JOSH GREEN, M.D.

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA





### STATE OF HAWAI'I | KA MOKU'ĀINA 'O HAWAI'I DEPARTMENT OF LAND AND NATURAL RESOURCES KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621 HONOLULU, HAWAII 96809

#### DAWN N.S. CHANG

CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

RYAN K.P. KANAKA'OLE FIRST DEPLITY

CIARA W.K. KAHAHANE DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES
ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Testimony of DAWN N. S. CHANG Chairperson

Before the House Committee on HOUSING
Friday, January 31, 2025
9:15 AM
State Capitol Conference Room 430 & Videoconference

## In consideration of HOUSE BILL 830 RELATING TO HISTORIC PRESERVATION REVIEWS

House Bill 830 would amend Section 6E-8, 6E-10, and 6E-42 Hawaii Revised Statutes (HRS) to require the Department of Land and Natural Resources to contract its review of proposed state projects, projects on privately owned historic property, and projects affecting historic properties to third-party consultants if the Department is unable to complete its review within sixty days. **The Department of Land and Natural Resources (Department) acknowledges the intent of this measure and offers comments.** 

Chapter 6E, HRS, sets forth the framework for a comprehensive statewide historic preservation program in Hawai'i. A key part of that program is the review of projects, as required by sections 6E-8, 6E-10, 6E-42, and 6E-43, HRS; and the Department believes these sections of Chapter 6E, HRS, reflect the Legislature's intent to require project proponents to consider the impact of their projects on 'iwi kūpuna, as well as historic and cultural resources. The Department recognizes the need to streamline the historic preservation review process to improve the timeliness of historic preservation reviews. This bill requires that the State Historic Preservation Division (Division) contract a third-party consultant if, after its initial review, the Division determines that it will not be able to provide its written determination or written concurrence or non-concurrence within sixty days The Department is not opposed to the use of thirdparty reviewers who meet the appropriate professional qualifications. However, the use of third-party reviewers will not be feasible if the Division will be required to cover the expense associated with contracting a third-party reviewer without additional funding or delegating the cost to the project proponent. Furthermore, the Division would be required to assign a staff person to manage a third-party reviewer contract and overseeing the work of a third-party reviewer. Thus, managing a third-party reviewer would adversely offset the amount and level of work the Division staff-person would produce in lieu of the third-party reviewer.

Mahalo for the opportunity to provide testimony on this measure.

# RICHARD T. BISSEN, JR.

Mayor

# JOSIAH K. NISHITA

Managing Director





### OFFICE OF THE MAYOR

COUNTY OF MAUI 200 SOUTH HIGH STREET WAILUKU, MAUI, HAWAI'I 96793

www.mauicounty.gov

TO: Representative Luke A. Evslin, Chair

Representative Tyson K Miyake, Vice Chair

Committee on Housing

FROM: Richard T. Bissen, Jr., Mayor

Kate L.K. Blystone, Planning Director

DATE: January 29, 2025

SUBJECT: SUPPORT OF HB 830, RELATING TO HISTORIC PRESERVATION

**REVIEWS** 

Thank you for the opportunity to testify in SUPPORT of this important measure. The Act requires the Department of Land and natural Resources to contract its review of projects affecting historic properties to third-party consultants if the Department is unable to complete its review within sixty days.

We **SUPPORT** this measure for the following reasons:

We acknowledge that historic preservation review requirements play an essential role in the protection and management of the State's historic places, burial sites, and aviation artifacts by requiring state agencies to submit all projects that may affect historic properties to the state historic preservation division for review. We also acknowledge that the Department must have an overwhelming volume of submittals for review and may need assistance to conduct its reviews in a timely manner. As you are aware the County of Maui has experienced significant loss because of the wildfires in August 2023. As property owners continue the process of re-building, this legislation will help to ensure a timely historic preservation review resulting in owners being able to get back to their property sooner.

For the foregoing reasons, we **SUPPORT** this measure.



January 30, 2025

Representative Luke Evslin Chair Representative Tyson Miyake Vice Chair Committee on Housing

RE: HB 830 - Relating to Historic Preservation Reviews Hearing date: January 31, 2025 at 9:15 AM

Aloha Chair Evslin, Vice Chair Miyake and members of the committee,

Mahalo for the opportunity to submit testimony on behalf of NAIOP Hawaii in **STRONG SUPPORT** on HB 830. NAIOP Hawaii is the local chapter of the nation's leading organization for office, industrial, retail, residential and mixed-use real estate. NAIOP Hawaii has over 200 members in the State including local developers, owners, investors, asset managers, lenders and other professionals.

HB 830 is intended to promote more timely reviews of projects by requiring the Department of Land and Natural Resources (DLNR) State Historic Preservation Division (SHPD) to contract its review of the proposed state projects, projects on privately owned historic property, and projects affecting historic properties to third-party consultants if the department will not be able to complete its review within sixty days.

Primarily, HB 830 seeks to address the significant delays that permit applicants face in obtaining county permits that require review under section 6E-42, Hawaii Revised Statutes. Currently, the backlog of historic reviews is encumbering permits throughout the state. Consequently, much needed housing, economic development, and critical infrastructure projects often face significant delays in permit approvals and project implementation. NAIOP understands the great importance that these reviews hold in preservation of Hawaii's historic and cultural sites, however, a balance needs to be found to increase efficiency while maintaining the quality of reviews.

Accordingly, we strongly support the utilization of qualified third-party consultants to review projects in order to meet the intended statutorily required 90-day review timeline. Currently, SHPD is facing challenges in completing the overwhelming number of reviews due to capacity issues in the department. Allowing for third party consultants to conduct reviews will

Representative Luke Evslin Chair Representative Tyson Miyake Vice Chair Committee on Housing January 30, 2025 Page 2

significantly reduce the current caseload while expediting future reviews that allow for the development of much needed housing and critical infrastructure.

Moreover, permitting third-party reviews offers the benefit of having market demand drive the number of reviewers entering the space. The more demand, the more qualified reviewers will take on the liability and responsibility of these historic preservation project reviews. This will allow market forces to help solve this issue.

Additionally, the language of HB 830 requires third party consultants to meet qualifications for preservation professionals pursuant to rules adopted by SHPD. This ensures that reviews will be conducted by qualified consultants to meet the high standards of review. NAIOP Hawaii supports this provision of the measure which seeks to balance the interests of all stakeholders by expediting quality reviews.

To further the intent of the measure to expedite reviews, we recommend an amendment to remove the burial council approval language in each respective section. Currently, the measure requires the proper burial council approve of the select qualified third-party consultant. This process is duplicative and unnecessary due to SHPD's ability to set the qualifications that a third-party consultant must meet in order to conduct the reviews. Essentially, the public interests will be protected as the most qualified individuals will be selected to uphold the high standards of review conducted by SHPD. This amendment preserves the protection of cultural sites while furthering the intent of the measure to expedite reviews.

Furthermore, NAIOP Hawaii recommends that SHPD be required to assign the reviews to a third-party consultant no later than 60 days after submission of an application to SHPD if the department determines it will be unable to complete its review within 60 days. Specifically, language in the newly amended Sections 6E-8(d), 6E-10(e), and 6E-42(c) to state the following:

"The department shall retain a third-party consultant to conduct the review described under subsection (a) no later than sixty days after application submittal if, after an initial evaluation, the department determines that:"

This amendment is consistent with the intent of the bill to expedite reviews and alleviate the overwhelming volume of work SHPD currently faces.

NAIOP greatly supports the intent of the measure to identify a solution to the significant backlog of much needed projects awaiting SHPD review. Ultimately, HB 830 addresses a critical issue in the development of more affordable housing and critical infrastructure for Hawaii residents. NAIOP appreciates the Legislature's commitment to collaborating on this issue and look forward to working together.

Representative Luke Evslin Chair Representative Tyson Miyake Vice Chair Committee on Housing January 30, 2025 Page 3

Mahalo for your consideration,

Reyn Tanaka, President

NAIOP Hawaii





January 31, 2025

## The Honorable Luke A. Evslin, Chair

House Committee on Housing State Capitol, Conference Room 420 & Videoconference

**RE: House Bill 830, Relating to Historic Preservation Reviews** 

HEARING: Friday, January 31, 2024, at 9:15 a.m.

Aloha Chair Evslin, Vice Chair Miyake, and Members of Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR **supports** House Bill 830, which requires the Department of Land and Natural Resources to contract its review of proposed state projects, projects on privately owned historic property, and projects affecting historic properties to thirdparty consultants if the Department is unable to complete its review within sixty days.

Currently, Hawai'i Revised Statutes Chapter 6E, defines a historic property as, "any building, structure, object, district, area or site, including heiau and under water site, which is over fifty years old." With the current definition, the number of homes and buildings that qualify has continued to increase. This can be challenging for homeowners that must comply with the historic preservation review process for permits, even when their properties have no historical significance. For example, homes in Mililani were built in 1968, and homes there can be over 57 years old.

Furthermore, current law can also be challenging for the State Historic Preservation Division, as they will have to review properties simply because the property is over 50 years old, even without historical significance. By providing for a process and review by third-party consultants for properties that are not approved within 60 days may help to address these challenges.

For the foregoing reasons, the Hawai'i Association of REALTORS® supports this measure. Mahalo for the opportunity to testify.





1050 Bishop St. #508 Honolulu, HI 96813 808-864-1776 info@grassrootinstitute.org

Removing barriers to Hawaii's prosperity

Jan. 31, 2025, 9:15 a.m.

Hawaii State Capitol

Conference Room 430 and Videoconference

To: House Committee on Housing

Rep. Luke Evslin, Chair

Rep. Tyson Miyake, Vice-Chair

From: Grassroot Institute of Hawaii

**Ted Kefalas, Director of Strategic Campaigns** 

RE: HB830 — RELATING TO HISTORIC PRESERVATION REVIEWS

Aloha Chair Evslin, Vice-Chair Miyake and other members of the Committee,

The Grassroot Institute of Hawaii **supports** <u>HB830</u>, which would require the Hawaii Department of Land and Natural Resources to contract with third parties for the review of state projects and private projects that affect historic properties if the State Historic Preservation Division cannot complete the review within 60 days.

Grassroot has advocated contracting with third parties to conduct certain government work when practical.

As we pointed out in our report "Seven low cost ways to speed up permitting in Hawaii," Maui County has seen success in contracting with the private firm 4Leaf to expedite the rebuilding of structures in Lahaina that were destroyed or heavily damaged by the August 2023 wildfires.<sup>1</sup> Maui County often takes 200 days to approve permits, but 4Leaf has issued permits in just over 73 days, on average.<sup>2</sup>

According to the Economic Research Organization at the University of Hawai'i, Hawaii's housing regulations are the strictest in the country and "approval delays" for housing developments are three times longer than the

<sup>&</sup>lt;sup>1</sup> Jonathan Helton, "Seven low cost ways to speed up permitting in Hawaii," Grassroot Institute of Hawaii, Oct. 2024, p. 11.

<sup>&</sup>lt;sup>2</sup> Ibid, p. 11. See also <u>Maui's Automated Planning and Permitting System</u>. Permit type: Building Permit - Disaster Recovery for Single-Family Dwellings, Accessory Dwellings and Accessory Structures. Status: Issued. Date range: April 29, 2025 to Dec. 30, 2024. Then download the results.

national average among communities surveyed.<sup>3</sup> Likewise, UHERO researchers estimated that regulations comprise 58% of the cost of new condominium construction.<sup>4</sup>

The state's land-use rules are a key driver of Hawaii's housing crisis. As measured by the state's Honolulu Construction Cost Index, the cost for building single-family homes in 2024 was 2.6 times higher than the cost in 2020. For highrises, the cost was 2.5 times higher.<sup>5</sup>

Historic preservation reviews certainly play a role in these delays and their associated costs. While SHPD's average review times for projects are not readily available, the agency noted in its report to the 2023 Legislature that its archaeology reviews were taking between six months and one year, on average.<sup>6</sup>

Allowing third parties to conduct historic reviews could streamline the system for everyone.

Thank you for the opportunity to testify.

Ted Kefalas

Director of Strategic Campaigns

Grassroot Institute of Hawaii

<sup>&</sup>lt;sup>3</sup> Rachel Inafuku, Justin Tyndall and Carl Bonham, "<u>Measuring the Burden of Housing Regulation in Hawaii</u>," Economic Research Organization at the University of Hawai'i, April 14, 2022, p. 6.

<sup>&</sup>lt;sup>4</sup> Justin Tyndall and Emi Kim, "Why are Condominiums so Expensive in Hawai'i?" Economic Research Organization at the University of Hawai'i, May 2024, p. 11.

<sup>&</sup>lt;sup>5</sup> "Quarterly Statistical and Economic Report, 4th Quarter 2024," Hawaii Department of Business, Economic Development & Tourism, pp. 107-108.

<sup>&</sup>lt;sup>6</sup> "Report to the Thirty-Second Legislature 2023 Regular Session on the State Historic Preservation Program For Fiscal Year 2021-2022," Hawaii Department of Land and Natural Resources, October 2022, p. 1.

LATE \*Testimony submitted late may not be considered by the Committee for decision making purposes.

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
House of Representatives
Committee on Housing

Testimony by Hawaii Government Employees Association

January 31, 2025

### H.B.830 – Relating to Historic Preservation Reviews

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO provides comments on H.B.830, which amends sections 6E-8, Hawaii Revised Statutes, to allow the Department of Land and Natural Resources (DLNR) to retain a third-party consultant to conduct a review of any project that may affect historic property, aviation artifact, or burial site, prior to the commencement of the project.

We represent over 600 employees within the State Department of Land and Natural Resources, including many professional, administrative, and technical employees within the State Historic Preservation Division. These employees meet the existing qualifications and standards established by the department and can make independent determinations in reviewing projects in a timely manner. Permanently allowing third party reviewers to review projects contradicts what has customarily and historically been provided by government employees.

Our records indicate that the State Historic Division is hovering at a 30% vacancy rate. This is likely due to uncompetitive pay relative to the private sector and federal government, and lethargic hiring times. This proposed measure goes to the larger issue, which is that the department and the state must become more flexible, competitive, and adaptive to the current job market and public demands. The department and state needs to invest in its current and future workforce – increasing the position pay for hard to fill positions, offering modern and attractive recruitment and retention incentives, and reforming the Department of Human Resource and Development's administrative rules on hiring is paramount. In the long run, the answer to ensure that the timely review of historic properties is not to outsource government work, but to ensure that our state's workforce is adequately staffed to meet the needs of the public.

Thank you for the opportunity to provide comments for H.B.830.

Respectfully submitted.

Randy Perreira

Executive Director



HEARING BEFORE THE HOUSE COMMITTEE ON HOUSING HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 430 Friday, January 31, 2025 AT 9:15 A.M.

To The Honorable Representative Luke A. Evslin, Chair The Honorable Representative Tyson K. Miyake, Vice Chair Members of the Committee on Housing

#### SUPPORT FOR HB830 RELATING TO RELATING TO AFFORDABLE HOUSING

The Maui Chamber of Commerce would like testify in **SUPPORT for HB830** which requires the Department of Land and Natural Resources State Historic Preservation Division (SHPD) to contract its review of proposed state projects, and projects affecting private historic properties to third party consultants if it determines it will not be able to complete its review within sixty days.

The Chamber has repeatedly seen housing projects – especially affordable housing projects – delayed significantly at the offices of SHPD. There is a large number of projects – big and small – being processed at all of the SHPD offices. They are overwhelmed with projects and have a limited staff. To allow qualified third parties to assist with the workload would speed up the permit reviews that are bottlenecked at SHPD, which would help affordable housing projects get through the process much faster thus lowering the expenses for the housing.

For these reasons, we SUPPORT HB830.

Sincerely,

Pamela Tumpap

Pamela Jumpap

President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.