JOSH GREEN, M.D. GOVERNOR

> SYLVIA LUKE LT. GOVERNOR



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 20, 2025 at 9:30 a.m. State Capitol, Room 411

In consideration of S.B. 1263 SD2 HD1 RELATING TO HISTORIC PRESERVATION.

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

HHFDC <u>supports</u> SB 1263 SD2 HD1, which creates a process for expediting the review of majority-residential mixed-use transit-oriented development (TOD) or residential TOD on certain parcels within county-designated TOD zones that have a low risk of affecting historically significant resources. It also authorizes lead agencies, including county governments, to make determinations on the potential effects of a project; creates a ninety-day limit, or thirty-calendar-day limit if no historic property is to be affected, to concur or not concur with project effect determinations; exempts projects with written concurrence from further review unless there is a change to the project or additional historic properties, aviation artifacts, or burial sites are identified within the project or additional historic properties, aviation artifacts, or burial sites are identified within the project area after the initial written concurrence.

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 Hawaii Revised Statutes Chapter 201H to expedite development.

Expediting the review process for residential projects that have a low risk of affecting historically significant resources would help more affordable housing units be produced in a timely manner.

Thank you for the opportunity to testify on this bill.

JOSH GREEN, M.D.

SYLVIA LUKE LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA





STATE OF HAWAI'I | KA MOKU'ĀINA 'O HAWAI'I DEPARTMENT OF LAND AND NATURAL RESOURCES KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621 HONOLULU, HAWAII 96809 DAWN N.S. CHANG

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FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Testimony of DAWN N. S. CHANG Chairperson

Before the House Committees on WATER AND LAND Thursday, March 20, 2025 9:30 AM House Conference Room 411 & Videoconference

In consideration of SENATE BILL 1263, SENATE DRAFT 2, HOUSE DRAFT 1 RELATING TO HISTORIC PRESERVATION

Senate Bill 1263, Senate Draft 2, House Draft 1 proposes to create a process for expediting the review of certain residential transit-oriented development projects within Transit-Oriented Development zones that would pose a low risk of adversely affecting historic and cultural resources while making meaningful updates to the existing statute. The Department of Land and Natural Resources (Department) supports this measure and offers the following comments.

Chapter 6E, HRS, provides 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. These statutory provisions 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 in order to help address the current housing crisis in Hawai'i. This bill would allow residential transit-oriented development projects within Transit-Oriented Development zones to proceed in an expedited manner, provided they are located within areas that have been previously surveyed and have been determined to have low or no likelihood of containing 'iwi kūpuna or historic and cultural resources. Additionally, this bill would allow projects that are large in scale/geographical area and require that they be completed in stages to be reviewed by the Department in phases. The bill would also establish a process for which the Department may appeal the implementation of projects subject to expedited review to the Hawai'i Historic Places Review Board. The amendments to Chapter 6E, HRS, and alternative approaches established within this bill are both reasonable and feasible.

Mahalo for the opportunity to provide testimony on this measure.



WITH COMMENTS ON SB1263_SD2_HD1 RELATING TO HISTORIC PRESERVATION

House Committee on Water and Land

March 25, 2025 9:30 a.m. Room 411

Aloha e Chair Hashem, Vice Chair Poepoe, and Members of the House Committee on Water and Land:

The Office of Hawaiian Affairs (OHA) is providing <u>COMMENTS</u> on SB1263_SD2_HD1 which sets a timeline to prioritize Hawai'i Revised Statutes Chapter (HRS) 6E review of affordable housing projects that are located within Transportation Oriented Development (TOD) corridors and proposes a risk assessment system to streamline the historic review process.

Protection of iwi kūpuna is of the deepest concern to OHA and its beneficiaries. OHA is the constitutionally established body responsible for protecting and promoting the rights of Native Hawaiians,¹ and regularly receives communications from beneficiaries concerning illegal desecration of iwi. Moreover, under HRS chapter 6E and implementing administrative rules, OHA is tasked with specific kuleana, including nominating candidates to serve on the island burial councils (IBCs) and consulting with SHPD on properties that have cultural significance to Native Hawaiians.² As a result, OHA has extensive technical expertise related to HRS chapter 6E, archaeological surveying and monitoring techniques, and culturally appropriate preservation and handling of iwi.

In OHA's experience, delays in the HRS 6E process most often are a result of project proponents submitting incomplete information to SHPD that require additional follow up from the agency's staff to make an informed determination whether to concur with the project proponent's evaluation of project impacts. The prior version of this bill specified that the time to complete review will extend to one-hundred-eighty days if the agency is forced to go back to project proponents for additional information, but this provision appears to have been dropped from the HD1 version of the bill. Without this important protection, TOD project proponents will be empowered to manipulate timelines by submitting incomplete evaluations that do not contain all the information SHPD needs to make a concurrence determination. OHA requests that this specific provision be added back in to allow for situations where sufficient information is not provided to SHPD to complete its review (SD2 page 4 lines 5-12; page 10 lines12-18).

¹ Haw. Const. Art. XII § 5.

² See HRS §§ 6E-3, 43, -43.5, 43.6; Hawai'i Administrative Rules (HAR) §§ 13-284-6(c); 13-275-6(c).

OHA supports in concept the utility of a programmatic assessment that would use a risk-based category system to identify areas that are most likely to contain burials and other protected sites and appreciates the last committee's addition of OHA and the island burial councils as consulting parties on the risk classification system (page 15 lines 7-9). However, such an assessment is still a time-intensive undertaking that should not be rushed due to the nature of the resources at stake. Therefore, OHA respectfully requests that the Committee amend the time span on page 14 line 4 from six months to one year.

Mahalo for the opportunity to provide comments on this measure.



Testimony of the Oahu Metropolitan Planning Organization

House Committee on Water and Land

03/20/2025 at 9:30AM Conference Room 411

SB 1263 SD2 HD1 Relating to Historic Preservation

Dear Chair Evslin, Vice Chair Miyake, and Committee Members,

The Oahu Metropolitan Planning Organization (OahuMPO) supports SB1263 SD2 HD1, which creates a process for expediting the review of majority-residential mixed-use transit-oriented development or residential transit-oriented development on certain parcels within county-designated transit-oriented development zones that have a low risk of affecting historically significant resources, authorizes lead agencies, including county governments, to make determinations on the potential effects of a project, creates a ninety-day limit, or thirty-calendar-day limit if no historic property is to be affected, to concur or not concur with project effect determinations, exempts projects with written concurrence from further review unless there is a change to the project or additional historic properties, aviation artifacts, or burial sites are identified within the project or additional historic properties, aviation artifacts, or burial sites are identified within the project or additional historic properties, aviation artifacts, or burial sites are identified within the project area after the initial written concurrence.

Expediting the review of majority residential mixed-use-transit-oriented development or residential transit-oriented development will allow more housing to be built more quickly, and therefore more people to live closer to a future rail station. This will encourage more walkable, connected communities where residents drive far less each day than their counterparts in more sprawling locations. In addition, when more mixed-use and transit-oriented housing is provided, it makes it easier for people to get around without their car which can reduce emissions in the near term, reduce transportation costs, provide more opportunities for physical activity, and improve access to necessities for both people who don't have a car and those with cars. ²

According to the State Climate Commission Report, "Drivers of VMT and priority reduction strategies in Hawaii", households in suburban areas drive around 37 percent

¹ https://smartgrowthamerica.org/wp-content/uploads/2020/10/Driving-Down-Emissions-FINAL.pdf ² IBID.

more than those in urban centers and households on the suburban fringe drive 68 percent more.³ Limiting outward growth and concentrating more growth in urban infill areas and those near high quality transit, will be critical for Hawaii to meet its climate and energy goals. This is because mixed use development results in shorter trips, fewer trips, and more trips taken by lower-carbon modes.⁴ With more compact development, people drive 20 to 40 percent less, at minimal or reduced cost, while reaping other fiscal and health benefits.⁵ Whether people care about reducing their own emissions or not, by providing more opportunities for them to live where emissions are naturally lower per person, we can work within the market to help address climate change.

The bill is also aligned with the State Climate Commission's *Investing in Transportation Choices Toolkit*⁶ and *Drivers of VMT and Priority Reduction Strategies for Hawaii*, which identified infill and mixed-use development, and parking management, as key strategies to reduce greenhouse gas emissions, vehicle miles traveled and improve transportation choices for Hawaii residents.

This bill is consistent with several goals of the Oahu Regional Transportation Plan including support for active and public transportation, promoting an equitable transportation system, and improving air quality and protecting environmental and cultural assets. Providing more housing in and around high-quality public transportation and where people can meet their daily needs without a car, can help residents save on their transportation costs, improve their quality of life, and reduce transportation emissions and traffic congestion.

The OahuMPO is the federally designated Metropolitan Planning Organization (MPO) on the island of Oahu responsible for carrying out a multimodal transportation planning process, including the development of a long-range (25-year horizon) metropolitan transportation plan, referred to as the Oahu Regional Transportation Plan (ORTP), which encourages and promotes a safe, efficient, and resilient transportation system that serves the mobility needs of all people and freight (including walkways, bicycles, and transit), fosters economic growth and development, while minimizing fuel consumption and air pollution (23 CFR 450.300).

OahuMPO notes the amendments and comments by HCDA and HHFDC and respectfully requests the Committees adopt and consider them. Thank you for the opportunity to provide testimony on this measure.

³ https://climate.hawaii.gov/wp-content/uploads/2023/07/USCA Hawaii VMT strategies Feb22.pdf

⁴ https://smartgrowthamerica.org/wp-content/uploads/2020/10/Driving-Down-Emissions-FINAL.pdf

⁵ https://www.nrdc.org/sites/default/files/cit_07092401a.pdf

⁶ https://climate.hawaii.gov/wp-content/uploads/2023/07/Investing-in-Transportation-Choices-V6.pdf







March 20, 2025

The Honorable Mark J. Hashem, Chair

House Committee on Water & Land State Capitol, Conference Room 411 & Videoconference

RE: Senate Bill 1263, SD2, HD1, Relating to Historic Preservation

HEARING: Thursday, March 20, 2025, at 9:30 a.m.

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

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR **supports** Senate Bill 1263, SD2, HD1, which creates a process for expediting the review of majority-residential mixed-use transit-oriented development or residential transit-oriented development on certain parcels within county-designated transit-oriented development zones that have a low risk of affecting historically significant resources. Authorizes lead agencies, including county governments, to make determinations on the potential effects of a project. Creates a ninety-day limit, or thirty-calendar-day limit if no historic property is to be affected, to concur or not concur with project effect determinations. Exempts projects with written concurrence from further review unless there is a change to the project or additional historic properties, aviation artifacts, or burial sites are identified within the project area. Establishes notice and reporting requirements if there is a change to the project or additional historic properties, aviation artifacts, or burial sites are identified within the project area after the initial written concurrence. Effective 7/1/3000.

Hawai'i REALTORS® support efforts that streamline the review process for transit-oriented development ("TOD") projects for homes around the transit corridor. This would allow for walkable, well-connected communities where residents have a variety of transportation options. Additionally, many county designated TOD areas are already highly developed and this measure includes additional safeguards to minimize impacts on historically significant sites while allowing for the development of much needed housing.

Mahalo for the opportunity to testify on this measure.





Hawai'i YIMBY Honolulu, HI 96814

hawaiiyimby.org info@hawaiiyimby.org

March 20, 2025

House Committee on Water and Land Hawaiʻi State Capitol Honolulu, HI 96813

RE: SUPPORT for SB 1263 SD2 HD1 - RELATING TO HISTORIC PRESERVATION

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

On behalf of Hawai'i YIMBY, we are writing in **support of SB 1263 SD2 HD1** which would create an expedited review process for residential Transit Oriented Development on parcels that have low risk of cultural or historical significance. Including mixed-use developments that are majority residential are also critical to shape transit-oriented communities where residents can live, work and play.

We believe in streamlining permitting. Combining, simplifying or removing layers of regulation that slow the permitting process for housing is important. With regard to cultural and historical reviews, there are many places of significance that are very deserving of preservation. However, there are many areas in the state that do not have any historical significance and should not be subject to the same type of rigorous review. Many of our county-designated TOD districts have areas that are already highly developed with low risk of affecting historical resources. Including a 90 (or 30) day time-limit for determination of a project's effect will help prioritize TOD developments and not create a permanent barrier due to a backlog. Additionally, once a determination is reached, exempting the development from further review unless a significant change in the scope of the project is helpful to keeping projects moving through their planning process with more certainty.



Hawai'i YIMBY

Honolulu, HI 96814 hawaiiyimby.org info@hawaiiyimby.org

In the ongoing conversation around the housing crisis, both supporters and opponents of housing development say that housing should go along the rail, it is time to increase the stock of dense housing in areas served by transit.

Hawai'i YIMBY (Yes In My Backyard) is a volunteer-led grassroots advocacy organization dedicated to supporting bold and effective solutions for Hawai'i's devastating housing crisis. Our members are deeply concerned about Hawai'i's chronic and worsening housing shortage, which has caused home prices to rise much faster than incomes and pushes thousands of kama'āina out to the mainland or into homelessness every single year.

We ask your support for this bill. Thank you for the opportunity to testify.

Sincerely,

Damien Waikoloa

Chapter Lead, Hawai'i YIMBY

Edgardo Díaz Vega Chapter Lead, Hawai'i YIMBY



STERLING HIGA

EXECUTIVE DIRECTOR



Statement of

CRAIG K. NAKAMOTO Executive Director

Hawai'i Community Development Authority before the

HOUSE COMMITTEE ON WATER & LAND

Thursday, March 20, 2025 9:30 a.m. State Capitol, Conference Room 411 & Videoconference

In consideration of SB 1263, SD2, HD1 RELATING TO HISTORIC PRESERVATION

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

The Hawai'i Community Development Authority (HCDA) supports SB 1263, SD2, HD1 and respectively offers **comments** for this committee's consideration.

1. <u>In Section 6E-2, clarify the definition of majority-residential mixed-use transit-oriented</u> development to include off-site infrastructure. We desire to enable this process to also apply to infrastructure that supports the development of housing, since it is often an integral and enabling component of such projects. Here are specific suggested edits (in Ramseyer format):

Page 2, Line 19:

2. Explicitly indicate that the provisions of this bill may also apply to off-site infrastructure that supports the development of housing projects. Specific edits (in Ramseyer format):

Page 16, Line 15:	(1) The project is[÷] or includes infrastructure to support the development of:
Page 18, Line 5:	(1) The project is[-] or includes infrastructure to support the development of:

Thank you for the opportunity to provide comments.



OUR MISSION

To support and advance public policies that make Hawai'i affordable for all working families.

OUR VISION

Collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

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Page 1 of 2

Committee: House Committee on Water and Land

Bill Number: SB 1263 HD1, Relating to Historic Preservation

Hearing Date and Time: March 20, 2025, 9:30am (Room 411)

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

Mahalo for the opportunity to submit testimony **in support** of SB 1263 HD1, Relating to Historic Preservation.

Testimony of Holomua Collaborative - Support

Hawai'i's housing crisis continues to drive local families to move to the continent. In October 2024, a survey¹ gathering information about the day-to-day financial experience of local workers was released and it suggests this growing crisis has the potential to reach staggering levels. When nearly 1,500 local workers were asked if they may need to move to a less expensive state, only thirty-one percent answered a definitive "no," while sixty-nine percent said "yes" or "unsure." And nearly two-thirds of the respondents said the cost of housing was the primary impact on their cost of living in Hawai'i. Each local worker and family we lose to the continent contributes to a loss of our economy, our culture, and our family.

To address the outmigration facing the state, we must implement policies and programs that allow for housing to be built in a manner and on a scale that is affordable and attainable for local working families. One key component of keeping our local families in Hawai'i is building housing that is affordable and attainable especially in transit-oriented development (TOD) districts.

Concurrently, the State has a responsibility to protect historic buildings and burial sites, making sure that important cultural and historic places are respected.

The State Historic Preservation Division (SHPD) is tasked with providing a historic preservation review process to ensure the preservation of historic properties, aviation artifacts, and burial sites. Review of affordable housing units is one of SHPD's highest priorities, but reviews of such submissions are not always completed within the time provided by the administrative rules. This delay can and has resulted in the delay of housing units being built. With each day a unit is incomplete, the cost of the unit rises, and that cost is ultimately borne by the future owner.

The purpose of this bill is to expedite the review of majority-residential mixed-use transit-oriented development or residential transit-oriented development on certain parcels within county-designated transit-oriented development zones that have a low risk of affecting historically significant resources. The bill also sets a ninety-day limit, or thirty-calendar-day limit, to concur or not concur with project effect determinations. In addition, the bill builds in safeguards to allow SHPD to continue its crucial roles of preserving and protecting important historical and cultural property.

¹ https://holomuacollective.org/survey/



Page 2 of 2

Both the expedited review process and the ninety-day and thirty-calendar-day limits should increase the volume of housing available in TOD districts to local families. And with the safeguards afforded to SHPD in place, it will do this while honoring the land and sites in the area.

We respectfully request that you support SB 1263 HD1.

Sincerely,

Joshua Wisch

President & Executive Director

LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.



1050 Bishop St. #508 Honolulu, HI 96813 808-864-1776 info@grassrootinstitute.org

Removing barriers to Hawaii's prosperity

March 20, 2025, 9:30 a.m.

Hawaii State Capitol

Conference Room 411 and Videoconference

To: House Committee on Water and Land Rep. Mark Hashem, Chair Rep. Rachele Lamosao, Vice Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

RE: SB1263 SD2 HD1 — RELATING TO HISTORIC PRESERVATION

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

The Grassroot Institute of Hawaii **supports** <u>SB1263 SD2 HD1</u>, which would expedite historic preservation reviews for residential and certain mixed-use projects in county-designated transit-oriented development zones.

The bill would provide that if the State Historic Preservation Division fails to give written concurrence or non-concurrence on a project within a 90-day time frame — or a 30-day time frame if the project is likely to affect no historic properties — SHPD would be assumed to agree with the lead agency's determination and the project could proceed to the next phase of review or work.

It would also provide that if SHPD has concurred with a project's scope, the project will be exempt from further historic review unless it experiences a major change in scope or historic properties or artifacts are discovered in the project area.

The bill would also create a framework for the Hawaii Community Development Authority, county governments and the state Department of Land and Natural Resources to identify the risks that building on certain parcels in transit-oriented development areas might have to historic resources.

Taken together, these changes could help resolve significant delays in the approval process for new housing while still maintaining protections for historic properties and artifacts.

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 national average among communities surveyed. Likewise, UHERO researchers have estimated that regulations comprise 58% of the cost of new condominium construction.

Clearly, the state's land-use 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.³

Historic preservation reviews certainly play a role in these delays and their associated costs. For example, SHPD noted in its report to the 2023 Legislature that its archaeology reviews were taking between six months and one year, on average.⁴

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.

Imposing stricter timelines for these reviews could help reduce wait times.

Thank you for the opportunity to testify.

Ted Kefalas

Director of Strategic Campaigns

Grassroot Institute of Hawaii

¹ Rachel Inafuku, Justin Tyndall and Carl Bonham, "<u>Measuring the Burden of Housing Regulation in Hawaii</u>," Economic Research Organization at the University of Hawai'i, April 14, 2022, p. 6.

² Justin Tyndall and Emi Kim, "Why are Condominiums so Expensive in Hawai'i?" Economic Research Organization at the University of Hawai'i, May 2024, p. 11.

³ "Quarterly Statistical and Economic Report, 4th Quarter 2024," Hawaii Department of Business, Economic Development & Tourism, pp. 107-108.

⁴ "Report to the Thirty-Second Legislature 2023 Regular Session on the State Historic Preservation Program For Fiscal Year 2021-2022," Hawaii Department of Land and Natural Resources, October 2022, p. 1.

SB-1263-HD-1

Submitted on: 3/17/2025 6:34:04 PM

Testimony for WAL on 3/20/2025 9:30:00 AM

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

Comments:

Aloha Committee Members,

I am very glad to see this bill continue to advance. We've got to reform our regulatory regime and speed up our permitting processes. Historical reviews, while important, have become a major barrier to greater affordability and housing options for working- and middle-class families. I believe this bill strikes the right balance between protecting our history and speeding up our permitting processes.

I urge this Committee to SUPPORT this bill!