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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;



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 (n).

15 (b) The board of directors of the corporation shall  
16 designate specific projects as Hawaii builds pilot projects,  
17 which shall be governed pursuant to 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) Provide a majority of the housing units delivered  
10 under the project comply with requirements established  
11 by the corporation under section 201H-38, Hawaii  
12 Revised Statutes.

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

16 (d) Except as provided in section 3 of this Act but  
17 notwithstanding any provision of part III, subpart I, of  
18 chapter 201H, Hawaii Revised Statutes, or any other law to the  
19 contrary, the corporation may use moneys from the dwelling unit  
20 revolving fund for any Hawaii builds pilot project; provided  
21 that dwelling unit revolving fund moneys may be expended 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 financing or  
16 equity investment under subsection (d)(2), shall be structured  
17 to ensure a reasonable return to the dwelling unit revolving  
18 fund.

19 (g) Notwithstanding any other law to the contrary, while  
20 the Hawaii builds pilot program is active, the corporation shall  
21 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 the department of health, and  
8 each county's 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 state historic preservation division shall  
19 complete its review of any Hawaii builds pilot project  
20 application within sixty days of the receipt of a completed



1 application. If the division fails to issue a determination  
2 within that period, the application shall be deemed approved.

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

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



1 and shall be completed within forty-five days of receipt by the  
2 planning director or equivalent official.

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

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

10 SECTION 3. In each fiscal year commencing with the  
11 2026-2027 fiscal year, no more than \$ from the dwelling  
12 unit revolving fund established pursuant to section 201H-191,  
13 Hawaii Revised Statutes, shall be expended by the Hawaii housing  
14 and development corporation for projects designated under the  
15 Hawaii builds pilot program.

16 SECTION 4. No later than twenty days prior to the  
17 convening of the regular sessions of 2027, 2028, 2029, 2030,  
18 2031, and 2032, the Hawaii housing finance and development  
19 corporation shall submit to the legislature a report on the  
20 Hawaii builds pilot program that includes:



- 1 (1) A list and descriptions of all Hawaii builds pilot  
2 projects designated, approved, or advanced during the  
3 prior fiscal year;
- 4 (2) The amount and type of dwelling unit revolving fund  
5 moneys expended for predevelopment activities and  
6 construction equity, including the status of repayment  
7 or monetization;
- 8 (3) The number of housing units approved, under  
9 construction, and completed, disaggregated by county  
10 and area median income category;
- 11 (4) A summary of interagency coordination efforts and the  
12 extent to which statutory timelines were met;
- 13 (5) Any barriers encountered in project delivery,  
14 including statutory, regulatory, or infrastructure  
15 constraints;
- 16 (6) Recommendations for any amendments to the pilot  
17 program and whether the pilot program should be  
18 continued or terminated; and
- 19 (7) Any proposed legislation.

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

**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, subject to an annual cap. 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. (SD2)

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

