

STAND. COM. REP. NO. 886

Honolulu, Hawaii

FEB 28 2025

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

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

Sir:

Your Committees on Ways and Means and Judiciary, to which was referred S.B. No. 1002, S.D. 1, 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 facilitate the development of affordable housing.

Specifically, this measure:

- (1) 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 for certain affordable housing projects;
- (2) Establishes requirements for qualified third-party consultants providing review services; and
- (3) Appropriates moneys to recruit and retain qualified third-party consultants.

Your Committees received written comments in support of this measure from the Hawaii Housing Finance and Development Corporation, Hawaii REALTORS, NAIOP Hawaii, Grassroot Institute of Hawaii, and one individual.



Your Committees received written comments on this measure from the Department of Land and Natural Resources, Office of Hawaiian Affairs, Hawaii Government Employees Association, and Maui Chamber of Commerce.

Your Committees find that, due to the current demand for the construction of affordable housing and critical infrastructure, the State Historic Preservation Division is experiencing a six-month to one-year backlog of project reviews. Your Committees further find that allowing the State Historic Preservation Division to engage with third-party consultants could help expedite the review process so that more affordable housing units can be produced in a timely manner.

Your Committees have amended this measure by:

- (1) Clarifying that a third-party consultant is required to provide a recommendation to the Department of Land and Natural Resources within thirty days of the date that the consultant is retained by the Department;
- (2) Clarifying that the Department of Land and Natural Resources must publish proposed rules on its website within one year of the effective date of the measure; and
- (3) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

Your Committees note the testimony and suggested amendments received from the Department of Land and Natural Resources, which expressed concerns about the third-party review process established by this measure. Specifically, the Department testified that:

- (1) Third-party reviewers would need to be managed by the Department, which would adversely offset the amount and level of work existing State Historic Preservation Division staff could produce in lieu of the third-party reviewer;



- (2) The Division would be liable for any determinations made by the third-party reviewer; and
- (3) Because determinations made by third-party reviewers would be subject to appeal, the Division should be able to determine whether the use of a third-party reviewer is appropriate and terminate a third-party reviewer contract under certain circumstances.

As affirmed by the records of votes of the members of your Committees on Ways and Means and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1002, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1002, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Ways and Means
and Judiciary,



KARL RHOADS, Chair

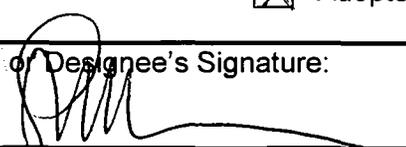


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* <i>SB1002 SD1</i>	Committee Referral: <i>WTL/HWN, WAM/JDC</i>	Date: <i>2-26-2025</i>		
<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
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn	X			
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	<i>13</i>	<i>0</i>	<i>0</i>	<i>0</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

