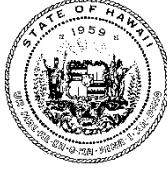


JOSH B. GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



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
email: state.procurement.office@hawaii.gov
<http://spo.hawaii.gov>

**TESTIMONY
OF
BONNIE KAHAKUI, ADMINISTRATOR
STATE PROCUREMENT OFFICE**

**TO THE SENATE COMMITTEE
ON
HOUSING
February 5, 2026, 1:01 PM**

**SENATE BILL 2544
RELATING TO HOUSING**

Chair Chang, Vice Chair Hashimoto, and members of the committee, thank you for the opportunity to submit testimony on Senate Bill 2544. 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 5, lines 19-20, and Page 6, lines 1-2, 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:

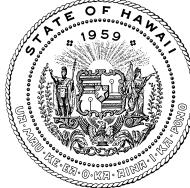
"(j) Contracts for professional services, construction, and development related to Hawaii builds pilot projects shall be subject to approval by the corporation's board of directors and shall be [exempt from] subject to chapter 103D, Hawaii Revised Statutes."

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.

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

SENATE COMMITTEE ON HOUSING

February 05, 2026 at 1:01 p.m.

State Capitol, Room 225

In consideration of
SENATE BILL 2544
RELATING TO HOUSING.

Chair Chang, Vice Chair Hashimoto, and members of the Committee.

HHFDC **supports** Senate Bill 2544, 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 utilized similar programs to streamline approvals and expedite the delivery of housing. We look forward to implementing this pilot program to hasten the delivery of housing.

Thank you for the opportunity to testify.



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

February 5, 2026

The Honorable Senator Stanley Chang, Chair
Senate Committee on Housing
The Thirty-Third Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Senator Chang and Committee Members:

SUBJECT: SB2544 Relating to Housing

The Hawai'i State Council on Developmental Disabilities (DDC) submits this testimony in **SUPPORT of SB2544**, which establishes a 5-year Hawai'i Builds Pilot Program within the Hawai'i Housing Finance and Development Corporation. Authorizes the Corporation to deploy moneys from the dwelling unit revolving fund for predevelopment activities or as active construction equity. Requires 50% of housing units made available under pilot program projects for households having incomes between 60% and 140% of the area median income. Mandates interagency coordination and expedited review for projects to facilitate timely delivery of projects. Requires annual reports to the Legislature. Sunsets 6/30/2031.

The Hawai'i State Council on Developmental Disabilities notes that while SB 2544 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, and improve housing stability for people with I/DD.

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.

Hawai'i State Council on Developmental Disabilities **supports SB2544**.

Thank you for the opportunity to submit testimony.

Sincerely,



Daintry Bartoldus
Executive Administrator

February 5, 2026

The Honorable Stanley Chang, Chair

Senate Committee on Housing

State Capitol, Conference Room 225 & Videoconference

RE: Senate Bill 2544, Relating to Housing

HEARING: Thursday, February 5, 2026, at 1:01 p.m.

Aloha Chair Chang, Vice Chair Hashimoto, 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 2544, which establishes a 5-year Hawaii Builds Pilot Program within the Hawaii Housing Finance and Development Corporation. Authorizes the Corporation to deploy moneys from the dwelling unit revolving fund for predevelopment activities or as active construction equity. Requires 50% of housing units made available under pilot program projects for households having incomes between 60% and 140% of the area median income. Mandates interagency coordination and expedited review for projects to facilitate timely delivery of projects. Requires annual reports to the Legislature. Sunsets 6/30/2031

According to the Department of Business, Economic Development and Tourism's 2024 report on Housing Demand in Hawai'i, our State needs up to 41,118 housing units to meet demand by 2035.¹ HAR supports this pilot program to help increase housing production, particularly for affordable and "missing middle" housing serving households earning between 60% and 140% of the area median income. Expanding housing opportunities for Hawaii residents through this pilot program can help address Hawaii's ongoing housing challenges.

Mahalo for the opportunity to provide testimony on this measure.

¹ Department of Business, Economic Development & Tourism. (March 2024). *Hawaii Housing Demand 2025-2035*. https://files.hawaii.gov/dbedt/economic/reports/hawaii_housing_demand_2024_final.pdf

LATE

February 4, 2026

Senator Stanley Chang
Committee on Housing
Hawai‘i State Senate
415 South Beretania Street
Honolulu, Hawaii 96813

**RE: IN SUPPORT OF SB 2544 (2026) - RELATING TO HOUSING - HAWAI‘I
BUILDS PILOT PROGRAM**

Aloha Chair Chang, Vice Chair Hashimoto, and Committee Members,

I am submitting testimony in my capacity as principal of Centre Urban Real Estate in **SUPPORT** of SB 2544 (2026), Relating to Housing. Our firm is currently working on two kama‘āina workforce housing projects in the City and County of Honolulu. These projects are located at 2533 Kāneloa Road and 1615 Ala Wai Boulevard, both in Waikīkī, and would result in the creation of 72 workforce housing units within the 60% to 140% AMI range. We are currently pursuing additional project sites, centered around a high concentration of jobs and availability of public transit – places where we believe “missing middle” housing is needed – which SB 2544 would facilitate even further housing development across the state through an innovative pilot program.

SB 2544 correctly recognizes that Hawai‘i faces a severe shortage of housing that is affordable to households between 60% and 140% of area median income and that this “missing middle” segment is not well served by traditional low-income housing or pure market-rate, luxury product. This bill responds by establishing a **five-year “Hawai‘i Builds” pilot program** within the Hawai‘i Housing Finance and Development Corporation (HHFDC) that:

- Allows HHFDC to use the **Dwelling Unit Revolving Fund (DURF)** not only for infrastructure but also for **predevelopment activities** (land acquisition, design, due diligence, entitlements) and **active construction equity**;
- Requires that at least 50% of units in each pilot project serve households between 60% and 140% AMI, directly addressing the missing-middle gap;
- Ensures **statewide participation** by requiring at least one pilot project in each county; and
- Is explicitly modeled on successful public-developer efforts like BC Builds in British Columbia, where a housing agency takes a proactive role in acquiring land, securing entitlements, and packaging shovel-ready projects to cut delivery times.

From a practitioner’s perspective, this is exactly the kind of tool we need. Most existing programs provide some combination of long-term gap financing or tax incentives; very few address the **earliest, riskiest dollars** needed to get a project to “shovel-ready” status or to close construction.

On our projects, such as 2533 Kāneloa Road, we saw firsthand that the hardest money to assemble is at-risk predevelopment capital – to acquire land, commission architectural and engineering work, conduct environmental and cultural due diligence, and secure zoning and permit approvals. SB 2544 specifically authorizes HHFDC to deploy DURF moneys for:

- Predevelopment work (including land acquisition, design, and entitlements); and
- Short-term construction equity or equity investments, with a requirement that these investments be temporary and repaid or monetized back into DURF.

That is a powerful design. It allows HHFDC to act as a **full-cycle partner**, advancing projects through the most fragile phases. For smaller infill projects on tight urban lots - exactly where missing-middle housing should go - this kind of early-phase support can be the difference between a site sitting vacant for another decade or delivering housing for working households.

The bill also tackles one of the most common roadblocks we encounter: **slow, fragmented permitting and review**. Under the Hawai‘i Builds pilot, HHFDC is authorized to:

- Set **specific timelines** for key reviews—for example, sixty days for State Historic Preservation Division review, and sixty days for Department of Health hazard, wastewater, and drinking water approvals, with written justification required for any extensions; and
- Make county 201H-type exemptions for pilot projects a ministerial act that does not require county council approval and must be processed within forty-five days.

In practice, those kinds of measures can shave months or years off project timelines. On urban infill sites where carrying costs, interest, and construction inflation are relentless, time is often the difference between a feasible pro forma and a dead deal.

For these reasons, I respectfully urge the Committee to pass SB 2544 out of the Committee on Housing with a favorable recommendation. If we want more housing for firefighters, teachers, nurses, service workers, and young families in the 60% to 140% AMI range, the State must be willing to act as a proactive development partner, not just a regulator. SB 2544 and the proposed Hawai‘i Builds pilot program does exactly that.

Mahalo for the opportunity to testify and for your continued leadership on housing. I am happy to provide project-level examples or further detail on how the Hawai‘i Builds concept would intersect with kama‘āina workforce housing projects on the ground.

If there are any questions or concerns, please don’t hesitate to reach me at martin@centre-urban.com to discuss.

Sincerely,


Martin M. Q. Nguyen, MRED
Managing Principal
Centre Urban Real Estate Hawaii, LLC

SB-2544

Submitted on: 2/3/2026 11:44:29 AM
Testimony for HOU on 2/5/2026 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Kaili Swan	Individual	Support	Written Testimony Only

Comments:

I am in strong support of this SB2544 Beacuse people with disability need affordable housing for place to stay please pass this SB2544

Cindy Freitas
makainanqi@gmail.com

OPPOSE UNLESS AMENDED – S.B. 2544
RELATING TO HOUSING / HAWAI‘I BUILDS PILOT PROGRAM**

He Mele komo a he mele aloha no na kupuna o ke au i hala Aloha mai kakou.

Aloha,

My name is Cindy Freitas and I’m a Native Hawaiian descended of the native inhabitants of Hawai‘i prior to 1778 and born and raised in Hawai‘i. I am also a practitioner who still practice the cultural traditional customary practices that was instill in me by my grandparents at a young age from mauka (MOUNTAIN TO SEA) to makai in many areas.

I respectfully submit testimony **OPPOSING S.B. 2544 UNLESS AMENDED**, due to its **serious impacts on Hawai‘i County’s land-use authority, infrastructure capacity, cultural protections, and public process**.

While addressing housing needs is critical, S.B. 2544 establishes a state-driven pilot program that **preempts county authority and bypasses local safeguards** in a county with unique geographic, cultural, and infrastructure constraints.

KEY HAWAI‘I COUNTY CONCERNS

1. Loss of County Home-Rule Authority

S.B. 2544 requires county planning directors to grant zoning and ordinance exemptions under HRS §201H-38 as a **ministerial act**, without County Council approval and notwithstanding county ordinances or plans. In Hawai‘i County, this undermines the General Plan, Community Development Plans, and agricultural and rural zoning protections.

2. Elimination of Public and Community Input

The bill provides **no notice, hearing, or appeal rights** for communities. Projects may proceed without Planning Commission or County Council review, despite significant impacts on rural neighborhoods and existing residents.

3. Inadequate Cultural and Historic Protections

Hawai‘i County contains extensive cultural landscapes, burials, and traditional access areas. S.B. 2544 does not require cultural impact assessments or lineal descendant consultation, and it imposes a **60-day “deemed approved” deadline** on State Historic Preservation Division review, risking irreversible harm.

4. Infrastructure Capacity Is Assumed, Not Enforced

Although the bill references “adequate infrastructure,” it does not define adequacy or allow the County to deny projects where water, wastewater, roads, or emergency access are insufficient. Hawai‘i County already faces documented infrastructure limitations, especially in rural districts.

5. Affordability Does Not Reflect Hawai‘i County Realities

Defining “missing middle” housing as 60%–140% AMI may exceed what many local Hawai‘i County families can afford, resulting in state-subsidized housing that remains out of reach for residents.

REQUIRED AMENDMENTS (OPPOSE UNLESS ADOPTED)

S.B. 2544 should not advance **unless amended** to:

- **Restore county discretion**, including County Council and Planning Commission authority over zoning exemptions and land-use decisions;
- **Require public notice, community meetings, and appeal rights** for affected residents;
- **Mandate cultural impact assessments and lineal descendant consultation**, and remove “deemed approved” deadlines for SHPD review;
- **Allow counties to deny or condition projects** based on verified infrastructure capacity and emergency access;
- **Incorporate county-specific affordability standards** that reflect local incomes and housing needs.

CONCLUSION

Housing development must be coordinated **with Hawai‘i County, not imposed upon it**. S.B. 2544, as written, weakens home rule, sidelines communities, and risks cultural and infrastructure harm.

For these reasons, I **OPPOSE S.B. 2544 UNLESS AMENDED** to include the county protections outlined above.

Mahalo

Cindy Freitas