

STAND. COM. REP. NO.

1274

Honolulu, Hawaii

MAR 14 , 2025

RE: S.B. No. 1002
S.D. 2
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Housing, to which was referred S.B. No. 1002, S.D: 2, entitled:

"A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require the Department of Land and Natural Resources, through the State Historic Preservation Division, to contract with third-party consultants under certain conditions for its review of proposed state projects involving affordable housing and also for projects affecting historic properties;
- (2) Require the Department of Land and Natural Resources to publish proposed rules regarding third-party consultants on its website and later present proposed final rules to the Board of Land and Natural Resources; and
- (3) Appropriate funds to the State Historic Preservation Division for the recruitment and retention of qualified third-party consultants to expedite review of proposed state affordable housing projects and affordable housing projects affecting historic properties.

2025-2547 SB1002 HD1 HSCR HMSO-1



Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Hawai'i Association of REALTORS; NAIOP Hawaii; and Grassroot Institute of Hawaii. Your Committee received comments on this measure from the Department of Land and Natural Resources; Office of Hawaiian Affairs; Maui Chamber of Commerce; and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the historic preservation review process is in need of streamlining to improve the timeliness of its reviews and decisions. By allowing the State Historic Preservation Division to contract with third-party consultants, this measure aims to expedite project reviews while maintaining the State's commitment to historic and cultural preservation.

Your Committee has amended this measure by:

- (1) Clarifying that the Department of Land and Natural Resources shall retain a third-party consultant when a project proponent submits an application requesting a third-party consultant;
- (2) Specifying that, as part of the Department of Land and Natural Resource's initial evaluation of a proposed project, the Department must determine whether a qualified third-party consultant is available to conduct the review of a project;
- (3) Excluding projects utilizing federal funds from the option to request a third-party consultant;
- (4) Clarifying that the Department of Land and Natural Resources shall retain a third-party consultant for historic property reviews within sixty days of receiving a completed application for a state project;
- (5) Prohibiting the retention of a third-party consultant to review a project that the third-party consultant or their employer has previously been involved with in any capacity;



- (6) Authorizing the Department of Land and Natural Resources to terminate a third-party consultant contract under certain circumstances;
- (7) Requiring project proponents to pay for the full cost, rather than the reasonable fee requirements, of the third-party review;
- (8) Inserting a sunset date of July 1, 2032; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider an appropriation amount of \$100,000.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1002, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1002, S.D. 2, H.D. 1, and be referred to your Committee on Water & Land.

Respectfully submitted on
behalf of the members of the
Committee on Housing,

ZAC

LUKE A. EVSLIN, Chair



