# A BILL FOR AN ACT

RELATING TO HISTORIC PRESERVATION REVIEWS.

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

1 SECTION 1. The legislature finds that historic

2 preservation review requirements play an essential role in the

3 protection and management of the State's historic places, burial

4 sites, and aviation artifacts by requiring state agencies and

5 offices to submit all projects that may affect historic

6 properties to the state historic preservation division of the

7 department of land and natural resources for review before

8 approval.

10

13

14

9 The legislature further finds that regulatory costs are a

major contributor to the high cost of housing in Hawaii despite

11 the State facing an unprecedented housing crisis. According to

12 a report released by the university of Hawaii economic research

organization in 2024, the median sale price of a new two-bedroom

condominium in Hawaii was about \$670,000, more than double the

15 national average price, and regulatory costs comprise \$387,000.

16 Permit applicants face significant delays in obtaining county

17 permits that require historic preservation review because of the

- 1 overwhelming volume of submittals for review. Consequently,
- 2 much needed housing, economic development, and critical
- 3 infrastructure projects often face significant delays in permit
- 4 approvals and project implementation.
- 5 The legislature additionally finds that due to the current
- 6 demand for the construction of affordable housing and other
- 7 critical infrastructure, the state historic preservation
- 8 division consistently receives more reports than they have time
- 9 to review. According to the department of land and natural
- 10 resources report to the legislature in October 22, project
- 11 reviews in the state historic preservation division's
- 12 archaeology branch face "a 6-month to 1-year backlog as the
- 13 volume of permit and project submissions have risen . . ."
- 14 The legislature also finds that allowing the state historic
- 15 preservation division to engage with third-party consultants
- 16 could help expedite the review process so that more affordable
- 17 housing units can be produced in a timely manner. Delegating
- 18 review responsibilities will reduce the state historic
- 19 preservation division's intake load and allow the division to
- 20 focus on core historical review properties.

1	Ther	efore, legislature believes that it must take immediate	
2	action to	mitigate the overwhelming volume of submissions to the	
3	state his	toric preservation division and the impacts on permit	
4	applicants.		
5	Accordingly, the purpose of this Act is to:		
6	(1)	Require the department of land and natural resources,	
7		through the state historic preservation division, to	
8		contract its review of proposed state projects,	
9		projects on privately-owned historic property, and	
10		projects affecting historic properties if the proposed	
11		project involves a development intended to be	
12		affordable housing, to third-party consultants, under	
13		certain conditions; and	
14	(2)	Appropriate funds to the state historic preservation	
15		division for the recruitment and retention of	
16		qualified third-party consultants to expedite review	
17		of proposed state affordable housing projects and	
18		affordable housing projects affecting historic	
19		properties.	
20	SECT	ION 2. Section 6E-8, Hawaii Revised Statutes, is	
21	amended to read as follows:		

	you o heview of effect of proposed state projects. (a)	
2	Before any agency or officer of the State or its political	
3	subdivisions commences any project [which] that may affect	
4	historic property, aviation artifact, or a burial site, the	
5	agency or officer shall advise the department and allow the	
6	department an opportunity for review of the effect of the	
7	proposed project on historic properties, aviation artifacts, or	
8	burial sites, consistent with section 6E-43, especially those	
9	listed on the Hawaii register of historic places. The proposed	
10	project shall not be commenced, or if it has already begun,	
11	continued, until the department has given its written	
12	concurrence. If:	
13	(1) The proposed project consists of corridors or large	
14	land areas;	
15	(2) Access to properties is restricted; or	
16	(3) Circumstances dictate that construction be done in	
17	stages,	
18	the department may give its written concurrence based on a	
19	phased review of the project; provided <u>further</u> that there shall	
20	be a programmatic agreement between the department and the	

# H.B. NO. 830 S.D. 1

- 1 project applicant that identifies each phase and the estimated
- 2 timelines for each phase.
- 3 The department shall provide written concurrence or non-
- 4 concurrence within ninety days after the filing of a request
- 5 with the department. The agency or officer seeking to proceed
- 6 with the project, or any person, may appeal the department's
- 7 concurrence or non-concurrence to the Hawaii historic places
- 8 review board. An agency, officer, or other person who is
- 9 dissatisfied with the decision of the review board may apply to
- 10 the governor, who may take action as the governor deems best in
- 11 overruling or sustaining the department.
- 12 (b) The department of Hawaiian home lands, [prior to]
- 13 before commencing any proposed project relating to lands under
- 14 its jurisdiction, shall consult with the department regarding
- 15 the effect of the project upon historic property or a burial
- 16 site.
- 17 (c) The State, its political subdivisions, agencies, and
- 18 officers shall report to the department the finding of any
- 19 historic property during any project and shall cooperate with
- 20 the department in the investigation, recording, preservation,
- 21 and salvage of the property.

1	<u>(d)</u>	Whenever a proposed state project involves the
2	developme	nt of residential units intended for affordable
3	housing,	as that term is defined under section 201H-57, the
4	departmen	t shall retain a third-party consultant to conduct the
5	review de	scribed under subsection (a) no later than sixty days
6	after the	filing of a request with the department; provided that
7	after an	initial evaluation, the department determines that:
8	(1)	The department will not be able to provide its written
9		concurrence or non-concurrence within sixty days of
10		the filing of the request with the department;
11	(2)	The third-party consultant has the qualifications and
12		experience pursuant to subsection (e) to conduct the
13		review; and
14	(3)	The contract with the third-party consultant requires
15		the third-party consultant to provide a recommendation
16		to the department within thirty days of the date that
17		the consultant is retained to conduct the review and
18		comment.
19	(e)	Whenever the department retains any third-party
20	consultan	t pursuant to subsection (d), including an architect,
21	engineer,	archaeologist, planner, or other professional, to

- 1 review an application for a permit, license, or approval, the
- 2 third-party consultant shall meet the educational and experience
- 3 standards as well as the qualifications for preservation
- 4 professionals pursuant to the rules adopted by the state
- 5 historic preservation division.
- **6** (f) The project proponent shall pay for the reasonable fee
- 7 requirements of the third-party consultant; provided that the
- 8 project proponent may contract with or sponsor any county,
- 9 housing authority, non-profit organization, or person, to meet
- 10 the fee requirements.
- 11 [(d)] (q) The department shall adopt rules in accordance
- 12 with chapter 91 to implement this section."
- 13 SECTION 3. Section 6E-10, Hawaii Revised Statutes, is
- 14 amended to read as follows:
- 15 "S6E-10 Privately owned historic property. (a) Before
- 16 any construction, alteration, disposition or improvement of any
- 17 nature, by, for, or permitted by a private landowner may be
- 18 commenced [which] that will affect [an] a historic property on
- 19 the Hawaii register of historic places, the landowner shall
- 20 notify the department of the construction, alteration,
- 21 disposition, or improvement of any nature and allow the

- ${f 1}$  department opportunity for review of the effect of the proposed
- 2 construction, alteration, disposition, or improvement of any
- 3 nature on the historic property. The proposed construction,
- 4 alteration, disposition, or improvement of any nature shall not
- 5 be commenced, or in the event it has already begun, continue,
- 6 until the department shall have given its concurrence or ninety
- 7 days have elapsed. Within ninety days after notification, the
- 8 department shall:
- 9 (1) Commence condemnation proceedings for the purchase of
- 10 the historic property if the department and property
- 11 owner do not agree upon an appropriate course of
- 12 action;
- 13 (2) Permit the owner to proceed with the owner's
- 14 construction, alteration, or improvement; or
- 15 (3) In coordination with the owner, undertake or permit
- the investigation, recording, preservation, and
- salvage of any historical information deemed necessary
- 18 to preserve Hawaiian history, by any qualified agency
- for this purpose.
- 20 (b) Nothing in this section shall be construed to prevent
- 21 the ordinary maintenance or repair of any feature in or on [an]

# H.B. NO. 830 H.D. 2

- 1 a historic property that does not involve a change in design,
- 2 material, or outer appearance or change in those characteristics
- 3 which qualified the historic property for entry onto the Hawaii
- 4 register of historic places.
- 5 (c) Any person, natural or corporate, who violates the
- 6 provisions of this section shall be fined not more than \$1,000,
- 7 and each day of continued violation shall constitute a distinct
- 8 and separate offense under this section for which the offender
- 9 may be punished.
- 10 (d) If funds for the acquisition of needed property are
- 11 not available, the governor may, upon the recommendation of the
- 12 department allocate from the contingency fund an amount
- 13 sufficient to acquire an option on the property or for the
- 14 immediate acquisition, preservation, restoration, or operation
- 15 of the property.
- 16 (e) The department shall retain a third-party consultant,
- 17 that the department may require to be paid for by the private
- 18 landowner, to conduct the review described under section (a) if,
- 19 after an initial evaluation, the department determines that:

1	<u>(1)</u>	It will not be able to provide its written concurrence	
2		or non-concurrence within sixty days of the	
3		landowner's notification;	
4	(2)	The third-party consultant has the qualifications and	
5		experience to conduct the review pursuant to	
6		subsection (f); and	
7	(3)	The third-party consultant will contract to provide a	
8		recommendation to the department within thirty days of	
9		the landowner's notification.	
10	<u>(f)</u>	Whenever the department retains any third-party	
11	consultant, including an architect, engineer, archaeologist,		
12	planner,	or other professional, to review an application for a	
13	permit, l	icense, or approval under subsection (e), the third-	
14	party con	sultant shall meet the education and experience	
15	standards as well as the qualifications for preservation		
16	professio	professionals as determined by rules adopted by the state	
17	historic preservation division.		
18	[ <del>(e)</del>	] (g) The department or the department's third-party	
19	consultant, as applicable, may enter, solely in performance of		
20	its official duties and only at reasonable times, upon private		
21	lands for	examination or survey thereof. Whenever any member of	

- 1 the department or the department's third-party consultant, as
- 2 applicable, duly authorized to conduct investigations and
- 3 surveys of [an] a historic or cultural nature determines that
- 4 entry onto private lands for examination or survey of historic
- 5 or cultural finding is required, the department or the
- 6 department's third-party consultant, as applicable, shall give
- 7 written notice of the finding to the owner or occupant of such
- 8 property at least five days prior to entry. If entry is
- 9 refused, the member or the department's third-party consultant,
- 10 as applicable, may make a complaint to the district
- 11 environmental court in the circuit in which such land is
- 12 located. The district environmental court may thereupon issue a
- 13 warrant, directed to any police officer of the circuit,
- 14 commanding the officer to take sufficient aid, and, being
- 15 accompanied by a member of the department  $[\tau]$  or the department's
- 16 third-party consultant, as applicable, between the hours of
- 17 sunrise and sunset, allow the member of the department or the
- 18 department's third-party consultant, as applicable, to examine
- 19 or survey the historic or cultural property.
- 20 (h) The department shall adopt rules in accordance with
- 21 chapter 91 to implement this section."

## H.B. NO. 830 H.D. 2

1 SECTION 4. Section 6E-42, Hawaii Revised Statutes, is 2 amended to read as follows: 3 "§6E-42 Review of proposed projects. (a) Except as provided in section 6E-42.2, before any agency or officer of the 4 5 State or its political subdivisions approves any project 6 involving a permit, license, certificate, land use change, 7 subdivision, or other entitlement for use[, which] that may affect historic property, aviation artifacts, or a burial site, 8 9 the agency or office shall advise the department and [prior to] before any approval allow the department an opportunity for 10 11 review and comment on the effect of the proposed project on 12 historic properties, aviation artifacts, or burial sites, consistent with section 6E-43, including those listed in the 13 14 Hawaii register of historic places. If: 15 (1)The proposed project consists of corridors or large 16 land areas; 17 (2) Access to properties is restricted; or 18 (3) Circumstances dictate that construction be done in 19 stages, the department's review and comment may be based on a phased 20

review of the project; provided that there shall be a

21

1	programmatic agreement between the department and the project	
2	applicant th	at identifies each phase and the estimated timelines
3	for each pha	se.
4	(b) Th	e department shall inform the public of any project
5	proposals su	bmitted to it under this section that are not
6	otherwise su	bject to the requirement of a public hearing or
7	other public	notification.
8	(c) Wh	enever the project involves the development of
9	residential	units intended as affordable housing, as that term
10	is defined u	nder section 201H-57, the department shall retain a
11	third-party	consultant to conduct the review and comment
12	described un	der subsection (a) no later than sixty days after
13	being advise	d pursuant to subsection (a); provided that after an
14	initial eval	uation, the department determines that:
15	<u>(1)</u> Th	e department will not be able to provide its review
16	an	d comment within sixty days of being advised
17	pu	rsuant to subsection (a);
18	<u>(2)</u> <u>Th</u>	e third-party consultant has the qualifications and
19	ex	perience required by subsection (d) to conduct the
20	re	view; and

1	(3)	The contract with the third-party consultant requires
2		the third-party consultant to provide a recommendation
3		to the department within thirty days of the date that
4		the consultant is retained to conduct the review and
5		comment.
6	(d)	Whenever the department retains any third-party
7	consultan	t, including any architect, engineer, archaeologist,
8	planner,	or other professional, to review an application for a
9	permit, l	icense, or approval under subsection (c), the third-
10	party con	sultant shall meet the educational and experience
11	standards	as well as the qualifications for preservation
12	professio	nals pursuant to rules adopted by the state historic
13	preservation division.	
14	(e)	The project proponent shall pay the reasonable fee
15	requireme	nts of the third-party consultant; provided that the
16	project p	roponent may contract with or sponsor any county,
17	housing a	uthority, non-profit organization, or person, to meet
18	the fee r	equirements.
19	[ <del>(c)</del>	] <u>(f)</u> The department shall adopt rules in accordance
20	with chap	ter 91 to implement this section."

- 1 SECTION 5. The department of land and natural resources
- 2 shall publish on its website proposed rules implementing
- 3 sections 2, 3, and 4 of this Act within one year from the
- 4 effective date of this Act. Thereafter, the department of land
- 5 and natural resources, within one year, shall present its
- 6 proposed final rules to the board of land and natural resources.
- 7 SECTION 6. There is appropriated out of the general
- 8 revenues of the State of Hawaii the sum of \$ or so
- 9 much thereof as may be necessary for fiscal year 2025-2026 and
- 10 the same sum or so much thereof as may be necessary for fiscal
- 11 year 2026-2027 for the state historic preservation division's
- 12 recruitment and retention of qualified third-party consultants.
- 13 The sums appropriated shall be expended by the department
- 14 of land and natural resources for the purposes of this Act.
- 15 SECTION 7. This Act does not affect rights and duties that
- 16 matured, penalties that were incurred, and proceedings that were
- 17 begun before its effective date.
- 18 SECTION 8. Statutory material to be repealed is bracketed
- 19 and stricken. New statutory material is underscored.

- 1 SECTION 9. This Act shall take effect on July 1, 3000;
- 2 provided that sections 2, 3, and 4 of this Act shall take effect
- 3 on July 1, 2027.

#### Report Title:

BLNR; DLNR; SHPD; Review and Comment; Affordable Housing; Historic Preservation; Historic Preservation Review; 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, projects on privately-owned historic property, 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 sixty 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 one year, and within one year thereafter, present its proposed final rules to the Board of Land and Natural Resources. Appropriates funds. Effective 7/1/3000. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.