**Renew Build Hawaii Webinar**
**August 24, 2021**
**Talking Points**

***Question #1***

*Mr. Mayor, what are your top ten priorities for expending Federal ARPA funding?*

First, it is important to note that the American Rescue Plan Act ("ARPA") included a number of programs which provided relief funds. When referring to "ARPA funding" most people are talking about the State and Local Fiscal Recovery Funds (SLFRF) – of which the City and County of Honolulu received some $386M. But there were a number of programs which provide funding for programs specifically related to:

- Health (i.e. Substance abuse prevention and treatment, prevention of family violence and community health centers)
- Housing (i.e. Emergency Rental Assistance, Homeowner Assistance, Homelessness Assistance and Native Hawaii Housing Block Grants)
- Elementary and Secondary School Emergency Relief

Secondly, additional funding programs are making their way through Congress- such as the infrastructure bill.

We need to ensure that our priorities for the use of the SLFRF monies are disciplined and are well-aligned to support the use of not only SLFRF monies but other monies that are likely to come our way in the near future.

To that end: our near-term priorities, as outlined in the Initial Recovery Plan we submitted to the Council earlier this month, are focused on:

- Building City capacity through additional workforce hires and modernization of City systems to effectively and efficiently manage programs and projects
    - Existing workforce and archaic systems hamper our ability to execute our current capital programs and projects, let alone added demands of ARPA programs
    - Overhauling of DPP permitting systems to speed up permit processing
        - Permit delays impact both private and public projects
- Continued support of programs to assist individuals and small-businesses economically impacted by the pandemic
- Funding shovel-ready "small" infrastructure projects relating to stormwater, flooding and parks
    - Many DPR projects are too expensive to be funded by cash but inappropriate to be funded through bonds
- Maintaining fiscal flexibility

- The SLFRF monies are cash that we need to invest responsibly but also be able to rely to support unanticipated emergency expenses related to the on-going pandemic
- In just the last few weeks the spread of the Delta variant necessitated us re-positioning some $20M in ARPA-SLFRF monies to be ready to support additional staffing for EMS, vaccinations, testing and quarantining facilities

***Question #2***

*Mayor Roth from the Big Island indicated a new building permit system called EPIC coming online to solve the ever-growing delays caused by the permitting process. What is your plan for Honolulu regarding expediting building permits and other county-related permitting?*

**Background**

- DPP reviews and approves building permits for both residential and commercial projects, based on compliance with building, electrical, housing, plumbing, energy, and zoning codes. DPP also administers approvals related to site development (including subdivision, grading, grubbing, stockpiling, and trenching permits), and land use permits.

- DPP processes and issues over 50 different types of building permits for new construction as well as additions, alterations and repairs.

- Each year, over the last three years, DPP has processed and issued an average of 15,580 residential and commercial building permits, broken down as follows:

| Year | Residential | Commercial | Total |
|---|---|---|---|
| **2018** | 11,621 | 2,717 | 14,338 |
| **2019** | 13,962 | 2,914 | 16,876 |
| **2020** | 13,079 | 2,447 | 15,526 |

- The average and median number of days for a permit "to be issued" for residential and commercial building permits, over the past three years, are broken down as follows:

| Year | Residential | | Commercial | |
|---|---|---|---|---|
| | *Average* | *Median* | *Average* | *Median* |
| **2018** | 119 | 69 | 235 | 175 |
| **2019** | 122 | 73 | 268 | 211 |
| **2020** | 139 | 81 | 286 | 219 |

The median number of days is included to provide a more realistic number of days of processing because the number of days for processing depends on the type of project and various approvals required for a project.

- A 2020 City audit of DPP's permitting system found that DPP does not effectively manage the permitting process for timeliness, including, permit applications are subject to extended review times and excessive delays; the department is unable to meet the initial plan review benchmarks outlined in their administrative rules for both residential and commercial permits; and the department lacks a quality assurance system to monitor application processes, identify bottlenecks or challenges, and collect important data so that it can take corrective action.

**Permitting Modernization**

- Software Modernization. DPP is modernizing its twenty-year old permitting system with an advanced permit process technology or Land Management System (LMS), which is a contemporary planning, permitting, inspection, and code enforcement software system with pre-configured industry standard workflows. The LMS will:

  - Streamline all DPP workflows to reflect the municipal best practices used by other large municipalities, e.g. Vancouver, Pittsburg, Philadelphia, Albuquerque, Ottawa, and Riverside.
  - Provide automated enforcement of checklists to ensure complete and quality permit applications and plans.
  - Create greater transparency to the public by providing real-time information and tracking on the status of an applicant's permit so they are aware of where their application is in the system. Applicants will be able to see the results of reviews, inspections, and print their own permit when approved.
  - Provide advanced remote and mobile access for inspectors.
  - Provide better reporting/metrics to breakdown times to issue and inspect permits, permits are with the applicant, external agency review time, plan review cycle time, and volume of permits being reviewed.
  - Integrate a point-of-sale system with permitting and City financial systems that will enable complete on-line payment capabilities and eliminate cash handling and automate receipt records. The current system requires paper processing and physical hand-carry delivery to and pickup from the Treasury department three times daily.
  - Be fully implemented in about twelve months, and made possible with American Rescue Plan Act (ARPA) funds.

- Hardware modernization. DPP is upgrading its computer hardware, which lacks sufficient speed and capacity for plan reviews and inspections. Currently, staff plan reviewers and inspectors are hampered in their reviews by computers and onsite equipment crashing and sluggish downloading of plans.

**Internal Process Improvements**

- DPP is phasing out paper plan applications for ePlans (electronic plans) for residential and commercial projects. As of June 1, 2021, DPP only accepts ePlans for new residential structures. By January 1, 2022, DPP will only accept ePlans for all residential applications. By early 2022, DPP will only accept ePlans for all commercial applications.

- DPP is looking at how it can reduce multiple review cycles of an application that contribute to extended review times, including requiring meetings following the first review cycle with DPP, the landowner and consultant to clarify any issues with the application.

- The DPP Special Master, who's position was conceived of as part of DPP's strategy to address the Federal indictments of DPP employees back in March, has begun reviewing DPP processes to identify bottlenecks and areas vulnerable to exploitation and abuse, as well as methods and procedures to address these weak points.

- DPP is considering ways to better educate the public, consultants, developers, architects, engineers and consultants on DPP processes and code requirements so that better quality applications enter the queue, and require far less resubmittals and corrections that add to delays.

**DPP Reorganization**

- DPP was formed over twenty years ago by consolidating the building, planning and public works departments. Many of these functions continue to operate in silos that are inefficient and redundant. The reorganization will better align certain divisions, functions and duties, remove areas of redundancy and inefficiency, and create better work flows.

- In coordination with the LMS software modernization, certain functions and staff will be reengineered for optimum streamlining.

- Professional architects and engineers will be positioned at the intake of building permit applications in place of entry-level in-take clerks to provide greater expertise and experience on the front-end of the permitting process to ensure quality applications.

***Question #3***

*Mr. Mayor, with the upcoming shutdown of the AES Coal-burning power plant, what additional actions are you taking to reduce the City's energy consumption beyond the Climate Action Plan?*

- Our Climate Action Plan is important, but only as much as we follow-through and implement it. I'm committed to it and have charged the agencies to get to the work.
- We are focused on a broad array of energy saving measures, both within City operations and facilities and community wide
- Everyone in the energy sector knows we need all the solar we can get before September 2022, both large and small scale.
- For small scale projects, our most important role is to expedite permitting for rooftop solar and battery storage projects
- The Department of Planning and Permitting is looking closely at SolarAPP,* which was developed by National Renewable Energy Lab (NREL) specifically for this purpose
- Let's not forget though, that Climate Action is efficiency first. The City is leading by example to reduce our own consumption through City wide energy savings performance contracts. These contracts are saving our City money and creating local jobs.
- Finally, we're developing a building energy benchmarking policy, which may not have an immediate and direct impact for the AES shutdown, but will help drive energy savings and clean energy jobs across the city into the future.

*Neither high-level nor succinct, but SolarAPP is a standardized plan review software that can run compliance checks and process building permit approvals *for eligible* rooftop solar systems: integrates with existing government software; automated plan review, permit approval, and project tracking; fast-tracks standard system plans; and facilitates inspection checklist verification and final sign-off after installation.

Developed in collaboration with municipalities, UL (safety systems underwriters), ICC (International Code Council), NFPA (National Fire Protection Association), industry leaders, and others. We've registered to access more information for review and application.

***Question #4***

*We know that the City & County has been looking at plug-in electric buses. What is the current status, and are you also considering Fuel Cell Electric (Hydrogen) buses for longer routes and steep terrain?*

Electric Battery Buses

- The City will have 17 battery electric buses in service by the end of September.
- The City is scheduled to receive six additional electric buses financed by an FTA "Low-No Emission" grant. Expected delivery is September 2022.
- With the assistance of Senator Schatz, the city anticipates that it may receive funding for an additional 13 electric buses as part of a congressionally directed spending request (earmarks) contained in the appropriations bill. Disposition of the appropriations bill Expected delivery is January 2023. At that time, the City should have 36 battery-electric buses.

Bus Charging Stations

- Nine high-capacity (150KW) depot chargers with 20 dispensers are scheduled to open around early September 2021. This will support about 36 buses.
- Final planning for a second high-capacity charging site at the Alapai Transit Center has been completed. The project will include three overhead high-speed chargers (400KW) and eight high-capacity depot chargers (150KW). This could support about 50 additional electric buses. Expected completion date is FY2024.

Electric Bus Technology Improvements

- Currently, Bus OEMs are focusing most R&D activities toward improving electric buses.
- As battery technology improves, the range of electric buses should increase and may approach a range that would be useful for perhaps 95% of bus schedules.
- As batteries become cheaper and battery energy density increases electric buses should become somewhat lighter than today's models.
- Finally, as bus R&D costs are amortized, the delta between diesel buses and electric buses should decline.

Hydrogen Fuel Cell Buses

In the longer term, hydrogen-fueled buses may replace battery buses as the hydrogen bus technology matures. Currently, Bus OEMs are focusing most R&D activities toward electric buses. This should lower the cost and weight of electric buses and/or increase the range. A few transit systems are utilizing hydrogen power. Honolulu would also need to determine a sustainable source of hydrogen.