
A BILL FOR AN ACT

RELATING TO HOUSING.

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

1 SECTION 1. The legislature finds that the State continues
2 to experience a severe shortage of housing that is affordable
3 for households earning between sixty per cent and one hundred
4 forty per cent of the area median income, a portion of the
5 housing market commonly referred to as "missing middle" housing.
6 The legislature further finds that successful housing programs
7 in other jurisdictions, such as the BC Builds program
8 implemented in British Columbia, Canada, demonstrate that a
9 housing agency must act as a public developer by proactively
10 acquiring land, securing entitlements, and prepackaging shovel-
11 ready projects to cut delivery times.

12 The legislature finds that the BC Builds program is
13 structured according to a "rocket fuel" project timeline
14 strategy, which has contributed substantially to the program's
15 success. BC Build's rocket fuel strategy replaces the standard
16 thirty-six to sixty-month timeline typical of most construction
17 projects with a much shorter twelve to eighteen-month project



1 timeline. BC Builds accomplishes this significant reduction in
2 project timelines by streamlining development processes and
3 working collaboratively with landowners, municipalities, and
4 residential developers to work through and remove any barriers.
5 BC Builds also leverages underused public lands to create more
6 viable rental projects, along with grant money to keep rents
7 more affordable and get projects off the ground. BC Build's
8 approach to housing development has resulted in over thirty
9 projects in pre-development in the two years since the program
10 was launched. Many of these projects will deliver over one
11 hundred units each, significantly expanding the available
12 housing supply.

13 Accordingly, the purpose of this Act is to:

- 14 (1) Establish within the Hawaii housing finance and
15 development corporation the Hawaii builds pilot
16 program as a five-year pilot program, under which:
- 17 (A) The corporation may deploy moneys from the
18 dwelling unit revolving fund for certain
19 development activities and as active construction
20 equity;



1 (B) Interagency coordination and expedited review for
2 designated pilot projects are required by law;
3 and

4 (C) A majority of housing units must comply with
5 requirements established by the Hawaii housing
6 finance and development corporation under section
7 201H-38, Hawaii Revised Statutes; and

8 (2) Establish an annual expenditure cap on the use of
9 dwelling unit revolving funds that may be used to
10 implement the Hawaii builds pilot program.

11 SECTION 2. (a) There is established the Hawaii builds
12 pilot program within the Hawaii housing finance and development
13 corporation. The pilot program shall run for a period of five
14 years as provided in subsection (m).

15 (b) The board of directors of the corporation shall
16 designate specific projects as Hawaii builds pilot program
17 projects, pursuant to the requirements of this Act. To qualify
18 as a Hawaii builds pilot program project, a project shall:

19 (1) Be located on a site that possesses, at a minimum,
20 adequate existing infrastructure capacity, including



1 water, sewer, and transportation access, to support
2 the density of the proposed project;

3 (2) Preferably be located on land zoned for residential
4 use; provided that project sites that have adequate
5 infrastructure but are not zoned for residential use
6 shall remain eligible through the use of exemptions
7 authorized under section 201H-38, Hawaii Revised
8 Statutes; and

9 (3) Ensure that all units in a housing project shall be
10 consistent with the purposes and intent of chapter
11 201H, Hawaii Revised Statutes.

12 (c) The corporation shall designate at least one Hawaii
13 builds pilot project in each county of the State to ensure
14 statewide participation in the pilot program.

15 (d) Notwithstanding any provision of part III, subpart I,
16 of chapter 201H, Hawaii Revised Statutes, or any other law to
17 the contrary, the corporation may use not more than \$20,000,000
18 each fiscal year, in the aggregate, from the dwelling unit
19 revolving fund for the Hawaii builds pilot program for:

20 (1) Predevelopment activities, including land acquisition,
21 architectural and engineering services, environmental



1 and due diligence studies, entitlement processing, and
2 other preparatory activities necessary to advance a
3 project; and

4 (2) Construction equity, including short-term construction
5 equity or equity investment, as deemed appropriate by
6 the corporation's board of directors.

7 (e) Predevelopment activities under subsection (d)(1)
8 shall not require separate gubernatorial approval for each
9 specific disbursement; provided that the project has been
10 designated and approved as a Hawaii builds pilot program project
11 by the corporation's board of directors.

12 (f) Any use of moneys from the dwelling unit revolving
13 fund, including but not limited to construction equity or equity
14 investment under subsection (d)(2), shall be structured to
15 ensure a reasonable return to the dwelling unit revolving fund.

16 (g) Notwithstanding any other law to the contrary, while
17 the Hawaii builds pilot program is active, the corporation shall
18 give the highest priority to Hawaii builds pilot program
19 projects when allocating and disbursing moneys from the dwelling
20 unit revolving fund.



1 (h) The executive director of the corporation may convene
2 a Hawaii builds expedited review team. The team shall consist
3 of the directors of relevant state and county agencies or their
4 designees, including the chairperson of the board of land and
5 natural resources, director of health, and each county's
6 planning and public works departments.

7 (i) Notwithstanding any other law to the contrary, all
8 state and county agencies shall cooperate with the corporation
9 in processing Hawaii builds pilot program projects, including
10 prioritizing the review of permits, licenses, and entitlements
11 for pilot projects above all other non-emergency applications.

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

17 (k) The department of health shall complete its review of
18 hazard evaluation, wastewater, and safe drinking water
19 applications for Hawaii builds pilot program projects within
20 sixty days. If additional time is required to complete a review
21 under this subsection, the department of health shall provide



1 written justification for the extension before the sixty-day
2 period expires. If the department of health does not provide
3 written justification, the application shall be deemed approved.

4 (l) The appropriate county planning director, or an
5 equivalent official having jurisdiction over permitting and
6 exemptions, shall grant a Hawaii builds pilot program project
7 all necessary exemptions from county ordinances and rules
8 pursuant to section 201H-38, Hawaii Revised Statutes.
9 Notwithstanding any law, county charter provision, or ordinance
10 to the contrary, an exemption under this subsection shall not
11 require approval by the county legislative body. The processing
12 of an exemption for a Hawaii builds pilot program project shall
13 be deemed a ministerial act and shall be completed within
14 forty-five days of receipt by the planning director or
15 equivalent official.

16 (m) The authority of the corporation to designate new
17 Hawaii builds pilot program projects under this section shall
18 expire on June 30, 2031; provided that any project designated as
19 a Hawaii builds pilot program project before July 1, 2031, shall
20 continue to be governed by this section until the completion of
21 the project.



1 (n) For the purposes of this section, "corporation" means
2 the Hawaii housing finance and development corporation.

3 SECTION 3. No later than twenty days prior to the
4 convening of the regular sessions of 2027, 2028, 2029, 2030,
5 2031, and 2032, the Hawaii housing finance and development
6 corporation shall submit to the legislature a report on the
7 Hawaii builds pilot program that includes:

- 8 (1) A list and description of all Hawaii builds pilot
9 program projects designated, approved, or advanced
10 during the prior fiscal year;
- 11 (2) The amount and type of dwelling unit revolving fund
12 moneys expended for predevelopment activities and
13 construction equity, including the status of repayment
14 or monetization;
- 15 (3) The number of housing projects approved, under
16 construction, and completed, disaggregated by county
17 and area median income category;
- 18 (4) A summary of interagency coordination efforts and the
19 extent to which statutory timelines were met;



- 1 (5) Any barriers encountered in project delivery,
2 including statutory, regulatory, or infrastructure
3 constraints;
- 4 (6) Recommendations for any amendments to the pilot
5 program and whether the pilot program should be
6 continued or terminated; and
- 7 (7) Any proposed legislation.
- 8 SECTION 4. This Act shall take effect upon its approval.



Report Title:

HHFDC; DURF; Hawaii Builds Pilot Program; Exemptions; Permit Reviews; Interagency Coordination; Reports

Description:

Establishes a 5-year Hawaii Builds Pilot Program within the Hawaii Housing Finance and Development Corporation. Authorizes the use of the Dwelling Unit Revolving Fund for the Pilot Program, subject to an annual cap. Mandates interagency coordination and expedited review for projects to facilitate timely delivery of projects. Requires annual reports to the Legislature. Sunsets 6/30/2031. (CD1)

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