'26NOV18 AM 8:21 CITY CLERK

Bill 7 Projects Update

Zoning & Planning Committee

November 18, 2026

The Department of Planning and Permitting &
The Department of Housing and Land Management



DEPT. COM. 707(26)
ZON

How Bill 7 increases feasibility

Bill 7 gets small apartment projects close to feasible. Under regular rules, none come close.

One sample lot (10,000 sq ft)	Bill 7	Regular rules today	Regular rules before 2026
Homes that fit	**49**	48	26
Yearly return for builders (lenders typically require 6.6%)	**6.2%**	5.5%	5.0%
Most a builder can pay for land, per sq ft (sites sell for about $212)	**$201**	$17	$4

This example assumes every home rents to households earning 80% of Honolulu's Area Median Income. The yearly return percentages assume that the builder pays the going price for land.

Citywide, Bill 7 projects come close to working on 3,658 of the 7,855 lots where the program is allowed. Under regular rules, none do.

Today, Bill 7 works mainly because the City waives fees, cuts property taxes and offers grants

What happens to the sample Bill 7 project	Yearly return (lenders typically require 6.6%)	Most a builder can pay per sq ft of land (typical Bill 7 site: $212)
Bill 7 today, with the $12,000 post-construction grant	6.2%	**$201**
Without the 15-year property tax break	6.0%	$139
Without the City fee waivers (about $950,000)	5.9%	$120

Before recent apartment district zoning changes (Ordinance 26-7), these Bill 7 features also did much of the work:

- **More floor space (FAR):** up to 4 times the lot area, compared with about 1.3 times under the old rules
- **Taller buildings**: up to 60 feet (helps on smaller lots where the zoning-map height limit is 40 ft)
- **No parking required**

Bill 7 has been gaining momentum

412 homes have been completed under Bill 7, and 915 more are approved or being built



Completed/Occupied
11 projects

Approved or being built
27 projects

Under Building Permit Review
30 projects

Cancelled
17 projects

2,469

homes have entered the Bill 7 pipeline since 2019, in 85 projects

2,108

homes still moving forward, in 68 projects

68–72%

of Area Median Income (AMI) is what Bill 7 rents are usually set at

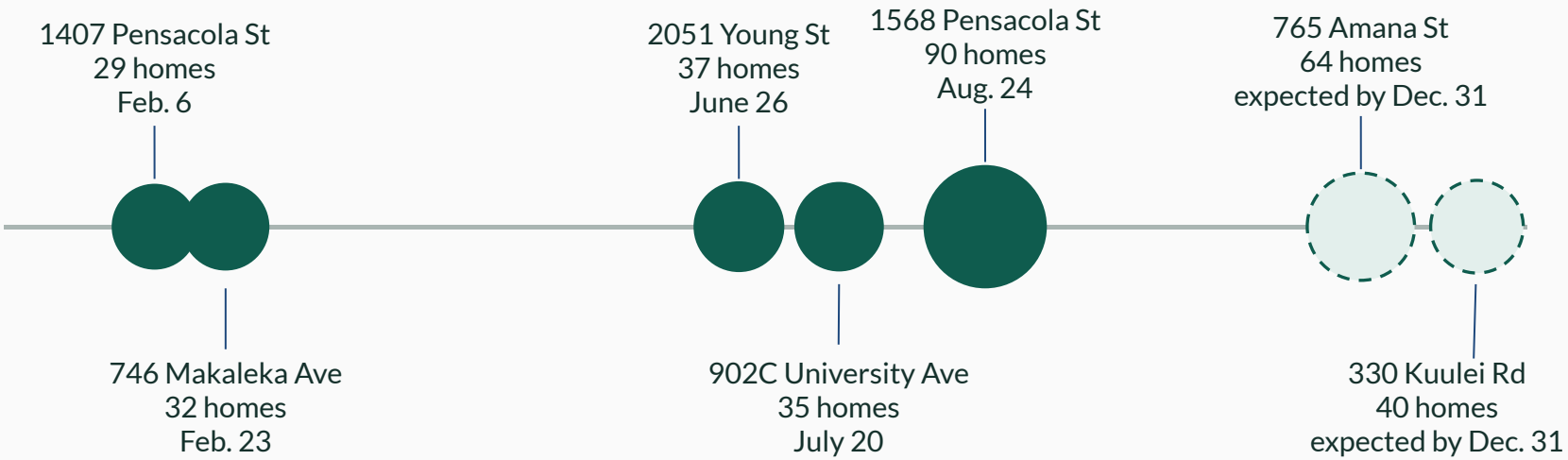
City records show 188 more finished homes than UHERO counted

	UHERO report	City records
Projects that entered the program	85	85 on 87 parcels
Homes that entered	2,280	2,469
Homes finished	**224 in 7 projects**	**412 in 11 projects**
Homes permitted, not yet finished	776 in 22 projects	915 in 27 projects
Homes withdrawn or cancelled	274	361

UHERO likely used data that was not up to date at the time of publication of its report.

Five buildings opened in 2026, and two more are expected by the end of the year

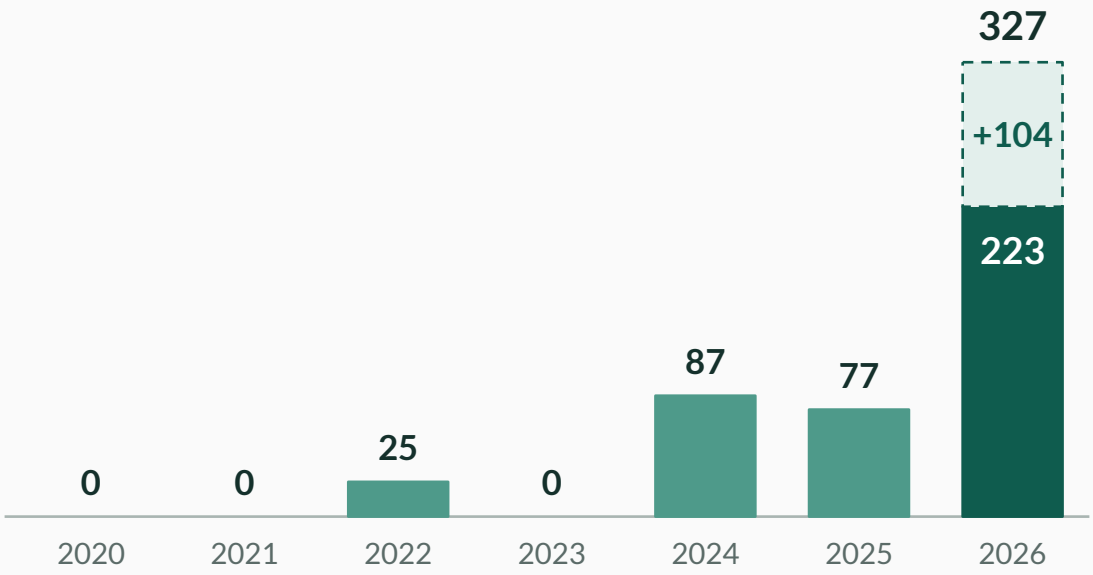
Bill 7 buildings by date of certificate of occupancy, January to December 2026. Circle size shows the number of homes.



223 homes finished in five buildings + 104 expected in two more → 327 for 2026

2026 is on pace for nearly four times the previous best

Bill 7 homes finished, by year of completion



2.6×

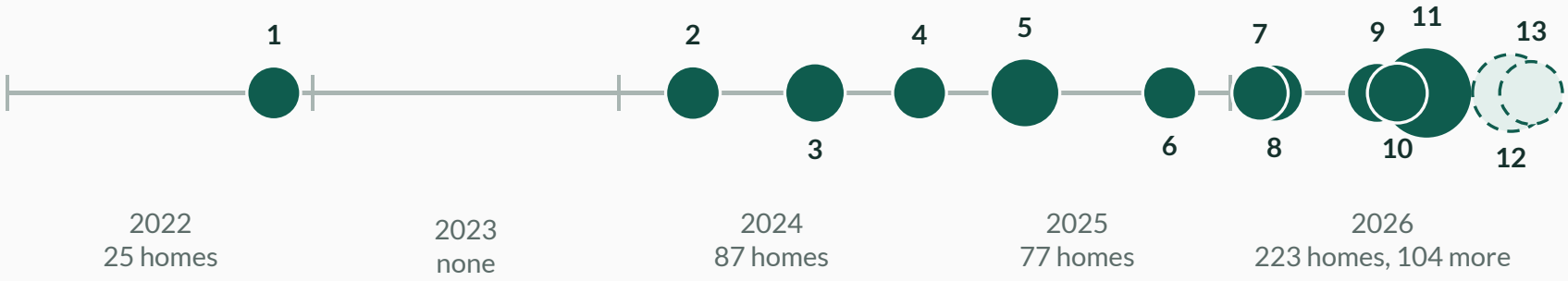
223 homes finished so far in 2026, against the previous record of 87 in 2024

3.8×

expected by year end: 104 more homes in two buildings, for 327 in 2026 and 516 since the program began

The timeline for Bill 7 projects shows increasing momentum

Each circle is one building, placed by its certificate of occupancy date. Circle size shows the number of homes.



1. **311 Puuhue Pl, 25 homes, Nov. 15, 2022**
2. **1427 Ernest St, 26 homes, Mar. 30, 2024**
3. **234 Olive Ave, 36 homes, Aug. 23, 2024**
4. **1226 Kinau St, 25 homes, Dec. 26, 2024**
5. **1060 Bishop St, 52 homes, May 1, 2025**
6. **1751 Algaroba St, 25 homes, Oct. 21, 2025**
7. **1407 Pensacola St, 29 homes, Feb. 6, 2026**
8. **746 Makaleka Ave, 32 homes, Feb. 23, 2026**
9. **2051 Young St, 37 homes, June 26, 2026**
10. **902C University Ave, 35 homes, July 20, 2026**
11. **1568 Pensacola St, 90 homes, Aug. 24, 2026**
12. 765 Amana St, 64 homes, expected by Dec. 31, 2026
13. 330 Kuulei Rd, 40 homes, expected by Dec. 31, 2026

UHERO's Housing Policy Simulator

A new data-driven tool that shows how rule changes affect what is allowed to be built, and what will actually get built based on financial feasibility.

Rule changes are just one of many factors that determine whether housing gets built

Building Costs

Set by the wider economy

Interest rates and construction costs have significant impacts and are largely outside the control of local stakeholders. Market rents also impact housing development.

Land Prices

Set by sellers

Land price fluctuations limit what's possible. Bill 7 sites have typically sold for $212 per sq ft.

Builder Capacity

Grows as more builders learn the program

Bill 7 projects need builders and contractors who know how to make them work.

Permitting

Shared by builders, DPP and other agencies

Each month shaved off permitting time could save about $74,000.

Rule Changes

Adjustments to statutes, ordinances and regulations

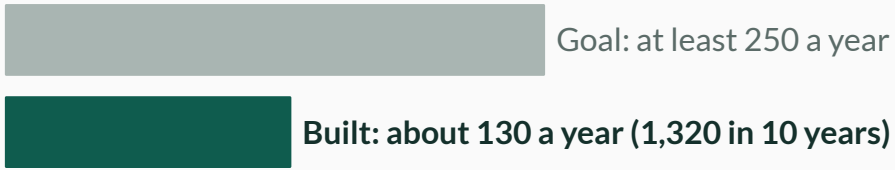
Limits on height, size and the number of homes, along with fee waivers and grants, decide what can be built.

Homes get built when incentives, zoning, permits and the market all line up.

Two recent housing programs built far fewer homes than their goals

Backyard homes (ADUs)

allowed in 2015

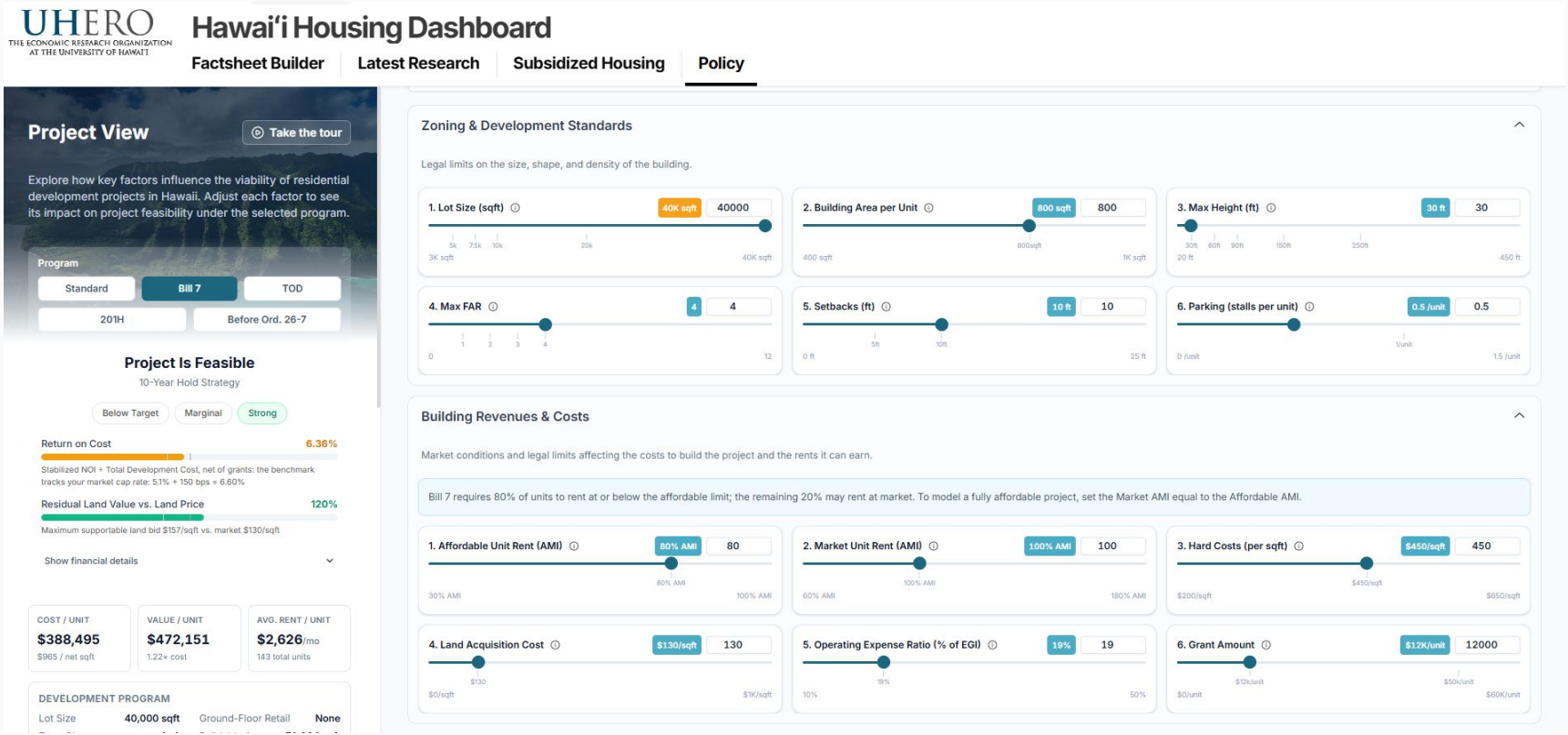


Bill 7

passed in 2019



The Housing Policy Simulator shows how changes are likely to impact what is built based on rules and costs



Examples of what the Simulator can test

Change to the 49-home sample project on a 10,000 sq ft lot	Return	Land value	Cost/unit
Bill 7 project today	**6.2%**	**$201/sq ft**	**—**
Increase Density: 75 ft, 5.0 FAR, 1 unit/130 sq ft (76 homes vs 49)	6.5%	$323/sq ft	No change
Double the post-construction grant to $24,000	6.4%	$246/sq ft	+$12,000
Allow larger lots, up to 40,000 sq ft	6.3%	$209/sq ft	No change
Reduce permitting times by 3 months (each month saves about $74,000)	6.2%+	$210/sq ft	No change
End the property tax exemption	6.0%	$139/sq ft	—
Construction costs rise from $450 to $500 per sq ft	5.7%	$72/sq ft	—



Bill 7 Permitting

UHERO Research Documents Faster Reviews

Median wait for prescreen



73 days → 15 days

Average jurisdiction review



9 days → 5 days

Permit Review Times

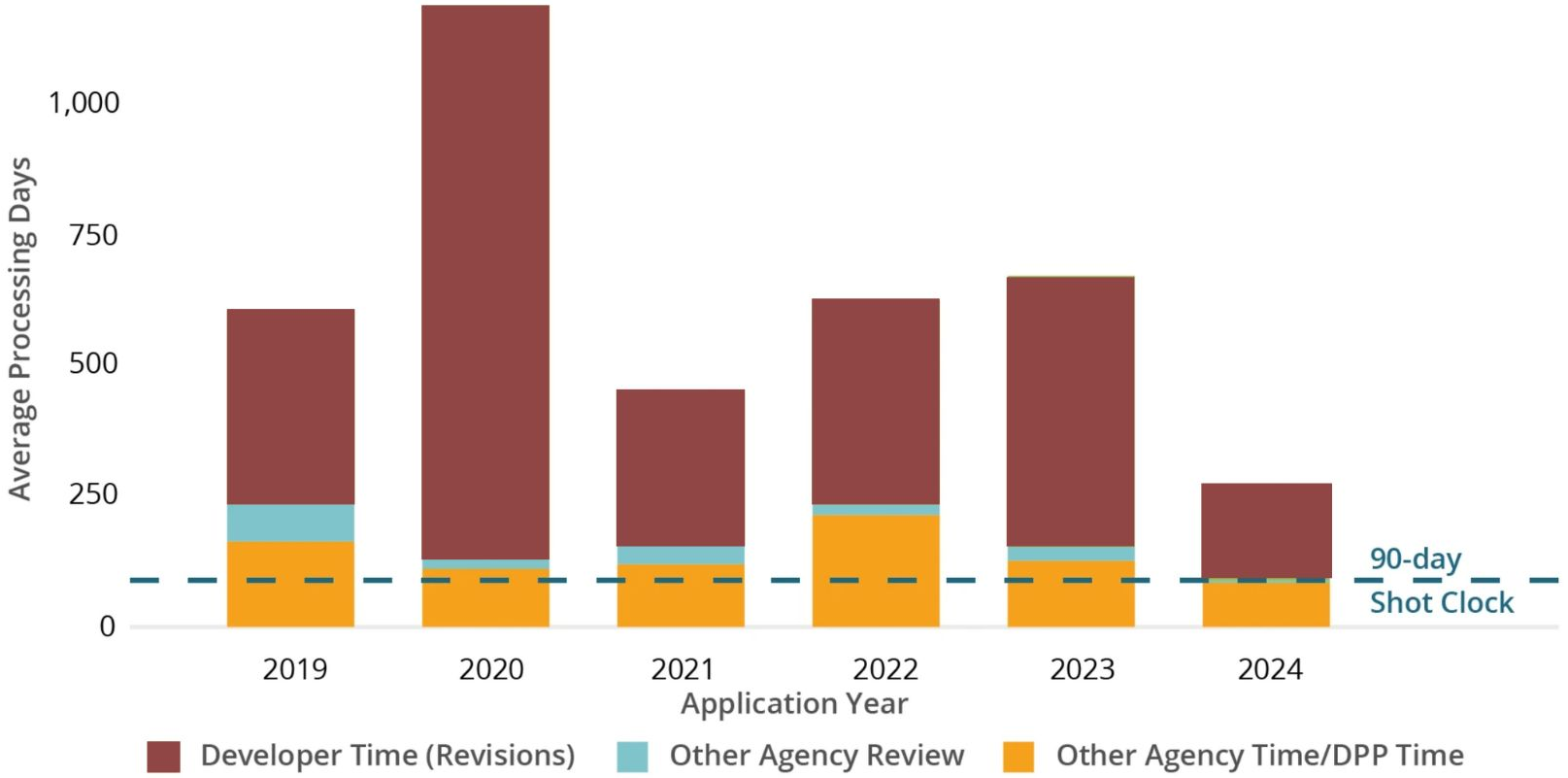
According to the UHERO report



Bill 7 applications receive priority review.

Permit records through July 2025

90-day shot clock



A typical Bill 7 permit: 1150 Davenport Street

A2021-11-0957, 32 homes. Filed Nov. 19, 2021; plan review complete July 21, 2023; permit issued Aug. 21, 2023.

422.8 days
Total Review Time

187.2 days
Time with Jurisdiction

235.6 days
Time with Applicant

Timeline, drawn to scale in business days



City and agency review: 5 cycles

Applicant: first upload and 4 resubmittals

Addressing Time with Jurisdiction

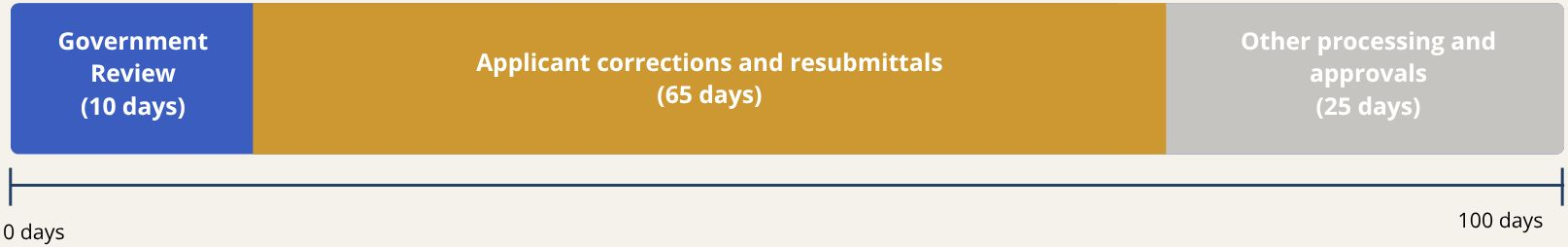
Setting expectations for internal and external agencies that review building permits

Review Type	Expected Maximum Review Time Per Cycle
Prescreening / Completeness Review	**1 business day**
Residential Technical Reviews	**2 business days**
Commercial Technical Reviews	**10 business days**

Example: A Permit Taking 100 Days

Hypothetical illustration - not actual DPP performance data

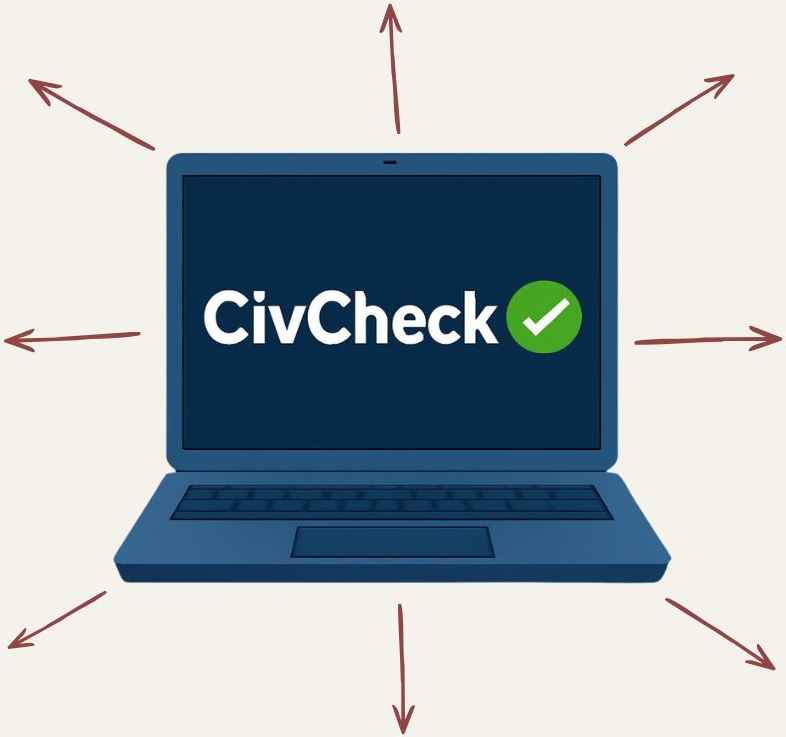
An application can take several months to complete, even when government reviews are finished quickly, because time is also needed for applicant corrections and other processing steps.



HUD Grant to Expand CivCheck

Grant will expand the AI software to Affordable Housing Projects

Automated Permitting Systems
Demonstration
Notice of Funding Opportunity (NOFO)
(PDR-2600-DC-029O)



Mahalo



