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GOVERNOR



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IN REPLY, PLEASE REFER TO:

Statement of  
**Hakim Ouansafi, Executive Director**  
**Hawaii Public Housing Authority**

Before the  
**HOUSE COMMITTEE ON HOUSING**

**Wednesday, February 7, 2024**  
**10:00 AM – Room 312, Hawaii State Capitol**

In consideration of  
**HB 2328**  
**RELATING TO AFFORDABLE HOUSING**

Honorable Chair Evslin, and members of the House Committee on Housing, thank you for the opportunity to provide testimony on House Bill (HB) 2328, relating to affordable housing.

The Hawaii Public Housing Authority (HPHA) **supports** HB 2328, which appropriates moneys to the Hawai'i Public Housing Authority to acquire and renovate parcels and buildings located between Bethel Street, Pauahi Street, Fort Street, and Chaplain Lane for affordable housing purposes. Requires units to be affordable to households having an income that does not exceed an unspecified percentage of the area median income, as determined by the United States Department of Housing and Urban Development, in perpetuity. Exempts contracts from low-bid requirements. Declares that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025.

The HPHA believes in increasing affordable housing to combat our current housing crisis and we support measures that promote the adaptive reuse of existing, underutilized buildings for affordable housing purposes. Due diligence should be conducted to ensure that these properties can be converted into affordable housing. Appraisals, closing costs, consultant services, legal services, and other costs that will be incurred should be done first to ensure that taxpayer dollars are spent wisely.

Please know that the HPHA stands ready to assist the Legislature in this endeavor and looks at this measure as an opportunity to be part of the overall solution needed to address all housing related issues in Hawaii.

The HPHA appreciates the opportunity to provide the Committee with the HPHA's testimony. We thank you very much for your dedicated support.



**STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I**  
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TESTIMONY  
OF  
BONNIE KAHAKUI, ACTING ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE  
ON  
HOUSING  
FEBRUARY 7, 2024, 10:00 AM

HOUSE BILL 2328  
RELATING TO AFFORDABLE HOUSING

Chair Evslin, Vice Chair Aiu, and members of the committee, thank you for the opportunity to submit testimony on HB2328. The State Procurement Office (SPO) supports the intent of the bill to address the need for more affordable housing. The SPO provides the following comments to Section 2, page 4, lines 1 to 4:

“...(c) Notwithstanding section 103D-302(h), Hawaii Revised Statutes, or any other law to the contrary, contracts awarded pursuant to this Act shall be exempt from any law requiring a contract to be awarded to the lowest bidder...”

**Comments:** For clarification, the acquisition of land is not subject to 103D as defined in HRS 103D-104, “excluding land or a permanent interest in land, leases of real property, and office rentals.” While the purchase of the property is not subject to the Procurement Code, the planning, designing, and construction of any property is subject to Chapter 103D, Hawaii Revised Statutes.

The SPO recommends that this exemption language be removed because the competitive sealed bidding method of procurement (103D-302) that awards contracts to the lowest responsive, responsible bidder does not have to be used. The Hawaii Public Housing Authority may utilize another method of procurement such as competitive sealed proposals, which takes into consideration various evaluation criteria besides price. There is no compelling reason to put this exemption language regarding competitive sealed bidding in statute when the agency has different options to plan,

design, and construct any improvements necessary to use the property for affordable housing purposes.

However, if it is the intent of the legislature to require the Hawaii Public Housing Authority to renovate the acquired properties, without the requirement of 103D-302(h) Competitive Sealed Bidding, then SPO would suggest using the competitive sealed proposal method of 103D-303, HRS, Competitive Sealed Proposals.

In the competitive sealed proposal method, award shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous, taking into consideration price and the evaluation factors set forth in the request for proposals. Price is a factor, but not the primary factor.

**Recommendation:** Revise the language in Section 2, page 4, lines 1 to 4, so it reads as follows:

~~(c) Notwithstanding section 103D-302(h), Hawaii Revised Statutes, or any other law to the contrary, Contracts awarded pursuant to the Act shall be exempt from any law requiring a contract to be awarded to the lowest bidder. use the competitive sealed proposal method of procurement, 103D-303, HRS.~~

Thank you.

**HB-2328**

Submitted on: 2/5/2024 11:46:54 AM

Testimony for HSG on 2/7/2024 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Neil Abercrombie	Individual	Support	In Person

Comments:

I strongly agree.