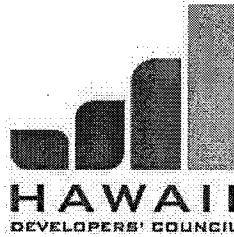


SB 526



February 17, 2009

Senator Mike Gabbard, Chair
COMMITTEE ON ENERGY AND ENVIRONMENT
Conference Room 225
State Capitol
415 South Beretania Street

Senator Gabbard:

Subject: **Senate Bill No. SB 526 Relating to Zoning**

My name is Dean Uchida, Vice President of the Hawaii Developers' Council (HDC). We represent over 200 members and associates in development-related industries. The mission of Hawaii Developers' Council (HDC) is to educate developers and the public regarding land, construction and development issues through public forums, seminars and publications.

It is also the goal of HDC to promote high ethics and community responsibility in real estate development and related trades and professions.

The HDC is in strong opposition to S.B. 526 as proposed.

The bill proposes to amend Chapter 46 HRS and require each county to adopt ordinances to require a developer obtaining a building permit for a structure in a commercial, hotel, multi-family, industrial, or other mixed use district with a commercial component, to develop an unspecified percentage of the roof top of the structure as a landscaped amenity.

We are concerned, that similar to the "Mandatory Solar Bill, this bill proposes to "Mandate" the use of landscaped roofs on all new non-residential construction in Hawaii.

As in most public policy issues, the process toward energy efficiency has many "unintended consequences." For example, last session the Legislature approved SB No. 644 which "mandated" the installation of a solar water heater in all new single family residences. The bill effectively:

1. Required all new single family residences constructed after January 1, 2010 to include a solar water heater system;
2. Eliminated the Solar thermal energy systems tax credits on all single-family residential properties after 1/1/2010; and
3. Prohibited a single family residential developer from claiming any renewable energy technologies tax credits for systems installed between now and 2010.

Government “Mandates” that attempts to direct the free market system generally result in penalizing one section of the market. For example, in this case, while the arguments that a \$7,000 thermal solar water heating system can easily be incorporated into the mortgage of the average priced home in Hawaii resulting in the homeowner realizing a net savings as energy cost rise over time, the mandate does not recognize or provide a mechanism to assist buyers seeking units priced for residents making less than 80% and less than 120% of the Housing and Urban Development (HUD) median income levels in Hawaii. For Honolulu, the HUD median income for a family of four is \$77,300. Irrespective of costs, developers are required to provide generally 20% of their total units for families making 120% or less of the HUD median income and 10% of their total units for families making 80% or less of the HUD median income.

Adding the cost of a thermal solar water heating unit to these houses effectively means the buyer gets \$7,000 “less” house.

If the goal was really to significantly reduce our 90% dependency on imported oil, wouldn't it have made more of an impact on our energy dependency to require *all existing housing units* (approximately 491,000 as of July 2005) to convert to solar water heaters as opposed to requiring only new units to have solar (approximately 5,700 units in 2006). Why do you think the focus was on new units as opposed to existing?

No one disagrees with the intended goal of moving the state toward becoming more energy self sufficient. The concern is in the manner our elected leaders are choosing to accomplish this goal.

As was the case last session, this bill does clearly identify the specific problem or problems that need to be addressed through the proposed legislation. If the underlying intent is to encourage more energy efficient perhaps the proposed legislation should be expanded to include an assessment and analysis that clearly articulates the criteria for assessing and measuring the intended outcomes of the proposed legislation.

In other Cities or municipalities, government has led by example by “Mandating” that all government projects achieve a certain green or sustainable design standard. In so doing, the design professionals and contractors in these Cities were educated and developed the necessary hands on experience to build a green or sustainable project. AFTER the design professionals and contractors gained this experience, there were incentives created based on their hands on experience, to encourage the private projects to incorporate green or sustainable design. People were able to see that costs and benefits of changing behavior and moving toward more energy efficiency.

There also does not appear to be a comprehensive approach or “game plan” for how we should approach our dependency on imported oil. The legislature is considering a variety of alternative energy and energy efficiency types of bills. A comprehensive package that provided some analysis of the programs and desired outcomes along with the economic analysis of all the costs associated with achieving these outcomes should be done prior to passage of this type of legislation.

While we see interest in the market moving toward more energy efficiency and sustainable designs, we believe there is much more that needs to be done before public policy makers “Mandate” any more “green or sustainable” legislation.

The HDC strongly opposes S.B. 526 and respectfully request that the measure be held.

Thank you for the opportunity to share our views with you.



The REALTOR® Building
1136 12th Avenue, Suite 220
Honolulu, Hawaii 96816

Phone: (808) 733-7060
Fax: (808) 737-4977
Neighbor Islands: (888) 737-9070
Email: har@hawaii Realtors.com

February 9, 2009

The Honorable Mike Gabbard, Chair
Senate Committee on Energy and Environment
State Capitol, Room 225
Honolulu, Hawaii 96813

RE: S.B. 526 Relating to Zoning

HEARING: Tuesday, February 10, 2009 at 2:45 p.m.

Aloha Chair Gabbard and Members of the Committee on Energy and Environment:

I am Myoung Oh, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR") and its 9,600 members in Hawai'i. HAR **opposes** S.B. 526 which requires counties to adopt ordinances requiring a minimum percentage of all roof tops to be landscaped.

HAR has reservations about requiring structures to create and maintain landscapes on roofs. This should not be a prerequisite to acquiring a permit. We believe S.B. 526 will create unintended consequences for many business owners and landowners in Hawaii. We further add that such a mandate would not be feasible for mixed-use high-rise condominiums, and would increase costs.

Mahalo for the opportunity to testify.

BIA-HAWAII
BUILDING INDUSTRY ASSOCIATION

February 17, 2009

Senator Mike Gabbard, Chair
COMMITTEE ON ENERGY AND ENVIRONMENT
Conference Room 225
State Capitol
415 South Beretania Street

Senator Gabbard:

Subject: **Senate Bill No. SB 526 Relating to Zoning**

I am Karen Nakamura, Chief Executive Officer of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-HAWAII is in strong opposition to S.B. 526 as proposed.

The bill proposes to amend Chapter 46 HRS and require each county to adopt ordinances to require a developer obtaining a building permit for a structure in a commercial, hotel, multi-family, industrial, or other mixed use district with a commercial component, to develop an unspecified percentage of the roof top of the structure as a landscaped amenity.

We are concerned, that similar to the "Mandatory Solar Bill, this bill proposes to "Mandate" the use of landscaped roofs on all new non-residential construction in Hawaii.

As in most public policy issues, the process toward energy efficiency has many "unintended consequences." For example, last session the Legislature approved SB No. 644 which "mandated" the installation of a solar water heater in all new single family residences. The bill effectively:

1. Required all new single family residences constructed after January 1, 2010 to include a solar water heater system;
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3. Prohibited a single family residential developer from claiming any renewable energy technologies tax credits for systems installed between now and 2010.

Government "Mandates" that attempts to direct the free market system generally result in penalizing one section of the market. For example, in this case, while the arguments that a \$7,000 thermal solar water heating system can easily be incorporated into the mortgage of the average priced home in Hawaii resulting in the homeowner realizing a net savings as energy cost rise over time, the mandate does not recognize or provide a mechanism to assist buyers seeking units priced for residents making less than 80% and less than 120% of the Housing and Urban Development (HUD) median income levels in Hawaii. For Honolulu, the HUD median

income for a family of four is \$77,300. Irrespective of costs, developers are required to provide generally 20% of their total units for families making 120% or less of the HUD median income and 10% of their total units for families making 80% or less of the HUD median income.

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No one disagrees with the intended goal of moving the state toward becoming more energy self sufficient. The concern is in the manner our elected leaders are choosing to accomplish this goal.

As was the case last session, this bill does clearly identify the specific problem or problems that need to be addressed through the proposed legislation. If the underlying intent is to encourage more energy efficient perhaps the proposed legislation should be expanded to include an assessment and analysis that clearly articulates the criteria for assessing and measuring the intended outcomes of the proposed legislation.

In other Cities or municipalities, government has led by example by "Mandating" that all government projects achieve a certain green or sustainable design standard. In so doing, the design professionals and contractors in these Cities were educated and developed the necessary hands on experience to build a green or sustainable project. AFTER the design professionals and contractors gained this experience, there were incentives created based on their hands on experience, to encourage the private projects to incorporate green or sustainable design. People were able to see that costs and benefits of changing behavior and moving toward more energy efficiency.

There also does not appear to be a comprehensive approach or "game plan" for how we should approach our dependency on imported oil. The legislature is considering a variety of alternative energy and energy efficiency types of bills. A comprehensive package that provided some analysis of the programs and desired outcomes along with the economic analysis of all the costs associated with achieving these outcomes should be done prior to passage of this type of legislation.

While we see interest in the market moving toward more energy efficiency and sustainable designs, we believe there is much more that needs to be done before public policy makers "Mandate" any more "green or sustainable" legislation.

BIA-Hawaii strongly opposes S.B. 526 and respectfully request that the measure be held.

Thank you for the opportunity to share our views with you.



Executive Vice President and Chief Executive Officer
BIA-Hawaii



SENATE COMMITTEE ON ENERGY AND ENVIRONMENT
Conference Room 225
State Capitol
415 South Beretania Street

Subject: **Senate Bill No. SB 526 Relating to Zoning**

Chair Gabbard and Members of the Committee:

My name is Jim Tollefson, President of the Chamber of Commerce of Hawaii. The Chamber of Commerce of Hawaii works on behalf of its members and the entire business community to:

- Improve the state's economic climate
- Help businesses thrive

The Chamber of Commerce of Hawaii is in strong opposition to S.B. 526 as proposed.

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