

Honolulu, Hawaii

FEB 14 2025

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

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committees on Water and Land and Hawaiian Affairs, to which was referred S.B. No. 1002 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Department of Land and Natural Resources, through the State Historic Preservation Division, to contract its review of proposed state projects and projects affecting historic properties if the proposed project involves a development intended to be affordable housing, to third-party consultants, under certain conditions; and
- (2) 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.

Your Committees received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, NAIOP Hawaii, Grassroot Institute of Hawaii, Maui Chamber of Commerce, and one individual.



Your Committees received testimony in opposition to this measure from the Historic Hawai'i Foundation.

Your Committees received comments on this measure from the Department of Land and Natural Resources.

Your Committees find that before issuing permit or land use approval for any project that affects a historic property, state and local jurisdictions must refer the matter to the State Historic Preservation Division for review and comment. Your Committees further find that the high volume of projects regularly burdens the State Historic Preservation Division with more permit and project submissions than it can manage, resulting in a lengthy backlog delaying project development, including affordable housing. Your Committees also find that the retention of qualified third-party consultants may expedite the review process and ease the burden on the State Historic Preservation Division. This measure would expedite the review process for proposed state projects and affordable housing while enabling the State Historic Preservation Division to focus on core historical review priorities.

Your Committees note the concern raised by NAIOP Hawaii that clarification is needed as to whether market residential developments that are required to provide a certain percent of affordable units which may or may not be onsite or offsite of the development shall be included by this measure. Your Committees also note that while these projects may not necessarily be affordable housing projects, such projects still increase the affordable housing supply.

Your Committees have amended this measure by:

- (1) Specifying that the Department of Land and Natural Resources shall retain a third-party consultant to conduct a review whenever the proposed state project involves a development of residential housing intended as affordable housing;
- (2) Specifying that the Department of Land and Natural Resources shall retain a third-party consultant no later than sixty days after an application for a proposed State project involving the development of residential

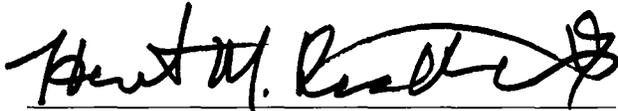


units intended as affordable is submitted for review under certain conditions;

- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water and Land and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1002, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1002, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.

Respectfully submitted on
behalf of the members of the
Committees on Water and Land
and Hawaiian Affairs,



HERBERT M. RICHARDS, III, Chair



LORRAINE R. INOUE, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:*	Committee Referral:	Date:		
SB1002	WTL/HWN, WAM/JDC	02/07/25		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
INOUE, Lorraine R. (C)	✓			
ELEFANTE, Brandon J.C. (VC)	✓			
CHANG, Stanley	✓			
MCKELVEY, Angus L.K.				✓
DECORTE, Samantha	✓			
TOTAL	4	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; margin-top: 10px;">  </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

***Only one measure per Record of Votes**

