

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

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
DIRECTOR

235 South Beretania Street, 6th Floor, Honolulu, Hawai'i 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawai'i 96804

Telephone: (808) 587-2846
Fax: (808) 587-2824
Web: <https://planning.hawaii.gov/>

Statement of
MARY ALICE EVANS, Director

before the
SENATE COMMITTEE ON WAYS AND MEANS
Wednesday, February 25, 2026, 10:56 AM
State Capitol, Conference Room 211

in consideration of
SB 3187, SD 1
RELATING TO OFF-SITE CONSTRUCTION.

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

The Office of Planning and Sustainable Development (OPSD) **supports SB 3187, SD 1**, which implements certain recommendations of the SPEED Task Force to establish and appropriate funds for a working group within the State Building Code Council (SBCC) to develop proposals for an off-site construction program.

SB 3187, SD 1 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.

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.

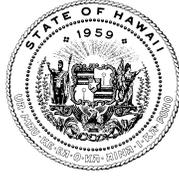
However, **OPSD offers the comment** that in order to effectively implement the working group proposed in SB 3187, SD 1, the State Building Code Council must be fully active and operational. We note that the SBCC has faced significant challenges in recent years, including periods where it has not met 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 SB 3187, SD 1. Without the staff and resources to facilitate regular rulemaking and oversight, any mandated working group will lack the necessary foundation to be effective. OPSD respectfully asks the committee to pass SB 3187, SD 1 to explore avenues to integrate off-site construction into Hawai'i's housing development efforts and improve affordability.

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

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 SENATE COMMITTEE ON
WAYS AND MEANS
ON FEBRUARY 25, 2026 AT 10:56AM IN CR 211

SB3187, SD1, RELATING TO OFF-SITE CONSTRUCTION

February 25, 2026

Aloha Chair Dela Cruz, Vice Chair Moriwaki, 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 and appropriates funds for a working group within the State Building Code Council to develop proposals for an off-site construction program.

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.

SB-3187-SD-1

Submitted on: 2/23/2026 5:47:54 PM

Testimony for WAM on 2/25/2026 10:56:00 AM

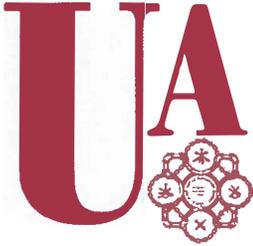
Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Oppose	Written Testimony Only

Comments:

I, Johnnie-Mae L. Perry, Oppose

3187 SB RELATING TO OFF-SITE CONSTRUCTION.

Don't we have pre-fabricated homes already? Why is this SB necessary?



Founded 1889

PLUMBERS AND FITTERS LOCAL 675 UNITED ASSOCIATION



February 23, 2026

Hawaii State Senate

Committee on Ways and Means

Senator Donovan M. Dela Cruz, Chair; Senator Sharon Y. Moriwaki, Vice Chair

Reference: Senate Bill 3187 S.D. 1, Relating to Off-Site Construction

Hearing: Wednesday, February 25, 2026, Room 211 at 10:56 am

Aloha Chair Dela Cruz, Vice Chair Morikawa and Committee Members;

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 whose primary purpose is to protect the health, safety, and welfare of the public.

Local 675 supports the intent of Senate Bill 3187 S.D. 1 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.

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.

Local 675 respectfully request your consideration of the following amendments to Section 2 of Senate Bill 3187 S.D. 1 that would allow for input from the sector of labor that stand to be most impacted by this measure, as well as other amendments which 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.

Proposed Amendments to SB3187 S.D. 1

SECTION 2. (a) There is established within the state building code council an off-site construction working group to develop proposals for an off-site construction program.

(b) The off-site construction program shall:

(1) Be limited to off-site construction components and designs for single-family homes less than one thousand two hundred square feet that are constructed, assembled, inspected, or installed in the state of Hawai`i in accordance with chapters 107, 444, and 448E;

(2) Centralize manufacturer certification and product quality assurance;

(3) Curate a library of pre-approved components and designs;

(4) Define clear regulations for use and inspection;

(5) Establish a process in which a state or county-level official entity would certify factories, and inspect standardized models for compliance with state building codes and local conditions, while county agencies would also be responsible for site-specific review related to foundations, utilities, installation, and hazard exposure;

(6) Develop pre-approved plan sets for common housing types, such as small multi-unit and single-family infill development;

(7) Include funding to support the off-site construction labor force in the State;

(8) Include policies to strengthen construction-material supply chains and reduce dependence on import pathways; and

(9) Be explicitly integrated with zoning, wastewater, and infrastructure planning so that modular units are directed to sites that can support them.

(c) The working group shall consist of the following members:

(1) The chair of the state building code council, or the chair's designee, who shall serve as chair;

(2) The director of the office of planning and sustainable development, or the director's designee;

(d) The chair of the working group shall invite the following individuals to serve as members of the working group:

(1) One representative with architectural experience;

(2) One representative with engineering experience;

(3) Three~~One~~ representatives from a construction labor organizations, provided that no less than two representatives shall be from construction labor organizations governed by Chapter 448E, Hawai`i Revised Statutes;

(4) One representative from a consumer advocacy organization;

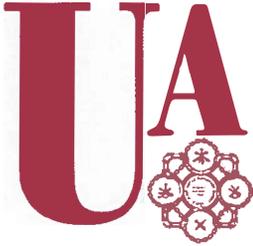
(5) One representatives from a non-profit organization focused on housing;

(6) One representative from the financial services industry; and

(7) Community stakeholders as designated by the chair.

(e) The working group shall submit a report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2027.

(f) The working group shall be dissolved on June 30, 2027.



Founded 1889

PLUMBERS AND FITTERS LOCAL 675 UNITED ASSOCIATION



February 23, 2026

Hawaii State Senate

Committee on Ways and Means

Senator Donovan M. Dela Cruz, Chair; Senator Sharon Y. Moriwaki, Vice Chair

Reference: Senate Bill 3187 S.D. 1, Relating to Off-Site Construction

Hearing: Wednesday, February 25, 2026, Room 211 at 10:56 am

Aloha Chair Dela Cruz, Vice Chair Morikawa and Committee Members;

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 whose primary purpose is to protect the health, safety, and welfare of the public.

Local 675 supports the intent of Senate Bill 3187 S.D. 1 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.

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.

Local 675 respectfully request your consideration of the following amendments to Section 2 of Senate Bill 3187 S.D. 1 that would allow for input from the sector of labor that stand to be most impacted by this measure, as well as other amendments which 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.

Proposed Amendments to SB3187 S.D. 1

SECTION 2. (a) There is established within the state building code council an off-site construction working group to develop proposals for an off-site construction program.

(b) The off-site construction program shall:

(1) Be limited to off-site construction components and designs for single-family homes less than one thousand two hundred square feet that are constructed, assembled, inspected, or installed in the state of Hawai`i in accordance with chapters 107, 444, and 448E;

(2) Centralize manufacturer certification and product quality assurance;

(3) Curate a library of pre-approved components and designs;

(4) Define clear regulations for use and inspection;

(5) Establish a process in which a state or county-level official entity would certify factories, and inspect standardized models for compliance with state building codes and local conditions, while county agencies would also be responsible for site-specific review related to foundations, utilities, installation, and hazard exposure;

(6) Develop pre-approved plan sets for common housing types, such as small multi-unit and single-family infill development;

(7) Include funding to support the off-site construction labor force in the State;

(8) Include policies to strengthen construction-material supply chains and reduce dependence on import pathways; and

(9) Be explicitly integrated with zoning, wastewater, and infrastructure planning so that modular units are directed to sites that can support them.

(c) The working group shall consist of the following members:

(1) The chair of the state building code council, or the chair's designee, who shall serve as chair;

(2) The director of the office of planning and sustainable development, or the director's designee;

(d) The chair of the working group shall invite the following individuals to serve as members of the working group:

(1) One representative with architectural experience;

(2) One representative with engineering experience;

(3) Three~~One~~ representatives from a construction labor organizations, provided that no less than two representatives shall be from construction labor organizations governed by Chapter 448E, Hawai`i Revised Statutes;

(4) One representative from a consumer advocacy organization;

(5) One representatives from a non-profit organization focused on housing;

(6) One representative from the financial services industry; and

(7) Community stakeholders as designated by the chair.

(e) The working group shall submit a report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2027.

(f) The working group shall be dissolved on June 30, 2027.