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# 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 strategy,  
14 which has contributed substantially the program's success. BC  
15 Build's rocket fuel strategy replaces the standard thirty-six to  
16 sixty-month timeline typical of most construction projects with  
17 a much shorter twelve to eighteen-month project timeline. BC



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

12 Accordingly, the purpose of this Act is to:

13 (1) Establish within the Hawaii housing finance and  
14 development corporation the Hawaii builds pilot  
15 program as a five-year pilot program, under which:

16 (A) The corporation may deploy moneys from the  
17 dwelling unit revolving fund for certain  
18 development activities and as active construction  
19 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 projects,  
17 pursuant to the requirements of this Act. To qualify as a  
18 Hawaii builds pilot 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 no more than  
18 \$ each fiscal year, in the aggregate, from the  
19 dwelling unit revolving fund for the Hawaii builds pilot project  
20 for:



- 1 (1) Predevelopment activities, including land acquisition,  
2 architectural and engineering services, environmental  
3 and due diligence studies, entitlement processing, and  
4 other preparatory activities necessary to advance a  
5 project; and
- 6 (2) Construction equity, including short-term construction  
7 equity or equity investment, as deemed appropriate by  
8 the corporation's board of directors.
- 9 (e) Predevelopment activities under subsection (d)(1)  
10 shall not require separate gubernatorial approval for each  
11 specific disbursement; provided that the project has been  
12 designated and approved as a Hawaii builds pilot project by the  
13 corporation's board of directors.
- 14 (f) Any use of moneys from the dwelling unit revolving  
15 fund, including but not limited to construction equity or equity  
16 investment under subsection (d)(2), shall be structured to  
17 ensure a reasonable return to the dwelling unit revolving fund.
- 18 (g) Notwithstanding any other law to the contrary, while  
19 the Hawaii builds pilot program is active, the corporation shall  
20 give the highest priority to Hawaii builds pilot projects when



1 allocating and disbursing moneys from the dwelling unit  
2 revolving fund.

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

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

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

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



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

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

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



1 (n) As used in this section, "corporation" means the  
2 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 descriptions of all Hawaii builds pilot  
9 projects designated, approved, or advanced during the  
10 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 on July 1, 3000.



**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 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. Effective 7/1/3000. (HD1)

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

