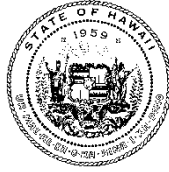


JOSH B. GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



BONNIE KAHAKUI
ADMINISTRATOR

DAYNA OMIYA
ASSISTANT ADMINISTRATOR

STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I
STATE PROCUREMENT OFFICE

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 586-0554
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TESTIMONY
OF
BONNIE KAHAKUI, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE
ON
FINANCE

April 2, 2026, 2:00 p.m.

SENATE BILL 2544, SD2, HD1
RELATING TO HOUSING

Chair Todd, Vice Chair Takenouchi, and members of the committee, thank you for the opportunity to submit testimony on Senate Bill 2544, SD2, HD1. The State Procurement Office (SPO) supports the intent of the bill to address the shortage of affordable housing; however, objects to the exemption from Chapter 103D, Hawaii Revised Statutes (HRS), for the procurement of professional services, construction, and development related to the five-year Hawaii builds pilot program.

Comments

The SPO provides comments on SECTION 2, Page 6, lines 14-17, set forth below:

"(j) Contracts for professional services, construction, and development related to Hawaii builds pilot projects shall be subject to approval by the corporation's board of directors and shall be exempt from chapter 103D, Hawaii Revised Statutes."

The bill does not provide justification for exempting the five-year Hawai'i Builds pilot program from Chapter 103D, HRS, the Hawai'i Public Procurement Code. Furthermore, the bill does not establish a procurement process that would govern the selection of professional services, construction, and development contracts once exempted from Chapter 103D, HRS. In the absence of an established statutory or regulatory framework, it is unclear how vendors would be identified, evaluated, or selected; how fairness and competition would be ensured; or what standards would apply to pricing, contract terms, and performance. The SPO respectfully

questions what safeguards would be in place to protect the State's interests and the appropriate use of public funds.

Recommendation

The SPO recommends the following revision to SECTION 2, Page 6, lines 14-17:

"(j) Contracts for professional services, construction, and development related to Hawaii builds pilot projects shall be subject to approval by the corporation's board of directors and shall be ~~exempt from~~ **subject to** chapter 103D, Hawaii Revised Statutes."

Exemptions to the Code mean that procurements made with taxpayer monies will not have the same oversight, accountability and transparency requirements mandated by those procurements processes provided in the code. It means that there is no requirement for due diligence, proper planning, or consideration of protections for the state in contract terms and conditions, nor are there any set requirements to conduct cost and price analysis and market research or post-award contract management. As such, Agencies can choose whether to compete any procurement or go directly to one contractor.

Thank you for the opportunity to comment on this measure.



**TESTIMONY PROVIDING COMMENTS ON SENATE BILL 2544 SD2 HD1
RELATING TO HOUSING**

Ke Kōmike Hale o ka ‘Oihana ‘Imi Kālā
(House Committee on Finance)

Ke Kapitala ‘o Hawai‘i
(Hawai‘i State Capitol)

‘Apelila 2, 2026

2:00 PM

Lumi 308

Aloha e Chair Todd, Vice Chair Takenouchi, and Members of the Committee on Finance:

The Office of Hawaiian Affairs (OHA) provides **COMMENTS** on **SB2544 SD2 HD1**, which proposes to establish a pilot program modeled after the BUILD initiative in British Columbia, Canada, intended to expedite housing development through coordinated interagency review and streamlined permitting.

While OHA recognizes the urgent need to increase housing supply in Hawai‘i, we urge caution in adopting development frameworks designed for large continental jurisdictions with vastly different land bases, ecological constraints, and regulatory histories.

British Columbia encompasses expansive land areas and resource buffers that differ fundamentally from Hawai‘i’s island geography. Hawai‘i’s finite land base, fragile ecosystems, limited freshwater resources, and dense cultural landscape necessitate a more deliberate regulatory structure. Our development standards have evolved to reflect these realities and to ensure the long-term viability of natural and cultural resources. As articulated in Article XI, Section 1 of the Hawai‘i Constitution, public trust resources must be managed for the benefit of present and future generations. Accordingly, while housing production is critical, development models imported from continental jurisdictions should be carefully evaluated and adapted to Hawai‘i’s unique constitutional and environmental framework.

With respect to the bill's specific provisions, **OHA has concerns with an automatic approval process for the Department of Health (DOH) review of hazard evaluation, wastewater, and safe drinking water applications if they do not complete review within 60 days** (Section 2, subsection (k)). While we defer to DOH regarding the adequacy of this timeframe, we share concern that compressed review deadlines in matters affecting public health and environmental quality could result in insufficient analysis and unintended health risks. Expedited processes should not compromise core health and safety protections.

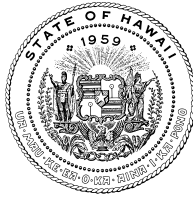
Additionally, OHA opposes bypassing the county legislative approval process established under HRS § 201H-38 to approve exemptions from county ordinances and rules. We believe the existing framework under HRS § 201H-38 already provides sufficient mechanisms for exemptions. Retaining county legislative body approval ensures transparency, preserves public input, and maintains local oversight over land use decisions that directly affect communities. Eliminating this check risks reducing accountability in matters with significant local impact. **Accordingly, OHA recommends removal of lines 9-15 on page 7, beginning with "Notwithstanding."**

In summary, OHA acknowledges the seriousness of Hawai'i's housing challenges and supports thoughtful reforms that responsibly increase supply. However, we urge the Legislature to exercise caution when adopting development models designed for continental jurisdictions and to preserve existing safeguards that reflect Hawai'i's constitutional obligations, limited resources, and unique cultural landscape.

Mahalo nui for the opportunity to testify on this critical issue. We look forward to the careful consideration of our **COMMENTS on SB2544 SD2 HD1.**

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 FINANCE

April 02, 2026 at 2:00 p.m.

State Capitol, Room 308

In consideration of

SENATE BILL 2544, SENATE DRAFT 2, HOUSE DRAFT 1 RELATING TO HOUSING.

Chair Todd, Vice Chair Takenouchi, and members of the Committee.

HHFDC **supports** SB 2544, SD2, HD1, which establishes the Hawaii Builds Pilot Program within HHFDC.

This bill takes an innovative approach by empowering HHFDC to act as a proactive developer, leveraging its Dwelling Unit Revolving Fund (DURF) for predevelopment and construction equity, and streamlining interagency coordination and permitting.

The time required for agency review and to obtain various development approvals is lengthy, often requiring more than three years, and can render affordable housing projects infeasible. Other jurisdictions have successfully used similar programs to streamline approvals and expedite housing delivery.

Thank you for the opportunity to testify.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



SIERRA WHITESIDE
CHAIRPERSON

DAINTRY BARTOLDUS
EXECUTIVE ADMINISTRATOR

STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
STATE COUNCIL ON DEVELOPMENTAL DISABILITIES
'A'UNIKE MOKU'ĀPUNI NO KA NĀ KĀWAI KULA
PRINCESS VICTORIA KAMĀMALU BUILDING
1010 RICHARDS STREET, Room 122
HONOLULU, HAWAII 96813
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543

April 2, 2026

The Honorable Representative Chris Todd, Chair
House Committee on Finance
The Thirty-Third Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Chair Todd and Committee Members:

SUBJECT: SB2544 SD2 HD1, Relating to Housing

The Hawai'i State Council on Developmental Disabilities (DDC) submits this testimony in **SUPPORT of SB2544 SD2 HD1**, which establishes a 5-year Hawaii Builds Pilot Program within the Hawaii Housing Finance and Development Corporation.

The Hawai'i State Council on Developmental Disabilities notes that while SB2544 SD2 HD1 is not a disability-specific measure, it may intersect with the housing needs of people with intellectual and developmental disabilities (I/DD) in several important ways. Many people with I/DD work, live independently or with family, and fall within the 60%–140% area median income range targeted by the Hawai'i Builds Pilot Program. These households are often ineligible for deeply subsidized housing yet face significant barriers competing in Hawai'i's private housing market.

The Council also recognizes that increasing housing supply for moderate-income households can have broader market effects. In a constrained housing environment, middle-income households often compete for older or lower-cost units that are also relied upon by people with disabilities. Expanding housing options at the middle of the market may help relieve downward pressure, reduce competition for naturally affordable units.

Finally, whether these benefits reach people with disabilities will depend on implementation. Accessibility, visibility, and proximity to transportation, services, and employment will be critical to ensuring that new housing is usable by people with disabilities. Without intentional attention to these factors, increased housing production may bypass people with disabilities altogether.

Thank you for the opportunity to submit testimony supporting **SB2544 SD2 HD1**.

Sincerely,

A handwritten signature in blue ink that reads "Daintry Bartoldus".

Daintry Bartoldus
Executive Administrator



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
THURSDAY, APRIL 2, 2026 AT 2:00 P.M.**

To The Honorable Representative Chris Todd, Chair
The Honorable Representative Jenna Takenouchi, Vice Chair
Members of the Committee on Finance

SUPPORT SB2544 SD2 HD1 RELATING TO HOUSING

Housing has been one of the Maui Chamber's top priorities for years, given our ongoing housing crisis. The Maui Chamber of Commerce supports SB2544 SD2 HD1 that proposes a targeted pilot program within the Hawai'i Housing Finance and Development Corporation (HHFDC) to accelerate the delivery of "missing middle" housing, a segment that is often underserved but critical for local families and essential workers.

By requiring that at least half of the pilot program's units serve households earning between 60% and 140% of area median income, SB2544 directly targets the workforce demographic most affected by rising rents and limited housing supply.

We also support the bill's provisions for interagency coordination and expedited permit reviews, which address one of the most significant barriers to housing production: regulatory delays. Streamlining these processes can reduce costs and timelines, making it more feasible for developers to deliver affordable and workforce housing at scale. To truly align with the intent of this bill, we believe the language that required SHPD to complete its review in sixty days should be included.

To maximize the effectiveness of SB2544, we encourage ongoing stakeholder engagement throughout the pilot period to identify and address any unforeseen challenges. These steps will help ensure that the program delivers on its promise to expand housing opportunities for Hawai'i's residents in a timely and cost-effective manner.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



House Committee on Finance
Rep. Chris Todd, Chair
Rep. Jenna Takenouchi, Vice Chair

Testimony in Opposition to SB 2544

Chair Todd, Vice Chair Takenouchi, and Committee Members:

UNITE HERE Local 5 represents 10,000 working people in the hotel, food service and health care industries across Hawaii.

SB 2544 has several problems. We do not support it in its current form, for several reasons:

- Speeding up permitting processes should not be done at the cost of taking away counties' discretionary control, or meaningful public input.
- These projects should not be exempt from public procurement processes. Competitive bidding exemptions make the system vulnerable to corruption.
- We are concerned that applying a loosened standard to projects that qualify for HRS 201H exemptions could result in significant benefits to developers for projects that are not truly affordable, or that have significant non-affordable components.
- It is important to ensure the safety of developments for residents and for the health of our communities. This is the reason why many regulations exist. Cutting those regulations from the process is worrisome.
- Rather than marking the success of the program based on the number of housing units delivered, it should be measured by the number of people living in those units in each median income category.

It should be possible to improve the availability of affordable housing without sacrificing county discretion, public input, regulatory oversight, etc.

Thank you.

SB-2544-HD-1

Submitted on: 4/1/2026 1:43:43 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Sherry Pollack	Individual	Oppose	Written Testimony Only

Comments:

SB 2544 SD2 HD1 has several concerning issues that create a potential for corruption and other abuses. For example, in this measure it states:

(j) Contracts for professional services, construction, and development related to Hawaii builds pilot projects shall be subject to approval by the corporation’s board of directors and shall be ***exempt*** from chapter 103D, Hawaii Revised Statutes.

This statute cited in SB 2544 SD2 HD1 is about the competitive bidding process and public procurement in an ***ethical manner***. Wanting an exemption for this statute says it all right there.

Furthermore, the automatic approval timelines in this measure risk serious unintended impacts not in the public’s interest.

Moreover, the limited number of testimonies submitted for previous hearings of this measure show that this bill has flown under the radar, as similar measures put forward to this legislature have generated a robust response and discussion. That is also concerning.

We should be able to build affordable housing without sacrificing public input and ethical regulatory oversight. A good project is only “good” if it is executed in a manner that is truly “good” --which means it is done properly and ethically. This measure does not support producing "good" projects.