

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR



DEAN MINAKAMI  
EXECUTIVE DIRECTOR

## STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
677 QUEEN STREET, SUITE 300  
HONOLULU, HAWAII 96813  
FAX: (808) 587-0600

Statement of  
**DEAN MINAKAMI**  
Hawaii Housing Finance and Development Corporation  
Before the

### HOUSE COMMITTEE ON WATER & LAND

March 18, 2025 at 10:00 a.m.  
State Capitol, Room 411

In consideration of  
**S.B. 1002 HD1**  
**RELATING TO AFFORDABLE HOUSING.**

Chair Hashem, Vice Chair Lamosao, and members of the Committee.

HHFDC supports SB 1002 HD1, which, beginning 7/1/2027, requires the State Historic Preservation Division (SHPD) of the Department of Land and Natural Resources (DLNR) to contract its review of proposed state projects, and projects affecting historic properties to third-party consultants under certain circumstance; requires DLNR to public a draft of its proposed rules and then later present its proposed final rules to the Board of Land and Natural Resources. Appropriates funds; sunsets 7/01/2032. HHFDC supports the measure so long as it does not adversely impact priorities identified in the Executive Budget Request for FY 2026.

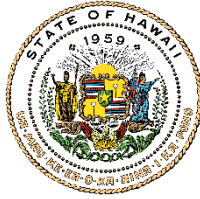
HHFDC supports efforts to streamline what has historically been a bottleneck in the development process and has slowed affordable housing projects, including those using the provisions of Chapter 201H, Hawaii Revised Statutes, to expedite development. We have a number of projects that have been delayed, some for more than a year, due to the historic review process. While we understand that the review process is valuable and necessary, more must be done to streamline and expedite the process.

SHPD's engagement of third-party contractors would help expedite the review process so that more affordable housing units can be produced in a timely manner.

Thank you for the opportunity to testify on this bill.

JOSH GREEN, M.D.  
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'  
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 DEPUTY

CIARA W.K. KAHANE  
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 Senate Committees on  
WATER AND LAND  
Tuesday, March 18, 2025  
10:00 AM  
State Capitol Conference Room 411 & Videoconference

In consideration of  
SENATE BILL 1002 SENATE DRAFT 2, HOUSE DRAFT 1  
RELATING TO AFFORDABLE HOUSING

Senate Bill 1002 Senate Draft 2, House Draft 1 would require the Department of Land and Natural Resources (Department) through the State Historic Preservation Division (Division) to contract its review of proposed state projects and affordable housing projects to third-party consultants under certain conditions. This bill also appropriates funds to the Division for recruitment and retention of qualified third-party consultants to expedite the review of state affordable housing projects. **The 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 amends 6E-8 and -42, HRS and requires that the 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. It also requires that the third-party consultant have the appropriate qualifications and experience to review an application for permit, license, or approval, as set forth within rules adopted by the Division. It identifies that the project proponent shall pay for the reasonable fee requirements of the third-party consultant.

The Department is not opposed to the use of third-party reviewers who meet the appropriate professional qualifications. However, the Division would be required to assign a staff person to identify, certify qualifications of, and manage a third-party reviewer and third-party reviewer contract. Thus, managing

a third-party reviewer would adversely offset the amount and level of work existing Division staff-person(s) would produce in lieu of the third-party reviewer. This amendment would likely result in the Division requiring the creation of an additional position within its Archaeology or Architecture Branches to serve as an affordable housing historic preservation third-party review coordinator. If such a position was created, they would be assigned to make determinations about whether or not the Division would be able to meet the sixty-day review period, identify if a third-party reviewer was necessary and that they met appropriate qualifications, assign any necessary fees to the project proponent to cover the expenses of a third-party reviewer, and manage the third-party reviewer contract and deliverables to ensure that they are completed within the thirty-day review period.

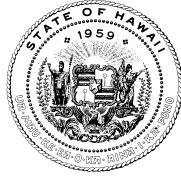
Furthermore, SHPD would be liable for any determinations made by the third-party reviewer. Thus, third-party reviewers should be required to follow state ethics rules and should not be allowed to review any project that they or their employer has worked on.

Lastly, any determinations made by SHPD during the 6E-8, HRS review process are subject to appeal pursuant to 13-275(3)(e) and 13-275(11)(a)-(b), HAR. Any 6E-8, HRS review completed by a third-party would also be subject to review, as defined by the existing state historic preservation program rules. Therefore, SHPD should be able to reserve the right to determine whether use of a third-party reviewer was appropriate and terminate a third-party reviewer contract if either the third-party reviewer has evidenced insufficient compliance with the state historic preservation rules and statutes or has not completed assigned historic preservation reviews accurately.

Mahalo for the opportunity to provide testimony on this measure.

JOSH GREEN, M.D.  
GOVERNOR  
STATE OF HAWAII  
*Ke Kia 'āina o ka Moku 'āina 'o  
Hawai'i*

SYLVIA J. LUKE  
LT. GOVERNOR  
STATE OF HAWAII  
*Ka Hope Kia 'āina o ka Moku 'āina  
'o Hawai'i*



KALI WATSON  
CHAIRPERSON, HHC  
*Ka Luna Ho'okele*

KATIE L. LAMBERT  
DEPUTY TO THE CHAIR  
*Ka Hope Luna Ho'okele*

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS  
*Ka 'Oihana 'Āina Ho'opulapula Hawai'i*

P. O. BOX 1879  
HONOLULU, HAWAII 96805

TESTIMONY OF KALI WATSON, CHAIR  
HAWAIIAN HOMES COMMISSION  
BEFORE THE HOUSE COMMITTEE ON WATER & LAND  
HEARING ON MARCH 18, 2025 AT 10:00AM IN CR 411

**SB 1002, SD 2, HD 1, RELATING TO AFFORDABLE HOUSING**

March 17, 2025

Aloha Chair Hashem, Vice Chair Lamosao, and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) supports with comments this bill which beginning 7/1/2027, requires the State Historic Preservation Division (SHPD) 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 under certain circumstances, 2) requires the Department of Land and Natural Resources to publish a draft of its proposed rules and then later present its proposed final rules to the Board of Land and Natural Resources, 3) appropriates funds and 4) sunsets 7/1/2032.

"Affordable housing," as used in SB 1002, SD2, HD1 is defined under section 201H-57 as "housing that is affordable to households with incomes at or below one hundred forty per cent of the median family income as determined by the United States Department of Housing and Urban Development." For certain homestead developments, DHHL utilizes Native American Housing and Self Determination Act (NAHASDA) funds, which are available for native Hawaiian beneficiaries whose total household income is at or below 80 percent of the established area median income levels for their respective counties. Accordingly, DHHL supports the use of third-party consultants to ensure timely reviews of affordable housing projects because this will directly support DHHL in obtaining the necessary permits to support beneficiaries with our affordable housing developments.

While DHHL supports SB 1002, SD2, HD1 the department does have reasonable concerns regarding SHPD's capacity to implement this measure by 2027. DHHL recognizes that SHPD has an overwhelming number of reviews and that it is difficult for the division to complete those reviews within the statutorily mandated 90-day period. DHHL is hopeful that this will alleviate the strain on the division. Understanding the capacity challenges that SHPD currently faces, DHHL is concerned if SHPD will have the capacity necessary to both develop the prerequisite rules establishing the educational and experience standards and qualifications for third-party consultants and have staff available to identify and qualify third-party consultants.

Thank you for your consideration of our testimony.

March 18, 2025, 10 a.m.  
Hawaii State Capitol  
Conference Room 411 and Videoconference

**To: House Committee on Housing**  
**Rep. Mark Hashem, Chair**  
**Rep. Rachele Lamosao, Vice-Chair**

**From: Grassroot Institute of Hawaii**  
**Ted Kefalas, Director of Strategic Campaigns**

RE: SB1002 SD2 HD1 — RELATING TO AFFORDABLE HOUSING

Aloha Chair Hashem, Vice-Chair Lamosao and other members of the Committee,

The Grassroot Institute of Hawaii **supports** [SB1002 SD2 HD1](#), which would require the Hawaii Department of Land and Natural Resources to contract with third parties for the reviews of affordable housing projects if the State Historic Preservation Division cannot complete the reviews within 60 days.

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

As we pointed out in our recent report "[Seven low-cost ways to speed up permitting in Hawaii](#)," Maui County has had 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 84 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>1</sup> Jonathan Helton, "[Seven low cost ways to speed up permitting in Hawaii](#)," Grassroot Institute of Hawaii, Oct. 2024, p. 11.

<sup>2</sup> [Ibid](#), p. 11. See also [Maui's Automated Planning and Permitting System](#). Permit type: Building Permit - Disaster Recovery for Single-Family Dwellings, Accessory Dwellings and Accessory Structures. Status: Issued. Date range: April 29, 2025 to Feb. 12, 2025. Then download the results.

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

Land-use and zoning 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>

Grassroot's recent white paper "[Preserving the past or preventing progress?](#)" analyzed SHPD data and found that more than 90% of the projects the agency reviewed from 2021 to 2024 had no impact on historic properties.

The average review time for projects issued determinations has been 94 days. However, the SHPD reviewed less than half of the applications it has received during this period.

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>3</sup> Rachel Inafuku, Justin Tyndall and Carl Bonham, "[Measuring the Burden of Housing Regulation in Hawaii](#)," The Economic Research Organization at the University of Hawai'i, April 14, 2022, p. 6.

<sup>4</sup> Justin Tyndall and Emi Kim, "[Why are Condominiums so Expensive in Hawai'i?](#)" The Economic Research Organization at the University of Hawai'i, May 2024, p. 11.

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



**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 Water and Land

Testimony by  
Hawaii Government Employees Association

March 18, 2025

S.B. 1002, S.D. 2, H.D. 1 – RELATING TO HISTORIC PRESERVATION REVIEWS

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO provides comments on S.B. 1002, S.D. 2, H.D. 1, which 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 under certain circumstances.

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 (SHPD). 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 SHPD is hovering at a 30% vacancy rate, which is likely due to uncompetitive pay relative to the private sector and federal government, and lethargic hiring times. The department and state must look to invest in their current and future employees, by increasing pay for hard to fill positions, offer modern and attractive recruitment and retention incentives, and reform our administrative rules to streamline hiring. We must stress that the department and state look to fill these vacancies so that this service is adequately staffed to meet the current and future demand for reviews. In the long run, the answer to ensure that the timely review of historic properties is not to permanently 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 S.B. 1002, S.D. 2, H.D. 1.

Respectfully submitted,

  
Randy Perreira  
Executive Director



March 17, 2025

Representative Mark Hashem, Chair  
Representative Rachele Lamosao, Vice Chair  
Committee on Water and Land

RE: **SB 1002 - Relating to Affordable Housing**  
**Hearing date: March 18, 2025 at 10:00 AM**

Aloha Chair Hashem, Vice Chair Lamosao and members of the committee,

Mahalo for the opportunity to submit testimony on behalf of NAIOP Hawaii in **STRONG SUPPORT** on SB 1002. 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.

SB 1002 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. While NAIOP Hawaii prefers the language in HB 830 which has broader application to all projects we support the intent of SB 1002.

Primarily, SB 1002 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 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 SB 1002 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.

NAIOP Hawaii appreciates the amendments made by the previous chairs and proposes two clarifying amendments consistent with the intent of the measure.

1. We recommend revising subsection (d)(1) (Page 6) to read “(d) The department will not be able to provide its written concurrence or non-concurrence within sixty days of receiving a completed application **to the applicant’s actual knowledge at the time of filing;**
2. We recommend revising subsection (d) (Page 7) to read “no later than sixty days after receiving a completed application, **to the applicant’s actual knowledge at the time of filing;** provided that this subsection shall not apply to projects that utilize federal funds.”

NAIOP greatly supports the intent of the measure to identify a solution to the significant backlog of much needed projects awaiting SHPD review. Ultimately, SB 1002 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.

Mahalo for your consideration,



Reyn Tanaka, President  
NAIOP Hawaii

**SB-1002-HD-1**

Submitted on: 3/16/2025 8:49:18 PM

Testimony for WAL on 3/18/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jacob Wiencek	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Members,

It is a positive sign to see this bill continue to advance. Our state faces a significant backlog in processing the necessary permits and reviews. This severe regulatory burden and backlog largely inhibits the development of affordable housing, and is a key driver as to why our middle- and working-class families are under so much pressure to leave Hawaii.

Provide regulatory relief now! I urge this Committee to SUPPORT this bill!