
A BILL FOR AN ACT

RELATING TO AFFORDABLE HOUSING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the cost and
2 availability of housing in the State are significant challenges
3 facing Hawai'i residents. According to the department of
4 business, economic development, and tourism's December 2019
5 report titled *Hawaii Housing Demand: 2022-2030*, the department
6 projects that an additional 36,155 residential housing units
7 need to be developed between 2020 and 2030, not including units
8 under construction or already in the permitting process, to
9 provide housing for all of the State's population. Although
10 there is a severe need for development, considerations need to
11 be made to preserve and protect the unique cultural history of
12 the State.

13 The legislature also finds that under article IX,
14 section 7, of the Hawaii State Constitution, the State
15 recognizes the value of conserving and developing the historic
16 and cultural property within the State for the public good, and
17 the legislature has declared that it is in the public interest



1 to engage in a comprehensive program of historic preservation at
2 all levels of government to promote the use and conservation of
3 historic and cultural property for the education, inspiration,
4 pleasure, and enrichment of its citizens. Thus, the state
5 historic preservation division of the department of land and
6 natural resources was established to preserve and protect
7 historically significant districts, sites, objects, structures,
8 and buildings integral to the State's history. Under existing
9 law, before issuing any permit or land use approval for any
10 project that affects a historic property, state and local
11 jurisdictions must refer the matter to the state historic
12 preservation division for review and comment, and for public
13 projects, written concurrence is required before proceeding.

14 However, the legislature finds that due to the current
15 demand for the construction of affordable housing and other
16 critical infrastructure, the state historic preservation
17 division consistently receives more reports than they have time
18 to review. According to a department of land and natural
19 resources report to the legislature in October 2022, project
20 reviews in the state historic preservation division's



1 archaeology branch face "a 6-month to 1-year backlog as the
2 volume of permit and project submissions have risen . . ."

3 The legislature further finds that allowing the state
4 historic preservation division to engage with third-party
5 consultants could help expedite the review process so that more
6 affordable housing units can be produced in a timely manner.
7 Delegating review responsibilities will reduce the state
8 historic preservation division's intake load and allow the
9 division to focus on core historical review priorities.

10 Accordingly, the purpose of this Act is to:

11 (1) Require the department of land and natural resources,
12 through the state historic preservation division, to
13 contract its review of proposed state projects and
14 projects affecting historic properties if the proposed
15 project involves a development intended to be
16 affordable housing, to third-party consultants, under
17 certain conditions; and

18 (2) Appropriate funds to the state historic preservation
19 division for the recruitment and retention of
20 qualified third-party consultants to expedite review
21 of proposed state affordable housing projects and



1 affordable housing projects affecting historic
2 properties.

3 SECTION 2. Section 6E-8, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§6E-8 Review of effect of proposed state projects.** (a)

6 Before any agency or officer of the State or its political
7 subdivisions commences any project [~~which~~] that may affect
8 historic property, aviation artifact, or a burial site, the
9 agency or officer shall advise the department and allow the
10 department an opportunity for review of the effect of the
11 proposed project on historic properties, aviation artifacts, or
12 burial sites, consistent with section 6E-43, especially those
13 listed on the Hawaii register of historic places. The proposed
14 project shall not be commenced, or if it has already begun,
15 continued, until the department has given its written
16 concurrence. If:

- 17 (1) The proposed project consists of corridors or large
18 land areas;
19 (2) Access to properties is restricted; or
20 (3) Circumstances dictate that construction be done in
21 stages,



1 the department may give its written concurrence based on a
2 phased review of the project; provided that there shall be a
3 programmatic agreement between the department and the project
4 applicant that identifies each phase and the estimated timelines
5 for each phase.

6 The department shall provide written concurrence or non-
7 concurrence within ninety days after the filing of a request
8 with the department. The agency or officer seeking to proceed
9 with the project, or any person, may appeal the department's
10 concurrence or non-concurrence to the Hawaii historic places
11 review board. An agency, officer, or other person who is
12 dissatisfied with the decision of the review board may apply to
13 the governor, who may take action as the governor deems best in
14 overruling or sustaining the department.

15 (b) The department of Hawaiian home lands, [~~prior to~~]
16 before commencing any proposed project relating to lands under
17 its jurisdiction, shall consult with the department regarding
18 the effect of the project upon historic property or a burial
19 site.

20 (c) The State, its political subdivisions, agencies, and
21 officers shall report to the department the finding of any



1 historic property during any project and shall cooperate with
2 the department in the investigation, recording, preservation,
3 and salvage of the property.

4 (d) Whenever the proposed state project involves the
5 development of residential units intended as affordable housing,
6 as that term is defined under section 201H-57, the department
7 shall retain a third-party consultant to conduct the review
8 described under subsection (a) no later than sixty days after
9 the filing of a request with the department; provided that after
10 an initial evaluation, the department determines that:

11 (1) The department will not be able to provide its written
12 concurrence or non-concurrence within sixty days of
13 the filing of the request with the department;

14 (2) The third-party consultant has the qualifications and
15 experience pursuant to subsection (e) to conduct the
16 review; and

17 (3) The contract with the third-party consultant requires
18 the third-party consultant to provide a recommendation
19 to the department within thirty days of the date that
20 the consultant is retained to conduct the review and
21 comment.



1 (e) Whenever the department retains any third-party
2 consultant pursuant to subsection (d), including an architect,
3 engineer, archaeologist, planner, or other professional, to
4 review an application for a permit, license, or approval, the
5 third-party consultant shall meet the educational and experience
6 standards as well as the qualifications for preservation
7 professionals pursuant to rules adopted by the state historic
8 preservation division.

9 (f) The project proponent shall pay for the reasonable fee
10 requirements of the third-party consultant; provided that the
11 project proponent may contract with or sponsor any county,
12 housing authority, non-profit organization, or person, to meet
13 the fee requirements.

14 ~~[(d)]~~ (g) The department shall adopt rules in accordance
15 with chapter 91 to implement this section."

16 SECTION 3. Section 6E-42, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§6E-42 Review of proposed projects.** (a) Except as
19 provided in section 6E-42.2, before any agency or officer of the
20 State or its political subdivisions approves any project
21 involving a permit, license, certificate, land use change,



1 subdivision, or other entitlement for use[~~, which~~] that may
2 affect historic property, aviation artifacts, or a burial site,
3 the agency or office shall advise the department and [~~prior to~~]
4 before any approval allow the department an opportunity for
5 review and comment on the effect of the proposed project on
6 historic properties, aviation artifacts, or burial sites,
7 consistent with section 6E-43, including those listed in the
8 Hawaii register of historic places. If:

9 (1) The proposed project consists of corridors or large
10 land areas;

11 (2) Access to properties is restricted; or

12 (3) Circumstances dictate that construction be done in
13 stages,

14 the department's review and comment may be based on a phased
15 review of the project; provided that there shall be a
16 programmatic agreement between the department and the project
17 applicant that identifies each phase and the estimated timelines
18 for each phase.

19 (b) The department shall inform the public of any project
20 proposals submitted to it under this section that are not



1 otherwise subject to the requirement of a public hearing or
2 other public notification.

3 (c) Whenever the project involves the development of
4 residential units intended as affordable housing, as that term
5 is defined under section 201H-57, the department shall retain a
6 third-party consultant to conduct the review and comment
7 described under subsection (a) no later than sixty days after
8 being advised pursuant to subsection (a); provided that after an
9 initial evaluation, the department determines that:

10 (1) The department will not be able to provide its review
11 and comment within sixty days of being advised
12 pursuant to subsection (a);

13 (2) The third-party consultant has the qualifications and
14 experience required by subsection (d) to conduct the
15 review; and

16 (3) The contract with the third-party consultant requires
17 the third-party consultant to provide a recommendation
18 to the department within thirty days of the date that
19 the consultant is retained to conduct the review and
20 comment.



1 (d) Whenever the department retains any third-party
2 consultant, including any architect, engineer, archaeologist,
3 planner, or other professional, to review an application for a
4 permit, license, or approval under subsection (c), the third-
5 party consultant shall meet the educational and experience
6 standards as well as the qualifications for preservation
7 professionals pursuant to rules adopted by the state historic
8 preservation division.

9 (e) The project proponent shall pay the reasonable fee
10 requirements of the third-party consultant; provided that the
11 project proponent may contract with or sponsor any county,
12 housing authority, non-profit organization, or person, to meet
13 the fee requirements.

14 [~~e~~] (f) The department shall adopt rules in accordance
15 with chapter 91 to implement this section."

16 SECTION 4. The department of land and natural resources
17 shall publish on its website proposed rules implementing
18 sections 2 and 3 of this Act within one year from the effective
19 date of this Act. Thereafter, the department of land and
20 natural resources, within one year, shall present its proposed
21 final rules to the board of land and natural resources.



1 SECTION 5. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$ or so
3 much thereof as may be necessary for fiscal year 2025-2026 and
4 the same sum or so much thereof as may be necessary for fiscal
5 year 2026-2027 for the state historic preservation division's
6 recruitment and retention of qualified third-party consultants.

7 The sums appropriated shall be expended by the department
8 of land and natural resources for the purposes of this Act.

9 SECTION 6. This Act does not affect rights and duties that
10 matured, penalties that were incurred, and proceedings that were
11 begun before its effective date.

12 SECTION 7. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 8. This Act shall take effect on July 1, 2050;
15 provided that sections 2 and 3 of this Act shall take effect on
16 July 1, 2027.



Report Title:

DLNR; SHPD; Review and Comment; Affordable Housing; Third-Party Consultants; Appropriations

Description:

Beginning 7/1/2027, requires the State Historic Preservation Division of the Department of Land and Natural Resources to contract its review of proposed state projects, and projects affecting historic properties to third-party consultants if the projects involve the development of affordable housing and the division, after an initial evaluation, determines it will not be able to complete its review within 60 days. Establishes requirements for qualified third-party consultants providing review services. Requires the project proponent to pay for the reasonable fee requirements of the third-party consultant. Allows the project proponent to contract or sponsor with any county, housing authority, non-profit organization, or person, to meet the third-party consultant fee requirement. Requires the Department of Land and Natural Resources to publish a draft of its proposed rules within 1 year, and within 1 year thereafter, present its proposed final rules to the Board of Land and Natural Resources. Appropriates funds. Effective 7/1/2050. (SD2)

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