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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, demonstrate that a housing  
9 agency must act as a public developer by proactively acquiring  
10 land, securing entitlements, and prepackaging shovel-ready  
11 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 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;



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

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

(2) Appropriate funds to implement the Hawaii builds pilot program.

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

(b) The board of directors of the corporation shall designate specific projects as Hawaii builds pilot projects, which shall be governed pursuant to this Act. To qualify as a Hawaii builds pilot project, a project shall:

(1) Be located on a site that possesses, at a minimum, adequate existing infrastructure capacity, including water, sewer, and transportation access, to support the density of the proposed project;



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

7 (3) Provide a majority of the housing units delivered  
8 under the project comply with requirements established  
9 by the corporation under section 201H-38, Hawaii  
10 Revised Statutes.

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

14 (d) Notwithstanding any provision of part III, subpart I,  
15 of chapter 201H, Hawaii Revised Statutes, or any other law to  
16 the contrary, the corporation may use moneys from the dwelling  
17 unit revolving fund for any Hawaii builds pilot project;  
18 provided that dwelling unit revolving fund moneys may be  
19 expended 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 project by the  
11 corporation's board of directors.

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

17 (g) Notwithstanding any other law to the contrary, while  
18 the Hawaii builds pilot program is active, the corporation shall  
19 give the highest priority to Hawaii builds pilot projects when  
20 allocating and disbursing moneys from the dwelling unit  
21 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 the department of health, and  
6 each county's 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 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 projects shall be  
14 subject to approval by the corporation's board of directors and  
15 shall be exempt from chapter 103D, Hawaii Revised Statutes.

16 (k) The state historic preservation division shall  
17 complete its review of any Hawaii builds pilot project  
18 application within sixty days of the receipt of a completed  
19 application. If the division fails to issue a determination  
20 within that period, the application shall be deemed approved.



1           (1) The department of health shall complete its review of  
2 hazard evaluation, wastewater, and safe drinking water  
3 applications for Hawaii builds pilot projects within sixty days.  
4 If additional time is required to complete a review under this  
5 subsection, the department of health shall provide written  
6 justification for the extension before the sixty-day period  
7 expires. If the department of health does not provide written  
8 justification, the application shall be prioritized for  
9 immediate final action.

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



1           (n) The authority of the corporation to designate new  
2 Hawaii builds pilot projects under this section shall expire on  
3 June 30, 2031; provided that any project designated as a Hawaii  
4 builds pilot project before July 1, 2031, shall continue to be  
5 governed by this section until the completion of the project.

6           (o) As used in this section, "corporation" means the  
7 Hawaii housing finance and development corporation.

8           SECTION 3. No later than twenty days prior to the  
9 convening of the regular sessions of 2027, 2028, 2029, 2030,  
10 2031, and 2032, the Hawaii housing finance and development  
11 corporation shall submit to the legislature a report on the  
12 Hawaii builds pilot program that includes:

13           (1) A list and descriptions of all Hawaii builds pilot  
14 projects designated, approved, or advanced during the  
15 prior fiscal year;

16           (2) The amount and type of dwelling unit revolving fund  
17 moneys expended for predevelopment activities and  
18 construction equity, including the status of repayment  
19 or monetization;





- 1 (3) The number of housing units approved, under  
2 construction, and completed, disaggregated by county  
3 and area median income category;
- 4 (4) A summary of interagency coordination efforts and the  
5 extent to which statutory timelines were met;
- 6 (5) Any barriers encountered in project delivery,  
7 including statutory, regulatory, or infrastructure  
8 constraints;
- 9 (6) Recommendations for any amendments to the pilot  
10 program and whether the pilot program should be  
11 continued or terminated; and
- 12 (7) Any proposed legislation.

13 SECTION 4. There is appropriated out of the dwelling unit  
14 revolving fund the sum of \$ or so much thereof as may  
15 be necessary for fiscal year 2026-2027 for the Hawaii builds  
16 pilot program.

17 The sum appropriated shall be expended by the Hawaii  
18 housing finance and development corporation for the purposes of  
19 this Act.

20 SECTION 5. This Act shall take effect on July 1, 2050.



**Report Title:**

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

**Description:**

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. Provides that a majority of housing units made available under pilot program projects shall comply with requirements established by HHFDC under section 201H-38, HRS. 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 7/1/2050. (SD1)

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

