positions. Our primary concern is that Section 2(c) proposes the following:

Notwithstanding any provision of section 46-16.8, Hawai'i Revised Statutes ("HRS"), or any charter provision, ordinance, or other law to the contrary, moneys collected from the county surcharge on state tax and distributed to each county pursuant to sections 46-16.8 and 237-8.6, HRS, may be appropriated and allocated by a respective participating county to fulfill the requirements of this subsection and fund the positions subject to the pilot project.

Pursuant to the cited sections of HRS, the City receives a 0.5% county surcharge on the state General Excise Tax to fund the rail transit project. This surcharge is included in Honolulu Authority for Rapid Transportation's ("HART") Full Funding Grant Agreement with the Federal Transit Administration ("FTA") and HART's approved Recovery Plan with approved financial plan. Diverting funds away from HART's financial plan would be detrimental to the approved project agreements.

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We also anticipate that securing funding at the federal level will become increasingly challenging in the coming years. Any reduction in state funding for rail would limit the City's ability to meet its current contractual obligations to the FTA. If there are alternative sources of funds which could be used for the stated intent of SB 2671, SD1, we would gladly participate in discussions.

For the reasons stated above, the City expresses **serious concerns** with SB 2671, SD1 as drafted.

Mahalo for the opportunity to testify on this bill. Should you have any questions or concerns, please feel free to contact the Department of Budget and Fiscal Services at (808) 768-3900 or bfsmail@honolulu.gov.

Sincerely,


Andrew T. Kawano
Director



Advancing the Commercial Real Estate Industry through Education, Networking and Advocacy

The Senate Ways and Means Committee:

Date: March 5, 2026

Time: 10:15 a.m.

Place: Conference Room 211

RE: SB 2671, SD1, Relating to Essential Permitting Positions

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

Thank you for the opportunity to **support** SB 2671, SD1, Relating to Essential Permitting Positions. This measure authorizes a mayor to establish a pilot program to improve the speed, accountability, and quality of permit processing through targeted staffing, performance incentives, and interdepartmental competition within participating counties. It authorizes a mayor to designate any number of positions as essential permitting positions across departments involved in permit review, permit processing, or both. Among other things, it also authorizes the payment of a minimum differential payment to assist in employee recruitment and retention.

BOMA Hawai'i, a regional affiliate of BOMA International, represents commercial property owners and managers across the state and works to enhance management practices, promote sustainability, and support professional excellence within Hawai'i's commercial real estate industry.

Timely and predictable permitting continues to be a critical challenge for our members and the broader business community. Delays in permit review and approval increase project costs, delay tenant occupancy, stall capital investment, and hinder workforce and housing development. Slow permitting processes also diminish Hawai'i's competitiveness and economic vitality.

We appreciate that this measure is a step toward strengthen permitting staff and processes. Empowering counties to recruit and retain qualified permitting professionals is an important step toward addressing systemic workforce shortages that contribute to review backlogs and extended timelines. Prioritizing hiring for essential permitting positions can help ensure that critical reviews receive necessary attention and expertise, and performance incentives tied to measurable milestones can motivate continuous improvement in processing outcomes.

At the same time, we encourage continued focus on measurable outcomes, transparency, and accountability to ensure that investments in staffing and incentive structures translate into real improvements in permitting review times and predictability. It will be important for pilot programs to clearly define performance metrics, ensure adequate oversight, and share best practices across counties as reforms are implemented.

BOMA Hawai'i is interested in promoting solutions that reduce permitting delays while maintaining essential protections for health, safety, and the environment. We stand ready to work with the Legislature, county partners, and stakeholders on strategies that support efficient permitting, economic growth, and the built environment.

Mahalo for the opportunity to testify on this measure.